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**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO  
(I) FURTHER DELAY IN PUBLICATION OF THE ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2019; AND  
(II) THE UNAUDITED MANAGEMENT ACCOUNTS FOR THE  
YEAR ENDED 31 DECEMBER 2019**

This announcement is made by Polyard Petroleum International Group Limited (the “**Company**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to (i) the announcement of the Company dated 31 March 2020 (the “**2019 Unaudited Annual Results Announcement**”) in relation to, among others, the unaudited management accounts of the Company for the year ended 31 December 2019 and delay in publication of the annual results announcement and the annual report of the Company for the year ended 31 December 2019 (the “**2019 Annual Results**” and “**2019 Annual Report**”, respectively); and (ii) the announcement of the Company dated 18 May 2020 (the “**Further Delay Announcement**”) in relation to the further delay in publication of 2019 Annual Results. Unless the contexts require otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the 2019 Unaudited Annual Results Announcement.

The Board would like to provide additional information to the Shareholders and potential investors of the Company in relation to (i) the further delay in the publication of the 2019 Annual Results and the 2019 Annual Report; and (ii) the unaudited annual results for the year ended 31 December 2019.

**FURTHER DELAY IN PUBLICATION OF THE 2019 ANNUAL RESULTS AND THE 2019 ANNUAL REPORT**

As disclosed in the Further Delay Announcement, the COVID-19 pandemic is still severe across various countries and regions, including the ones that certain of the Company subsidiaries operate in, the operation and certain audit progress of the Company is further hindered mainly because of travel restrictions and quarantine policies. The Company understood from Confucius International CPA Limited (the “**Auditor**”) that, based on the current progress and the conditions of the COVID-19 pandemic, they have been obstructed by the curfew and travel restriction policies, particularly in the Philippines, and thus they could not visit the Company’s overseas subsidiaries and perform necessary field work including inspection of originals of the supporting documents such as vouchers, invoices, receipts, contracts, bank statements and other accounting documents etc. (the “**Audit Supporting Documents**”) as part of the audit procedures. As such, the financial information gathering and verification work in relation to these overseas subsidiaries have been heavily hindered and remain unavailable. The Auditor has considered alternative verification work such as reviewing the authenticity of the Audit Supporting Documents through video meetings as audit evidences to the Auditor. Accordingly, the Company currently expects that the publication of the 2019 Annual Results and the 2019 Annual Report will be further delayed to a date falling on or before 15 June 2020.

Set out below are the details of the Company's expected timetable in relation to the auditing process, the publication of the 2019 Annual Results and the 2019 Annual Report and convening of the annual general meeting of the Company (the "AGM"):

Date	Events/Tasks
On or before 13 June 2020	- Auditor to hold video meetings with the overseas offices of the Company (including offices in Manila of the Philippines, Beijing of the PRC and Macau) to review the authenticity of the Audit Supporting Documents for the preparation of subsidiary accounts and financial information
On or before 13 June 2020	- Auditor to finish audit procedures and discuss the audit findings with the Company - Auditor and the Company to complete the draft of the 2019 Annual Results and the 2019 Annual Report - Company to circulate the finalised Environmental, Social and Governance Report (the "ESG Report")
On or before 13 June 2020	- Independent professional valuer to issue the finalised valuation report in relation to the interests of joint venture regarding SC49 - Company and the Auditor to sign-off the 2019 Annual Results and the 2019 Annual Report (of which ESG Report forms part)
On or before 15 June 2020	- Company to hold audit committee meeting and Board meeting to approve the audited results for the year ended 31 December 2019 and to publish 2019 Annual Results and the 2019 Annual Report (of which ESG Report forms part)
On or before 31 July 2020	- Company to convene the AGM

The Company has applied to the Stock Exchange for an approval of extension to (i) publish the 2019 Annual Results and the 2019 Annual Report on a date falling on or before 15 June 2020; and (ii) convene the AGM on a date falling on or before 31 July 2020. By the letter from the Stock Exchange dated 11 June 2020, the Stock Exchange has approved such waiver application.

Further announcement(s) will be issued by the Company as and when necessary if there is any material change in the completion of the Company's audit procedures for the year ended 31 December 2019, the publication of the 2019 Annual Results and the 2019 Annual Report and the date of Board meeting.

## **SUPPLEMENTAL AND UPDATED INFORMATION TO THE UNAUDITED MANAGEMENT ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019**

As at the date of this announcement, the draft valuation report prepared by the independent professional valuer in relation to the interests of joint venture regarding the oil and gas project in South Cebu, the Philippines (i.e. SC49) has been available. Based on the available preliminary valuation of recoverable amount in view of changes in oil prices estimation, the Company agreed the valuation performed by the independent valuer in determining the impairment loss (the "**Impairment Loss**") on the interests of joint venture regarding SC49 in the amount of approximately HK\$85.2 million. The consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income will also be adversely affected accordingly. As (i) the valuation report is pending for finalization and is expected to be issued by the independent professional valuer on or before 13 June 2020; and (ii) the Auditor has not yet finished its audit procedures as at the date of this announcement, the Board would like to provide the Shareholders hereinafter an updated information on the unaudited management account for the year ended 31 December 2019, taking into account the Impairment Loss. The Shareholders should note that there may be additional adjustments to be made subject to the completion of the auditing process by the Auditor.

**Shareholders and potential investors are reminded that the information contained in this announcement is still subject to further review by the Company, the Auditor, the Audit Committee and independent professional valuer, 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 Auditor.**

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

For the year ended 31 December 2019

		2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Audited)
	Notes		
Turnover	5	—	—
Other Income	5	596	1,824
Administrative and other operating expenses	6	(18,060)	(26,262)
Finance costs		(18,407)	(16,535)
Impairment losses recognized on deferred exploration expenditure		—	(141)
Share of results of a joint venture		(84,841)	36
<b>Loss before income tax</b>	7	<b>(120,712)</b>	<b>(41,078)</b>
Income tax credit	8	—	36
<b>Loss for the year</b>		<b>(120,712)</b>	<b>(41,042)</b>
<b>Attributable to:</b>			
Owners of the Company		(88,612)	(40,694)
Non-controlling interests		(32,100)	(348)
		<b>(120,712)</b>	<b>(41,042)</b>
<b>Loss per share</b>	9		
— Basic (in HK cents)		<b>3.02 cents</b>	1.39 cents
— Diluted (in HK cents)		<b>3.02 cents</b>	1.39 cents

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

*For the year ended 31 December 2019*

	<b>2019</b> <b>HK\$'000</b> <b>(Unaudited)</b>	2018 HK\$'000 (Audited)
<b>Loss for the year</b>	<b>(120,712)</b>	(41,042)
<b>Other comprehensive income (expense)</b>		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	<u>(661)</u>	<u>(647)</u>
<b>Total comprehensive expense for the year</b>	<b><u>(121,373)</u></b>	<b><u>(41,689)</u></b>
<b>Attributable to:</b>		
Owners of the Company	<b>(88,835)</b>	(41,531)
Non-controlling interests	<u><b>(32,538)</b></u>	<u>(158)</u>
	<b><u>(121,373)</u></b>	<b><u>(41,689)</u></b>

# UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2019

		2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Audited)
	<i>Notes</i>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		144	363
Interests in a joint venture		<u>270,685</u>	<u>361,377</u>
		<u>270,829</u>	<u>361,740</u>
<b>CURRENT ASSETS</b>			
Other receivables	10	45,000	41,516
Cash and cash equivalents		<u>296</u>	<u>243</u>
		<u>45,296</u>	<u>41,759</u>
<b>CURRENT LIABILITIES</b>			
Other payables	11	(63,151)	(36,981)
Amounts due to directors		(11,758)	(10,540)
Convertible bonds	12	(150,000)	(150,000)
Obligations under finance leases — current portion		<u>—</u>	<u>(58)</u>
		<u>(224,909)</u>	<u>(197,579)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(179,613)</u>	<u>(155,820)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>91,216</u>	<u>205,920</u>

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

	<b>2019</b> <b>HK\$'000</b> <b>(Unaudited)</b>	2018 <i>HK\$'000</i> <b>(Audited)</b>
<b>NON-CURRENT LIABILITIES</b>		
Amounts due to a shareholder	<b>(67,209)</b>	(62,540)
Promissory note	<b>(2,000)</b>	—
	<b>(69,209)</b>	(62,540)
<b>NET ASSETS</b>	<b>22,007</b>	143,380
<b>CAPITAL AND RESERVES</b>		
Share capital	<b>117,502</b>	117,502
Reserves	<b>(113,454)</b>	(24,619)
Equity attributable to owners of the Company	<b>4,048</b>	92,883
Non-controlling interest	<b>17,959</b>	50,497
<b>TOTAL EQUITY</b>	<b>22,007</b>	143,380

# UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	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		
At 1 January 2018 (Audited)	117,502	998,012	985	15	3,285	(985,385)	50,655	185,069
Loss (profit) for the year	—	—	—	—	—	(40,694)	(348)	(41,042)
Other comprehensive income for the year	—	—	—	(837)	—	—	190	(647)
Total comprehensive income (expense) for the year	—	—	—	(837)	—	(40,694)	(158)	(41,689)
At 31 December 2018 and 1 January 2019 (Audited)	117,502	998,012	985	(822)	3,285	(1,026,079)	50,497	143,380
Loss for the year	—	—	—	—	—	(88,612)	(32,100)	(120,712)
Other comprehensive income (expense) for the year	—	—	—	(223)	—	—	(438)	(661)
Total comprehensive income (expense) for the year	—	—	—	(223)	—	(88,612)	(32,538)	(121,373)
At 31 December 2019	<u>117,502</u>	<u>998,012</u>	<u>985</u>	<u>(1,045)</u>	<u>3,285</u>	<u>(1,114,691)</u>	<u>17,959</u>	<u>22,007</u>

# RECONCILIATION OF THE UNAUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

Description	Disclosure in the 2019 Unaudited Annual Results Announcement <i>HK\$'000</i> <i>(Unaudited)</i>	Updated Disclosure <i>HK\$'000</i> <i>(Unaudited)</i>	Difference <i>HK\$'000</i> <i>(Unaudited)</i>	Notes
<b>Consolidated Statement of Profit or Loss</b>				
Share of results of a joint venture	403	(84,841)	(85,244)	Joint venture project impairment losses not previously recognized
Impairment losses recognised on deferred exploration expenditure	156	-	(156)	Value fluctuation was adjusted to exchange reserve
Loss before income tax	(35,311)	(120,712)	(85,401)	
Loss for the year	(35,311)	(120,712)	(85,401)	
<b>Consolidated Statement of Financial Position</b>				
Interests in a joint venture	357,074	270,685	(86,389)	Combined effect of the two line items is related to joint venture project impairment losses not previously recognized
Other receivables	43,856	45,000	1,144	
Non-current assets	357,218	270,829	(86,389)	
Current assets	44,152	45,296	1,144	
Total assets less current liabilities	176,461	91,216	(85,245)	
Net assets	107,252	22,007	(85,245)	



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

### 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, natural gas and coal, trading of petroleum related products 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

#### Going concern

The Group incurred a net loss of approximately HK\$120,712,000 for the year ended 31 December 2019 and as of that date the Group had net current liabilities of approximately HK\$179,613,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

In order to ensure the Group’s ability to operate as a going concern, the directors of the Company have implemented measures as follow:

- (i) In relation to the convertible bonds with principal amount of HK\$100,000,000 (“CB A”) subsequent to reporting period, 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 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. 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.

In relation to the convertible bonds with principal amount of HK\$50,000,000 (“CB B”), up to the date of this report, the Company and the holder of CB B are in the negotiation regarding the settlement arrangement of CB B.

- (ii) The Company has planned and is in negotiation with potential investors to raise sufficient funds through fund-raising arrangement.
- (iii) The ultimate controlling party has undertaken to provide adequate funds to enable the Group to meet its liabilities and to settle financial obligations to third parties as and when they fall due so that the Group can continue as a going concern and carry on its business without a significant curtailment of operations for the twelve months from the date of approval of these consolidated financial statements. In addition, the ultimate controlling party will not demand the Company for repayment of such loans until all other liabilities of the Group have been satisfied.

- (iv) The directors of the Company will continue to implement measures aiming at improving the working capital and cash flows of the Group including closely monitoring general administrative expenses and operating costs.

The directors of the Company have carried out a detailed review of the cash flow forecast of the Group for the next twelve months from the reporting date taking into account the impact of the above measures, the directors of the Company believe that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements. Accordingly, the consolidated financial statements for the year ended 31 December 2019 have been prepared on a going concern basis.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amount, to provide for future liabilities which might arise and to reclassify noncurrent assets and liabilities to current assets and liabilities respectively. The effects of these potential adjustments have not been reflected in these consolidated financial statements.

### **3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)**

#### **New and amendments to HKFRSs that are mandatorily effective for the current year**

The Group has applied the following new and amendments to HKFRSs and an interpretation issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

HKFRS 16	Leases
HK(IFRIC)- Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

Except as described below, the application of the above new and amendments to HKFRSs and an interpretation in the current year has 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 consolidated financial statements.

#### **HKFRS 16 Leases**

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 Leases (“HKAS 17”) and the related interpretations.

##### *Definition of a lease*

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)- Int 4 Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

### *As a lessee*

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

On transition, the Group has not made any adjustments upon application of HKFRS 16 because the Group had no right-of-use assets and liabilities for lease at 1 January 2019.

### *Amendments to HKAS 28 Long-term Interests in Associates and Joint Ventures*

The amendments clarify that an entity applies HKFRS 9 Financial Instruments (“HKFRS 9”), including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied that form part of the net investment in the investee. Furthermore, in applying HKFRS 9 to long-term interests, an entity does not take into account adjustments to their carrying amount required by HKAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with HKAS 28).

As at 31 December 2019, amounts due from joint ventures of HK\$38,696,000 are considered as long-term interests that in substance form part of the Group’s net investments in the relevant joint ventures. However, the application is not expected to have impact as the Group’s existing accounting policies are consistent with the requirements clarified by the amendments.

### **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 <sup>1</sup>
Amendments to HKFRS 3	Definition of a Business <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 1 and HKAS 8	Definition of Material <sup>4</sup>
Amendments to HKFRS 9, HKAS 39 and HKAS 27	Interest Rate Benchmark Reform <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2021.

<sup>2</sup> 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.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2020.

#### 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 2019 and for the year 2018, the Group has two reportable and operating segments— (1) exploration of oil, natural gas and coal, 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

###### 2019

	Exploration of oil, natural gas and coal <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	—	3,067	(3,067)	—
Reportable segment revenue	—	3,067	(3,067)	—
Reportable segment loss before income tax	(5,486)	(3,617)	—	(9,103)
Unallocated corporate expenses				(8,361)
Share of results of a joint venture	(84,841)			(84,841)
Unallocated interest expenses				(18,407)
Loss before income tax				(120,712)

**2018**

	Exploration of oil, natural gas and coal <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	<u>—</u>	<u>5,515</u>	<u>(5,515)</u>	<u>—</u>
Reportable segment revenue	<u><u>—</u></u>	<u><u>5,515</u></u>	<u><u>(5,515)</u></u>	<u><u>—</u></u>
Reportable segment loss before income tax	(4,885)	(7,160)	—	(12,045)
Unallocated corporate expenses				(12,393)
Share of results of a joint venture	36			36
Impairment losses recognised on deferred exploration expenditure	(141)			(141)
Unallocated interest expenses				<u>(16,535)</u>
Loss before income tax				<u><u>(41,078)</u></u>

<b>2019</b>	<b>Exploration of oil natural gas and coal <i>HK\$'000</i></b>	<b>Provision of Technical services <i>HK\$'000</i></b>	<b>Elimination <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
Assets:				
Segment assets	43,381	923	—	44,304
Interests in a joint venture	270,685			270,685
Unallocated corporate assests				<u>1,136</u>
Total assets				<u><u>316,125</u></u>
Liabilities:				
Segment liabilities	3,832	13,319	—	17,151
Unallocated corporate liabilities				<u>276,967</u>
Total liabilities				<u><u>294,118</u></u>
 <b>2018</b>	 <b>Exploration of oil natural gas and coal <i>HK\$'000</i></b>	 <b>Provision of Technical services <i>HK\$'000</i></b>	 <b>Elimination <i>HK\$'000</i></b>	 <b>Total <i>HK\$'000</i></b>
Assets:				
Segment assets	38,597			38,597
Interests in a joint venture	361,377			361,377
Unallocated corporate assets				<u>3,525</u>
Total assets				<u><u>403,499</u></u>
Liabilities:				
Segment liabilities	3,351			3,351
Unallocated corporate liabilities				<u>256,768</u>
Total liabilities				<u><u>260,119</u></u>

*Other segment information*

<b>2019</b>	<b>Exploration of oil natural gas and coal HK\$'000</b>	<b>Provision of Technical services HK\$'000</b>	<b>Unallocated HK\$'000</b>	<b>Total HK\$'000</b>
Depreciation	15	22	122	159
Additions to non-current assets	<u>7,591</u>	<u>13</u>	<u>—</u>	<u>7,604</u>
<b>2018</b>	<b>Exploration of oil natural gas and coal HK\$'000</b>	<b>Provision of Technical services HK\$'000</b>	<b>Unallocated HK\$'000</b>	<b>Total HK\$'000</b>
Depreciation	99	36	166	301
Additions to non-current assets	<u>3,960</u>	<u>—</u>	<u>—</u>	<u>3,960</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.

	<b>Revenue from external customers</b>		<b>Specified non-current assets</b>	
	<b>2019 HK\$'000</b>	<b>2018 HK\$'000</b>	<b>2019 HK\$'000</b>	<b>2018 HK\$'000</b>
Mainland China, including Hong Kong and Macau	—	—	78	213
Philippines	<u>—</u>	<u>—</u>	<u>270,751</u>	<u>361,527</u>
	<u>—</u>	<u>—</u>	<u>270,829</u>	<u>361,740</u>

## 5. TURNOVER AND OTHER INCOME

The Group did not have any turnover during the year (2018: Nil) and an analysis of the Group's other income for the year is as follows:

	<b>2019</b> <b>HK\$'000</b>	<b>2018</b> <b>HK\$'000</b>
Bank interest income	<b>1</b>	<b>1</b>
Other miscellaneous income	<b>45</b>	<b>60</b>
Service income	<b>550</b>	<b>1,763</b>
	<b>596</b>	<b>1,824</b>

## 6. FINANCE COSTS

	<b>2019</b> <b>HK\$'000</b>	<b>2018</b> <b>HK\$'000</b>
Interest expenses on bank overdraft	<b>104</b>	<b>87</b>
Late charges of interest expenses on convertible bonds	<b>3,082</b>	<b>1,222</b>
Interest expenses on convertible bonds	<b>15,000</b>	<b>15,219</b>
Finance lease charges	<b>1</b>	<b>7</b>
Interest expenses on promissory note	<b>220</b>	<b>—</b>
	<b>18,407</b>	<b>16,535</b>



## 7. LOSS BEFORE INCOME TAX

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

	2019 HK\$'000	2018 HK\$'000
Staff costs (including directors' emoluments)		
— Salaries, allowances and benefits in kind	12,270	15,529
— Discretionary bonus	—	—
— Retirement scheme contributions	67	128
	<u>12,337</u>	<u>15,657</u>
Auditor's remuneration		
Audit service	600	600
Non-audit service	—	—
	<u>600</u>	<u>600</u>
Depreciation of property, plant and equipment	159	301
Operating lease payments for land and buildings and equipment	<u>1,978</u>	<u>1,738</u>

## 8. INCOME TAX CREDIT

Income tax credit recognised in profit or loss

	2019 HK\$'000	2018 HK\$'000
Current income tax	—	—
Deferred tax	—	36
	<u>—</u>	<u>36</u>

No Hong Kong Profits Tax has been provided as the Group had no assessable profits in Hong Kong for the year (2018: 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.

Deferred tax for the year represents tax income recognised on reversal of temporary differences arising from convertible bonds.

No deferred tax asset 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 utilised.

There was no material unprovided deferred tax liabilities as at the end of the year (2018: 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:

	<b>2019</b> <b>HK\$'000</b>	2018 HK\$'000
Loss before income tax	<b>(120,712)</b>	(41,078)
Notional income tax, calculated at the tax rates applicable to the jurisdictions concerned	<b>(19,314)</b>	(6,821)
Tax effect of share of results of a joint venture	—	6
Tax effect of impairment losses recognised on amounts due from associates	—	—
Tax effect of impairment losses recognised on deferred exploration expenditure	—	—
Tax effect of losses not allowable	<b>19,314</b>	6,835
Tax effect of allowable losses not recognised	—	—
Utilisation of allowable losses previously not recognised	—	(20)
Deferred tax on convertible bonds	—	(36)
Income tax credit for the year	—	(36)

## 9. 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:

	<b>2019</b> <b>HK\$'000</b>	<b>2018</b> <b>HK\$'000</b>
Loss for the year attributable to the owners of the Company	<b><u>(88,612)</u></b>	<b><u>(40,694)</u></b>
	<b>2019</b> <b>'000</b>	<b>2018</b> <b>'000</b>
Weighted average number of ordinary shares for the year	<b><u>2,937,538</u></b>	<b><u>2,937,538</u></b>

During the years ended 31 December 2019 and for the year 2018, 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 pershare, and is regarded as anti-dilutive.

## 10. OTHER RECEIVABLES

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Prepayments	973	1,499
Deposits and other debtors	5,331	1,378
Amounts due from parties to a joint venture ( <i>Note</i> )	<u>38,696</u>	<u>38,639</u>
	<u><u>45,000</u></u>	<u><u>41,516</u></u>

*Note:*

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.

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.

## 11. OTHER PAYABLES

	<b>2019</b> <b>HK\$'000</b>	2018 <i>HK\$'000</i>
Accrued charges	<b>27,022</b>	18,246
Interest payables	<b>36,086</b>	17,784
Other payables	<b>43</b>	951
	<u><b>63,151</b></u>	<u>36,981</u>

## 12. CONVERTIBLE BONDS

	<b>Convertible Bonds A HK\$'000</b>	<b>Convertible Bonds B HK\$'000</b>	<b>Total HK\$'000</b>
At 1 January 2018	100,000	49,781	149,781
Interest charged	10,000	5,219	15,219
Interest paid/payable	<u>(10,000)</u>	<u>(5,000)</u>	<u>(15,000)</u>
At 31 December 2018 and 1 January 2019	100,000	50,000	100,000
Interest charged	10,000	5,000	15,000
Interest paid/payable	<u>(10,000)</u>	<u>(5,000)</u>	<u>(15,000)</u>
At 31 December 2019	<u><b>100,000</b></u>	<u><b>50,000</b></u>	<u><b>150,000</b></u>

	<b>2019</b> <b>HK\$'000</b>	2018 <i>HK\$'000</i>
Carrying amount repayable:	150,000	150,000
Overdue		
Within one year	<u>—</u>	<u>—</u>
	<u><b>150,000</b></u>	<u><b>150,000</b></u>

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

	Convertible Bonds A (“CB A”)	Convertible Bonds B (“CB B”)
<b>Principal amount:</b>	HK\$100,000,000 in HKD settlement	HK\$50,000,000 in HKD settlement
<b>Interest:</b>	10% p.a. payable quarterly	10% p.a. payable semi-annually
<b>Issue date:</b>	21 July 2015	28 January 2016
<b>Maturity date:</b>	21 July 2017 (Note (a))	28 January 2018 ( <i>Note (b)</i> )
<b>Conversion price per share:</b>	HK\$0.4	HK\$0.414
<b>Particulars of guarantee:</b>	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
<b>Survival of conversion right:</b>	Exercisable until fully settled	Exercisable until fully settled

*Notes:*

- (a) On 31 May 2018, the Company, its holding Company, 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.

Subsequent to reporting period, 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 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 CBA by the Company within thirty months from the date of the 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. 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.

## FINANCIAL REVIEW

The Group did not generate any turnover for the year ended 31 December 2019 (2018: Nil). The Group recorded a net loss attributable to owners of the Company of approximately HK\$88,612,000 for 2019 (2018: approximately HK\$40,694,000).

Loss for the year included an impairment loss of approximately HK\$85,244,000 on the oil and gas project in South Cebu, the Philippines as a result of changes in oil prices (2018: approximately HK\$37,000).

Administrative and other operating expenses for the year ended 31 December 2019 amounted to approximately HK\$18,060,000 representing a decrease of approximately HK\$8,202,000 or 31%, 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 2019 amounted to approximately HK\$18,407,000 (2018: approximately HK\$16,535,000). The increase in interest costs was mainly resulted from late charges of interest expenses on convertible bonds.

## LIQUIDITY, FINANCIAL RESOURCES, CAPITAL AND GEARING

As at 31 December 2019, the Group had net assets amounted to approximately HK\$22.0 million (2018: approximately HK\$143.4 million) and net current liabilities amounted to approximately HK\$179.6 million (2018: approximately HK\$155.8 million). The current ratio was 20% (2018: 21%). The gearing ratio of the Group based on the net debt to the total equity was 1,335% (2018: 181%).

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, Silver Star, Mr. Lam Nam, a ultimate controlling party of the Company (“Personal Guarantor”) and the holder of Convertible Bonds A in principal amount of HK\$100,000,000 entered into a 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, pursuant to which both parties had agreed that the maturity date of CB A to be been 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 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. 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.

On 15 October 2018, the Company and holder of Convertible Bonds B in principal amount of HK\$50,000,000 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. 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.

Details were disclosed in the Company's announcements dated 31 May 2018, 15 October 2018 and 6 January 2020.

## **EMPLOYEE INFORMATION**

The Group had a total number of staff of 46 (2018: 58). 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\$12.3 million for the year as compared with that of approximately HK\$15.7 million in 2018.

## **BUSINESS REVIEW AND PROSPECTS**

### **Philippines Central Luzon Gas Project**

As to the Philippines Central Luzon Gas Project, the project management conducted a further support study for new drilling plan in light of the delay in drilling project. Upon the extended expiry of the current exploration sub-phase on 9 November 2019, the Company applied for re-extension but was rejected by the Department of Energy (the "DOE") of the Philippines in December 2019. The Company submitted the reconsideration request, which is under the consideration of the DOE.

Due to the delay of the development of the project, the recoverability of the Gas Project was still in doubt. Management determined that it was appropriate to adopt a prudence approach to fully write down the carrying amount of the deferred exploration expenditure associated with the Gas Project.

### **Philippines San Miguel Coal Mine Project**

As to the Philippines San Miguel Coal Mine Project, it 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.

As described in the above, the development of the Coal Mine Project has been suspended and could only be resumed after obtaining a tree cutting permit. In view to the ongoing suspension for the development of the coal mine and the pessimistic business outlook of the coal industry in the Philippines, management was in its view that the issue might not be resolved in the short term and it was appropriate to adopt a prudence approach to fully write down the carrying amount of the project.



## **Philippines South Cebu Oil and Gas Project (“SC49”)**

As to the Philippines South Cebu Oil and Gas Project (“SC49”), on 11 January 2019, CIMP signed a crude oil sales contract with Greater Alegria Oil Inc. (“GAO”), a Philippine buyer. In April 2019, GAO dispatched a vessel to Cebu hauling oil for the first time, launching the oil shipping. The oil sale continues to date. Besides GAO, TPPDI lifted oil from time to time and several other potential buyers have shown their interest 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.

In July 2019, potential partners contacted CIMP, expressing their intention to build a small refinery with an annual output of 750,000 barrels in the wellsite area, and completed the feasibility assessment and preliminary plan. Further cooperation is under development.

In November 2019, CIMP submitted to the Department of Energy the 2020 annual work program and budget. CIMP plans to drill three production wells in 2020 and then will drill another additional well, which depends on the results of drilling. The procurement of drilling materials and production facilities is under way.

In December 2019, another potential partner contacted CIMP, hoping to make good use of the associated gas produced in crude oil production and proposing to install LPG equipment at the well site to can LPG for sale in Cebu market. Potential partners are currently designing the scheme. Further cooperation is under development.

In preparing ourselves for production, the Company will at the same time 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 despite the increased cautiousness of the capital market in investing in oil projects.

An impairment loss of approximately HK\$85,244,000 (2018: approximately HK\$37,000) was made in the financial year in respect of the oil and gas project.

In reaching the above decision, an impairment analysis with the assistance of an independent valuer has been undertaken. The independent valuer adopted income approach to determine the recoverable amount of the Oil and Gas Project as at 31 December 2019. The income approach was based on discounted cash flow projection covering twenty-two period using a discount rate of 16.15% p.a.

The Company believes that the estimates/assumptions applied in the assessment of recoverable amount by the independent valuer are reasonable. However, these estimates/assumptions are subject to significant uncertainties and judgments. The Company has made its best estimates of all relevant factors to be included in the income approach based on the latest information available. However, it is possible that the underlying estimates/assumptions can be changed significantly and further impairment charges / reversal of charges may be required in future period.

## Significant Investments, Acquisitions and Disposals

Apart from the investment as disclosed in the “Business Review and Prospects” section, there were no significant investments held, acquisitions or disposals of subsidiaries and affiliated companies by our Group throughout the year ended 31 December 2019. Our Group did not have other plans for significant investments, acquisitions and disposal of subsidiaries as at 31 December 2019.

## Charges on Assets

As at 31 December 2019, the Group did not charge any of its assets (31 December 2018: 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 2019.

## Subsequent events

The Group did not have any material subsequent events up to the date of this announcement.

## Summary of Expenditure Incurred for Projects

A summary of expenditure incurred for the above projects by the Group for the year ended 31 December 2019 is as follows:

	<b>2019</b> <b>HK\$'000</b>	<b>2018</b> <b>HK\$'000</b>
Philippines Central Luzon Gas Project	—	141
Philippines San Miguel Coal Mine Project	—	—
Philippines South Cebu Oil and Gas Project	<b>7,591</b>	3,944

## **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 waste water 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 2019.

## **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 2019, 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 consolidated results of the Group for the year ended 31 December 2019 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 management accounts as announced in the 2019 Unaudited Annual Results Announcement 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.

By order of the Board  
**Cheng, Yun Sing**  
Company Secretary

Hong Kong, 11 June 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](http://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](http://www.ppig.com.hk).*