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東方明珠石油有限公司*
Pearl Oriental Oil Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 632)

(1) UPDATE ON ANNOUNCEMENT DATED 28 MARCH 2013

AND

(2) RESUMPTION OF TRADING OF SHARES

Reference is made to the announcement dated 28 March 2013 of Pearl Oriental Oil Limited (the “Company”, together with its subsidiaries, “the Group”) in relation to the investigation of certain of the Company’s personnel by the ICAC (the “March Announcement”). Capitalised terms used in this announcement shall have the same meanings as those defined in the March Announcement.

The board of directors (the “Board”) of the Company announces that it was informed by Mr. Wong (Chairman and executive director of the Company) and Ms. Yip Sui-kuen Kitty (administrative manager of the Company) (“Ms. Yip”) that they were charged by the ICAC on 7 October 2013 as follows (the “Charges”):

- (1) Mr. Wong and Ms. Yip were each charged with two counts of conspiracy to defraud under the common law. The charges allege that between 1 December 2009 and 17 May 2011, Mr. Wong and Ms. Yip, together with two other persons, conspired to defraud The Stock Exchange of Hong Kong Limited (“Stock Exchange”), the Company, its existing shareholders and its potential investors by dishonestly:
 - (a) falsely representing that before the investment opportunity was first introduced to the Company by Marvel Sunlight Limited (“MSL”) and Charcon Assets Limited (“CAL”) for the acquisition of certain natural gas and oil fields in Utah, the United States of America (the “Assets”), MSL had already reached an agreement for its investment with Thurston Energy, LLC, the owner of the said natural gas and oil fields;
 - (b) falsely representing that MSL, being one of the vendors in the Company’s acquisition of the entire issued share capital of Festive Oasis Limited (“FOL”) (the “Acquisition”), and its beneficial owners were third parties independent of the Company and its connected persons;
 - (c) falsely representing that the original acquisition cost incurred by CAL, a company solely owned by Mr. Wong, on 35 percent interest of FOL was US\$70 million;

- (d) causing the Stock Exchange to allow the publication by the Company of an announcement and a circular in relation to the Acquisition; and
 - (e) causing the Company to approve the agreement for the Acquisition and the allotment and issue of new shares for its payment.
- (2) In addition, Ms. Yip was charged with one count of dealing with property known or believed to represent proceeds of an indictable offence, contrary to Sections 25(1) and (3) of the Organized and Serious Crimes Ordinance (Cap. 455 of the Laws of Hong Kong). This charge alleges that between 26 January 2011 and 27 January 2011, Ms. Yip, knowing or having reasonable grounds to believe that property, namely, HK\$3 million, in whole or in part directly or indirectly represented proceeds of an indictable offence, dealt with the said property.

The Company has been informed that the charged persons have not been tried nor were they convicted of any offence. Mr. Wong and Ms. Yip have informed the Board that they deny the alleged Charges and will strongly contest the Charges. According to the press release published on the ICAC website on 8 October 2013, the case has been adjourned for mention on 19 November 2013, pending further inquiries. Both Mr. Wong and Ms. Yip are currently released on bail and are ordered not to leave Hong Kong.

The Board has constituted an executive committee (the “Executive Committee”) to be responsible for the daily management and operations of the Group and reporting to the Board. Members of the Executive Committee comprise three executive directors, namely, Mr. Law Wing Tak, Jack (Chairman of the Executive Committee and Chief Executive Officer), Mr. Wong Hui Tung (Chief Financial Officer) and Mr. Zhou Li Yang (Chief Operating Officer).

In light of the Charges, the Board has also resolved to amend the terms of reference of the Special Committee (originally formed on 4 February 2013) to authorise it to review, attend to and make recommendations on all matters relating to the Company arising from the Charges (instead of the original Allegations), and to expand its membership to include all three independent non-executive directors, Mr. Lam Kwan, Mr. Chan Kwan Pak and Ms. Yuen Sau Ying, Christine and two executive directors, Mr. Law Wing Tak, Jack and Mr. Wong Hui Tung. Mr. Lam Kwan remains as Chairman of the Special Committee.

The Special Committee has reviewed and endorsed the internal procedures in place to ensure the legitimacy of receipts and payments. In addition, noting that with the Executive Committee having direct responsibility for the Group’s management and operations, the Special Committee considered that it is appropriate for Mr. Wong to continue with his current role in the overall strategic direction and development of the Group.

To the extent the Charges relate to the Assets, the Board and the Special Committee also note that the price paid for the Assets was supported by independent professional certification or verification (as the case may be) of amount of resources, valuation and title of the Assets. As stated in the Company’s latest annual and interim reports, the Assets continue to be producing and are owned and operated by the Group.

The Special Committee will proactively seek to understand more about the allegations underlying the Charges and continue to review the position of the Company in accordance with its terms of reference on a regular basis.

Given that the Charges were made against the relevant persons rather than against the Company itself, the Company is not in the position to comment on the Charges and related allegations. **Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.**

Save as disclosed in this announcement, the Board has no other information in relation to the Charges that needs to be brought to the attention of the shareholders.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 7 October 2013. Trading in the Shares on the Stock Exchange will resume with effect from 9 a.m. on 29 October 2013.

As at the date hereof, the Board comprises five executive directors, namely Mr. Wong Yuk Kwan (alias: Wong Kwan), Mr. Mohamad Ajami, Mr. Law Wing Tak Jack, Mr. Wong Hiu Tung and Mr. Zhou Li Yang; one non-executive director, namely Mr. Baiseitov Bakhytbek; and three independent non-executive directors, namely Mr. Lam Kwan, Mr. Chan Kwan Pak and Ms. Yuen Sau Ying, Christine.

By Order of the Board
Pearl Oriental Oil Limited
Law Wing Tak, Jack

Executive Director and Chief Executive Officer

Hong Kong, 28 October 2013

* *For identification purposes only*