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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)

**ANNOUNCEMENT PURSUANT TO
RULE 3.7 OF THE TAKEOVERS CODE AND
RULE 13.09 OF THE LISTING RULES AND
INSIDE INFORMATION PROVISIONS UNDER PART XIVA
OF THE SECURITIES AND FUTURES ORDINANCE**

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 3.7 of the Hong Kong Takeovers and Mergers (the “**Takeovers Code**”).

MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 24 August 2017 (after trading hours), the Company entered into the MOU with North Petroleum & Chemical Group Co., Ltd. (“**NPC Group**”), pursuant to which NPC Group has proposed to subscribe for the Subscription Shares (which will represent 55.0% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares) (the “**Proposed Subscription**”).

Major terms of the MOU are set out below:

Date:

24 August 2017

* *For identification purposes only*

Parties:

- (i) The Company; and
- (ii) NPC Group.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of NPC Group and its ultimate beneficial owners is an Independent Third Party.

Subject matter of the MOU:

NPC Group has proposed to subscribe for the Subscription Shares (which will represent 55.0% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares).

Consideration:

The amount of the consideration for the Proposed Subscription shall be subject to agreement by the Parties to the MOU and to be set out in the Formal Agreement.

Binding effect of the MOU:

The MOU (save for the clauses relating to confidentiality, binding effect, governing law and dispute resolution) is not legally binding.

GENERAL

The MOU may or may not lead to the entering into of the Formal Agreement and the transaction contemplated thereunder may or may not be consummated. The Proposed Subscription, if materialised, may constitute a notifiable transaction for the Company under the Listing Rules. Further announcement will be made in respect thereof as and when required by the Listing Rules.

At this time, no firm offer or proposal has been communicated to the Company and there is no certainty that the Proposed Subscription will materialise into a credible offer. Shareholders and/or potential investors in the Company should therefore exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Board”	the board of Directors
“Company”	Pearl Oriental Oil Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board
“Director(s)”	the director(s) of the Company
“Formal Agreement”	the formal share subscription agreement which may or may not be entered into in relation to the Proposed Subscription
“Independent Third Party”	a party who is a third party independent of the Company and its connected persons and their respective associates (within the meaning of the Listing Rules)
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“MOU”	the memorandum of understanding dated 24 August 2017 entered into between the Company and NPC Group in relation to the Proposed Subscription
“NPC Group”	North Petroleum & Chemical Group Co., Ltd., a company incorporated in the People’s Republic of China
“Party(ies)”	Party(ies) to the MOU
“Proposed Subscription”	NPC Group’s proposed subscription of the Subscription Shares (which will represent 55.0% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares)
“Share(s)”	the ordinary share(s) in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription Shares”

the shares of the Company proposed to be allotted and issued to NPC Group at completion of the Proposed Subscription, which shall represent 55.0% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares

By order of the Board
Pearl Oriental Oil Limited
Fan Amy Lizhen
Chairlady and Executive Director

Hong Kong, 24 August 2017

As at the date hereof, the Board comprises four executive Directors, namely Ms. Fan Amy Lizhen, Mr. Cheung Kam Shing, Terry, Mr. Tang Yau Sing and Mr. Cheung Ka Chun, David; and five independent non-executive Directors, namely Mr. Wang Jing Ting, Mr. Koo Luen Bong, Mr. Chau Wing Man, Mr. Lam Kwan and Mr. Chan Kwan Pak.