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# 東方明珠石油有限公司\*

## Pearl Oriental Oil Limited

*(the "Company")*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 632)**

### **(1) UPDATE ON INVESTIGATION**

**AND**

### **(2) RESUMPTION OF TRADING OF SHARES**

#### **INVESTIGATION**

Reference is made to the Company's announcement dated 8 January 2013 in relation to the suspension of trading of the Company's shares on the Stock Exchange as from 9:17 a.m. on 8 January 2013 pending disclosure of inside information pursuant to the SFO and the announcement dated 29 January 2013 and 13 March 2013 in relation to, among other things, the investigation of certain executive directors and an administrative manager by the ICAC (the "**Announcements**"). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Company has written to the ICAC to request for information relating to the Allegations and the Company received a written reply from the ICAC on 6 February 2013 informing the Company that ICAC is conducting an investigation concerning allegations that Mr. Wong, Dr. Lew, Mr. Cheung and an administrative manager of the Company (the "**Investigated Persons**") might have conspired to use false documents to mislead the board of directors and shareholders of the Company during an acquisition (the "**Acquisition**") of the interest of gas and oil fields in Utah of the United States in 2010 and that Mr. Wong might have offered advantages to Mr. Cheung and the administrative manager as a reward for their assistance in relation to the above (the "**Investigation**"). All the Investigated Persons have denied any and all allegations as mentioned in the ICAC's reply above. As at the date of this announcement and as far as the Board is aware, no charges have been laid against the Investigated Persons and no member of the Group was the subject of the Investigation. As at the date of this announcement, Mr. Wong is the only Investigated Person who remains as a director of the Company. The Company has been notified that Mr. Wong has surrendered his travel documents to the Commissioner of the ICAC in pursuance of a court notice dated 22 February 2013, and that Mr. Wong has initiated legal processes in seeking the release of his travel documents and removal of his travel restriction.

#### **UPDATES SINCE THE INVESTIGATION**

##### *Strengthening of the Board*

With the recent changes to the Board, the Board now comprises nine directors, including industry experts in the oil and gas industry, in addition to established professionals who have extensive Hong Kong listed issuers management experience. The Board considers that the executive directors are capable of managing the operations and growth of the Group independently, professionally and with integrity, and that the current composition of the Board will enable the

Company to operate in a manner that can address both regulatory compliance with the requisite industry expertise to ensure its business can operate in a competent and effective way. The Group does not have any bank borrowings, and, as at 31 December 2012, had audited cash reserves of approximately HK\$200 million, which is more than adequate to meet the Group's current working capital requirements.

### *Special Committee*

As disclosed in the Company's announcement of 13 March 2013, the Company on 4 February 2013 established a special committee (the "**Special Committee**"), after the Investigation to review and attend to the matters which may arise from the Investigation. The Special Committee now comprises independent non-executive director Mr. Lam Kwan, non-executive director Mr. Chen Ping, and executive directors Mr. Law Wing Tak, Jack and Mr. Wong Hiu Tung.

Based on the information currently available and enquiries made by the Special Committee since its establishment, nothing has come to the notice of the Special Committee that indicate wrongdoing on the part of any of the Investigated Persons during the course of the Acquisition or that there has been any material change to the operations of the Group thereafter that has not been disclosed. The Special Committee has noted the recent departure of two of the Investigated Persons from the Board and is of the view that Mr. Wong remains capable of fulfilling his duties as Chairman of the Company.

The Special Committee will continue to review the position of the Company and perform their duties in accordance with its terms of reference on a regular basis.

The Directors confirm that there is no other inside information that needs to be disclosed under Part XIVA of the SFO.

### **RESUMPTION OF TRADING**

Trading in the Shares on the Stock Exchange has been suspended from 9:17 a.m. on 8 January 2013. Trading in the Shares on the Stock Exchange will resume with effect from 9:00 a.m. on 2 April 2013.

*As at the date hereof, the Board comprises four executive Directors, namely Mr. Wong Yuk Kwan (alias: Wong Kwan), Mr. Mohamad Ajami, , Mr. Law Wing Tak, Jack and Mr. Wong Hiu Tung ; two non-executive Directors, namely Mr. Baiseitov Bakhytbek and Mr. Chen Ping; 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 March 2013

\* *For identification purposes only*