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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**

**POSSIBLE DERIVATIVE ACTION  
AND  
ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE**

This announcement is made by the board (the “**Board**”) of directors (“**Directors**”) of Pearl Oriental Oil Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance.

**POSSIBLE DERIVATIVE ACTION**

On 23 October 2018, the Company received an originating summons (the “**Originating Summons**”) dated 22 October 2018 in which the applicant, Mr. Chung Keng (“**Mr. Chung**”), holds 142,306,400 shares in the Company, representing approximately 4.38% of the issued share capital of the Company, requests the Court of First Instance of the High Court to grant leave to commence a derivative action (the “**Derivative Action**”) for and on behalf of the Company against Ms. Fan Amy Lizhen (“**Ms. Fan**”) and Mr. Tang Yau Sing (“**Mr. Tang**”) for breach of directors’ duties owed to the Company. Relief is sought in the name of the Company, including damages to be assessed for breaches of duties, interest and costs. Each of Ms. Fan and Mr. Tang are executive Directors of the Company as of the date of this announcement.

**ESTABLISHMENT OF AN INDEPENDENT BOARD COMMITTEE OF THE BOARD OF DIRECTORS**

As the Derivative Action is made against Ms. Fan and Mr. Tang as executive Directors, the Board is of the view that the Company’s conduct of the Derivative Action and the matters relating thereto should be delegated to an independent board committee (the “**Independent Board Committee**”). Pursuant to bye-law 120 of the bye-laws of the Company, on 5 November 2018, the Board resolved that the Independent Board Committee be established for the purposes of (a) conducting an independent investigation on the issues and matters arising from and/or relating to the Derivative Action; (b) seeking professional legal advice (for itself and on behalf of the Company) on the course

of action that may be taken by the Company in relation to the Derivative Action and all matters relating thereto; and (c) conducting the Derivative Action and all matters relating thereto. The members of the Independent Board Committee comprise the independent non-executive Directors, namely Ms. Chen Xue Hui, Ms. Hu Jing and Ms. Lyu Jia Lian. The Independent Board Committee has been delegated with such powers, authorities and discretions as necessary or desirable for the purposes.

As of the date of this announcement, the Court of First Instance of the High Court has yet to consider and grant leave to commence the Derivative Action. The Company is seeking legal advice on the Originating Summons and the Derivative Action. The Company will issue further announcement(s) as and when required if there is any material development on the Derivative Action.

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

Hong Kong, 5 November 2018

*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. Lin Qing Yu; and three independent non-executive Directors, namely Ms. Chen Xue Hui, Ms. Hu Jing and Ms. Lyu Jia Lian.*

*\* for identification purposes only*