
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Pearl Oriental Oil Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed dealer, or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Pearl Oriental Oil Limited to be held at Suites 1905-07, 19th Floor, Tower 6, The Gateway, Harbour City, Kowloon, Hong Kong on 29 June 2018, at 4:00 p.m. is set out in this circular. A form of proxy for use at the annual general meeting is enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.pearloriental.com).

Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time fixed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the annual general meeting or any adjourned meeting if you so wish.

6 April 2018

* *For identification purposes only*

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DEFINITIONS

“AGM”	the annual general meeting of the Company to be convened on 29 June 2018, at 4:00 p.m. at Suites 1905-07, 19th Floor, Tower 6, The Gateway, Harbour City, Kowloon, Hong Kong
“Associate”	has the meaning ascribed to this term under the Listing Rules
“Board”	board of Directors
“Bye-laws”	the Bye-laws adopted by the Company, and as amended from time to time by resolution of the Shareholders of the Company
“Chairlady”	chairlady of the Board
“Company”	Pearl Oriental Oil Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK Dollar(s)” or “HK\$”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	27 March 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Repurchase Mandate”	the proposed repurchase mandate be granted to the Directors to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing the resolution for approving the repurchase mandate
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share Issue Mandate”	the proposed issue mandate to be granted to the Directors to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the resolution for approving the share issue mandate
“Share(s)”	ordinary share(s) of HK\$0.10 in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



東方明珠石油有限公司*

Pearl Oriental Oil Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 632)

Executive Directors:

Fan Amy Lizhen
Tang Yau Sing
Cheung Kam Shing, Terry
Cheung Ka Chun, David

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Independent Non-executive Directors:

Lum Pak Sum
Chan Sung Wai
Koo Luen Bong
Chau Wing Man
Wang Jing Ting
Lam Kwan
Chan Kwan Pak

*Head office and principal place of
business in Hong Kong:*

Suites 1905-07, 19th Floor
Tower 6, The Gateway
Harbour City
Kowloon
Hong Kong

6 April 2018

To the Shareholders

Dear Sirs,

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the ordinary resolutions to be proposed at the AGM for the approval of (a) the Share Issue Mandate; (b) the Repurchase Mandate; (c) the extension of the Share Issue Mandate and (d) the re-elections of Directors. This circular contains the explanatory statement and gives all the information reasonably necessary to enable the Shareholders to make informed decisions on whether to vote for or against the resolutions to be proposed at the AGM.

A notice convening the AGM is set out on pages 16 to 19 to this circular.

* *For identification purposes only*

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE SHARES

An ordinary resolution will be proposed at the AGM to grant the Directors a general and unconditional mandate to allot, issue and deal with Shares of HK\$0.10 each in the Company with not exceeding 20% of the aggregate number of the issued share capital of the Company at the date of the passing of such resolution (i.e. 649,103,950 Shares assuming that no Shares will be issued or repurchased by the Company prior to the date of the AGM). The Share Issue Mandate, if granted, will remain effective until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held under the Bye-laws or any applicable laws of the Bermuda or the Listing Rules; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

GENERAL MANDATE TO REPURCHASE SHARES

An ordinary resolution will be proposed at the AGM to grant the Directors a general and unconditional mandate to repurchase Shares subject to the maximum number of Shares of up to 10% of the aggregate number of the issued share capital of the Company at the date of passing of such resolution (i.e. 324,551,975 Shares assuming that no Shares will be issued or repurchased by the Company prior to the date of the AGM). The Repurchase Mandate, if granted, will remain effective until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held under the Bye-laws or any applicable laws of the Bermuda or the Listing Rules; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

EXTENSION OF GENERAL MANDATE TO ISSUE SHARES

Subject to and conditional on the passing of the resolutions to grant the Share Issue Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the AGM to extend the Share Issue Mandate by the addition to the aggregate number of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandates of an amount representing the aggregate number of the share capital of the Company repurchased by the Company pursuant to the Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate number of the issued share capital of the Company in issue on the date of passing the resolution for approving the Share Issue Mandate.

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in the Appendix to this circular. The information in the explanatory statement is provided to you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution in relation to the Repurchase Mandate.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

As at the date of this circular, the executive Directors are Messrs. Fan Amy Lizhen, Tang Yau Sing, Cheung Kam Shing, Terry and Cheung Ka Chun, David; and the independent non-executive Directors are Messrs. Lum Pak Sum, Chan Sung Wai, Koo Luen Bong, Chau Wing Man, Wang Jing Ting, Lam Kwan and Chan Kwan Pak.

In accordance with Clause 86(2) of the Company's Bye-Laws, each of Mr. Cheung Ka Chun, David, Mr. Lum Pak Sum, Mr. Chan Sung Wai, Mr. Koo Luen Bong, Mr. Chau Wing Man and Mr. Wang Jing Ting so appointed by the Board to fill a causal vacancy on the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that general meeting.

Pursuant to Bye-law 87, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that Directors appointed pursuant to Bye-law 86(2) shall not, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year.

Accordingly, Mr. Cheung Ka Chun, David, Mr. Lum Pak Sum, Mr. Chan Sung Wai, Mr. Koo Luen Bong, Mr. Chau Wing Man, Mr. Wang Jing Ting, Mr. Lam Kwan and Mr. Chan Kwan Pak will retire at the AGM, who being eligible, offer themselves for re-election at the forthcoming AGM. All other remaining directors continue in office.

The biographical details of all the retiring Directors are as follows:

Mr. Cheung Ka Chun (“**Mr. Cheung**”), aged 47, has over 20 years' ample experience in the commercial markets. He has been the Deputy General Manager of Otis Elevator Company (H.K.) Limited, which is the world's largest manufacturer of elevators, escalators and moving walkways, since February 2017. Mr. Cheung had been the Service Operations Manager of ThyssenKrupp Elevator (HK) Limited from November 2012 to February 2017 and had been the General Manager of Machinery & Project Development Department of Marubeni Hong Kong & South China Limited from August 1997 to November 2012. Mr. Cheung graduated from University of Hong Kong in 1993 and holds a Bachelor's degree in Arts (major in Japanese Language and Japan Studies). In addition, he gained scholarship from Japanese Government to study at Kanazawa University from 1993 to 1994.

Mr. Cheung has entered into a service agreement with the Company with no fixed term of services. Mr. Cheung is entitled to a director's fee of HK\$1,920,000 per annum which was determined by reference to his qualification, experience and expected duties and responsibilities to the Company. He may entitle to benefits such as share options and year-end-bonus at the discretion of the Board. As at Latest Practicable Date, Mr. Cheung was interested in 500,000 shares of the Company.

Saved as disclosed above, as at the Latest Practicable Date,

- (i) Mr. Cheung does not have any relationships with other Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Group;
- (ii) Mr. Cheung did not hold other directorship in any public listed companies in the last 3 years;

LETTER FROM THE BOARD

- (iii) Mr. Cheung does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO; and
- (iv) There is no information required to be disclosed in relation to Mr. Cheung pursuant to any of the requirements under the provisions of Rules 13.51(2)(h) to 13.51(2)(w) of the Listing Rules.

Mr. Lum Pak Sum (“Mr. Lum”), aged 56, obtained a Master’s degree in Business Administration from The University of Warwick in 1994 and a Bachelor’s degree in laws from University of Wolverhampton in 2002. He has been currently a fellow member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants UK since 1996 and 1993 respectively. Mr. Lum possesses over 20 years of working experience in money market and capital market.

Mr. Lum has been Independent Non-executive Director of Great China Properties Holdings Limited (formerly known as Wayfung Global Group Limited until 4 March 2013 and Beauforte Investors Corporation Limited until 8 November 2009) (Stock code: 0021) since August 2007; Independent Non-executive Director of Beautiful China Holdings Company Limited (Stock code: 0706) since January 2014; Independent Non-executive Director of Yuhua Energy Holdings Limited (Stock code: 2728) since December 2014; Independent Non-executive Director of i-Control Holdings Limited (Stock code: 8355) since May 2015; Independent Non-executive Director of Kwan On Holdings Limited (Stock code: 1559) since August 2016; Independent Non-executive Director of Anxian Yuan China Holdings Limited (Stock code: 0922) since May 2017; Independent Non-executive Director of S. Culture International Holdings Limited (Stock code: 1255) since June 2017.

Mr. Lum was Independent Non-executive Director of Jimei International Entertainment Group Limited (formerly known as Karce International Holdings Company Limited and Sinogreen Energy International Group Limited) (Stock code: 1159) from April 2009 to November 2014; Independent Non-executive Director of Eagle Ride Investment Holdings Limited (formerly known as Radford Capital Investment Limited) (Stock code: 0901) from May 2010 to October 2013; Independent Non-executive Director of Asia Resources Holdings Limited (Stock code: 0899) from November 2010 to January 2015; Non-executive Director of Orient Securities International Holdings Limited (Stock code: 8001) from April 2011 to July 2015; Independent Non-executive Director of Pak Tak International Limited (Stock code: 2668) from June 2014 to November 2014; Independent Director of Asia Green Agriculture Corporation, a company trading on the Over the Counter Bulletin Board in the United States (Symbol: AGAC) (privatised since November 2014) from September 2011 to November 2014.

Mr. Lum has entered into a service agreement with the Company with no fixed term of services. Mr. Lum is entitled to a director’s fee of HK\$300,000 per annum which was determined by reference to his qualification, experience and expected duties and responsibilities to the Company. He may entitle to benefits such as share options and year-end-bonus at the discretion of the Board.

Saved as disclosed above, as at the Latest Practicable Date,

- (i) Mr. Lum does not have any relationships with other Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Group;
- (ii) Mr. Lum did not hold other directorship in any public listed companies in the last 3 years;

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- (iii) Mr. Lum does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO; and
- (iv) There is no information required to be disclosed in relation to Mr. Lum pursuant to any of the requirements under the provisions of Rules 13.51(2)(h) to 13.51(2)(w) of the Listing Rules.

Mr. Chan Sung Wai (“Mr. Chan”), aged 69, has extensive experience in trading, real property and shipping industries. He also has extensive experience in financial and media business. He has been working for a number of years on the major media companies in Hong Kong, and responsible for covering, editing and writing commentaries. Mr. Chan has also been a Chief Editor of the petroleum magazine and has comprehensive knowledge on the media industry in the PRC.

Mr. Chan is a Non-executive Director of Champion Technology Holdings Limited (Stock code: 92), and was an Executive Director of Grand Field Group Holdings Limited (stock code: 115) during the period from November 2007 to June 2008, Energy International Investments Holdings Limited (Stock code: 353) during the period from November 2008 to April 2011, Asia Resources Holdings Limited (Stock code: 899) for the period from October 2008 to September 2012 and Karce International Holdings Company Limited (now known as Starlight Culture Entertainment Group Limited) (Stock code: 1159) during the period from April 2009 to June 2014, all of which are listed on Main Board of the Stock Exchange. He was also the deputy chairman of Asia Resources Holdings Limited (Stock code: 899) for the period from January 2009 to September 2012.

Mr. Chan has entered into a service agreement with the Company with no fixed term of services. Mr. Chan is entitled to a director’s fee of HK\$300,000 per annum which was determined by reference to his qualification, experience and expected duties and responsibilities to the Company. He may entitle to benefits such as share options and year-end-bonus at the discretion of the Board.

Saved as disclosed above, as at the Latest Practicable Date,

- (i) Mr. Chan does not have any relationships with other Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Group;
- (ii) Mr. Chan did not hold other directorship in any public listed companies in the last 3 years;
- (iii) Mr. Chan does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO; and
- (iv) There is no information required to be disclosed in relation to Mr. Chan pursuant to any of the requirements under the provisions of Rules 13.51(2)(h) to 13.51(2)(w) of the Listing Rules.

Mr. Koo Luen Bong (“Mr. Koo”), aged 66, has over 35 years’ experience in auditing, accounting and capital market. Mr. Koo has been the founder and director of Easywell Marine Engineering Limited since 1997, had been the Independent Non-executive Director of Greens Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock code: 1318) from March to November 2015 and had been an Executive Director of by 21CN Cybernet Corporation Limited (currently known as Alibaba Health

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Information Technology Limited), a company listed on the Main Board of the Stock Exchange (Stock code: 0241) from September 2000 to October 2001. Mr. Koo graduated from Hong Kong Baptist University in 1976 with a major in Business Management and Accounting.

Mr. Koo has entered into a service agreement with the Company with no fixed term of services. Mr. Koo is entitled to a director's fee of HK\$300,000 per annum which was determined by reference to his qualification, experience and expected duties and responsibilities to the Company. He may entitle to benefits such as share options and year-end-bonus at the discretion of the Board.

Saved as disclosed above, as at the Latest Practicable Date,

- (i) Mr. Koo does not have any relationships with other Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Group;
- (ii) Mr. Koo did not hold other directorship in any public listed companies in the last 3 years;
- (iii) Mr. Koo does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO; and
- (iv) There is no information required to be disclosed in relation to Mr. Koo pursuant to any of the requirements under the provisions of Rules 13.51(2)(h) to 13.51(2)(w) of the Listing Rules.

Mr. Chau Wing Man ("Mr. Chau"), aged 46, has long experience in external audit, internal audit, corporate risk control, financial controllership, treasury and taxation. He is a fellow member of the Association of Chartered Certified Accountants and is a senior member of the Institute of Systematic Innovation Hong Kong. He graduated from the Hong Kong Polytechnic University with Bachelor degree of Accountancy. After graduation, he worked for KPMG, followed by Multi-National Corporate and listed companies including Siemens Group as Finance Manager, Shui On Land Limited, a company listed on the Main Board of the Stock Exchange (Stock code: 272) as Internal Audit Manager, Dah Chong Hong Holding Limited, a company listed on the Main Board of the Stock Exchange (Stock code: 1828) as Internal Audit and Analysis Manager and John Lobb Asia Pacific Group (an European listed company) as Finance & Administration Controller, Asia Pacific.

Mr. Chau has entered into a service agreement with the Company with no fixed term of services. Mr. Chau is entitled to a director's fee of HK\$300,000 per annum which was determined by reference to his qualification, experience and expected duties and responsibilities to the Company. He may entitle to benefits such as share options and year-end-bonus at the discretion of the Board. As at Latest Practicable Date, Mr. Chau was interested in 3,363,000 shares of the Company.

Saved as disclosed above, as at the Latest Practicable Date,

- (i) Mr. Chau does not have any relationships with other Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Group;
- (ii) Mr. Chau did not hold other directorship in any public listed companies in the last 3 years;

LETTER FROM THE BOARD

- (iii) Mr. Chau does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO; and
- (iv) There is no information required to be disclosed in relation to Mr. Chau pursuant to any of the requirements under the provisions of Rules 13.51(2)(h) to 13.51(2)(w) of the Listing Rules.

Mr. Wang Jing Ting (“Mr. Wang”), aged 33, Certified Public Accountant in China, he holds a Bachelor of Arts from Peking University, Master of Business Administration from the Guanghua School of Management of Peking University. Mr. Wang has nearly 10 years of experience in auditing and financial management. He worked for KPMG before and was responsible for enterprise listing in A-share market on the Hong Kong Stock Exchange, and annual audits of certain enormous enterprises. Meanwhile, Mr. Wang has extensive investment and financial experience in relation to energy, intelligent manufacturing, abundant data mining and artificial intelligence. He was a person in charge in financial and risk control and a member of investment committee of a large private equity investment company. Mr. Wang is currently the chief financial officer of Zhejiang Alibaba Robotics Co., Ltd.

Mr. Wang has entered into a service agreement with the Company with no fixed term of services. Mr. Wang is entitled to a director’s fee of HK\$300,000 per annum which was determined by reference to his qualification, experience and expected duties and responsibilities to the Company. He may entitle to benefits such as share options and year-end-bonus at the discretion of the Board.

Saved as disclosed above, as at the Latest Practicable Date,

- (i) Mr. Wang does not have any relationships with other Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Group;
- (ii) Mr. Wang did not hold other directorship in any public listed companies in the last 3 years;
- (iii) Mr. Wang does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO; and
- (iv) There is no information required to be disclosed in relation to Mr. Wang pursuant to any of the requirements under the provisions of Rules 13.51(2)(h) to 13.51(2)(w) of the Listing Rules.

Mr. Lam Kwan (“Mr. Lam”), aged 48, obtained a Bachelor Degree in Accountancy from the Hong Kong Polytechnic University in 1991. He is a Certified Public Accountant (Practising) in Hong Kong, a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Taxation Institute of Hong Kong. Mr. Lam has had more than 20 years’ practical accounting and auditing experience. He has worked for KPMG and Ernst and Young, two of the ‘Big Four’ international CPA firms, for more than 8 years where his principal responsibilities were auditing, taxation and assisting the listing of Hong Kong and China enterprises in Hong Kong and overseas stock exchanges. Mr. Lam is currently a director of Charles H. C. Cheung & CPA Limited, and was an Independent Non-executive Director of Capital VC Limited, a main board listed company in Hong Kong (Stock code: 2324) during the period from 27 October 2003 to 30 June 2017.

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Mr. Lam has entered into a service agreement with the Company with no fixed term of services. Mr. Lam is entitled to a director's fee of HK\$300,000 per annum which was determined by reference to his qualification, experience and expected duties and responsibilities to the Company. He may entitle to benefits such as share options and year-end-bonus at the discretion of the Board. As at Latest Practicable Date, Mr. Lam was interested in 1,045,000 shares of the Company and 5,000,000 share options of the Company granted to him within the meaning of Part XV of the SFO.

Saved as disclosed above, as at the Latest Practicable Date,

- (i) Mr. Lam does not have any relationships with other Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Group;
- (ii) Mr. Lam did not hold other directorship in any public listed companies in the last 3 years;
- (iii) Mr. Lam does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO; and
- (iv) There is no information required to be disclosed in relation to Mr. Lam pursuant to any of the requirements under the provisions of Rules 13.51(2)(h) to 13.51(2)(w) of the Listing Rules.

Mr. Chan Kwan Pak ("Mr. Chan"), aged 61, is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Secretaries and Administrators as well as the Hong Kong Institute of Chartered Secretaries. He holds a Master's degree in Business Administration and a Bachelor of Laws degree. Mr. Chan is currently a consultant to a number of companies listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), advising them on corporate governance issues. Mr. Chan was appointed by the Hong Kong SAR Government as an Adjudicator of the Registration of Persons Tribunal during the period from 2005 to 2011. He is the Honorary Secretary and a Council Member of the Energy Saving & Environment Concern Alliance. Mr. Chan was a Non-executive Director of Ruifeng Petroleum Chemical Holdings Limited ("**Ruifeng**"), a company listed on GEM of the Stock Exchange (Stock Code: 8096), during the period from 11 August 2008 to 9 October 2015. Ruifeng is in winding-up proceedings, which was commenced after Mr. Chan ceased to be its Non-executive Director, and also was an independent non-executive Director of Skyway Securities Group Limited, a Company listed on the main board of the Stock Exchange (Stock code: 1141) during the period from 31 July 2015 to 28 June 2017.

Mr. Chan has entered into a service agreement with the Company with no fixed term of services. Mr. Chan is entitled to a director's fee of HK\$300,000 per annum which was determined by reference to his qualification, experience and expected duties and responsibilities to the Company. He may entitle to benefits such as share options and year-end-bonus at the discretion of the Board. As at Latest Practicable Date, Mr. Chan was interested in 1,000,000 shares of the Company and 3,000,000 share options of the Company granted to him within the meaning of Part XV of the SFO.

Saved as disclosed above, as at the Latest Practicable Date,

- (i) Mr. Chan does not have any relationships with other Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Group;

LETTER FROM THE BOARD

- (ii) Mr. Chan did not hold other directorship in any public listed companies in the last 3 years;
- (iii) Mr. Chan does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO; and
- (iv) There is no information required to be disclosed in relation to Mr. Chan pursuant to any of the requirements under the provisions of Rules 13.51(2)(h) to 13.51(2)(w) of the Listing Rules.

THE AGM AND PROXY ARRANGEMENT

A notice convening the AGM to be held at Suites 1905-07, 19th Floor, Tower 6, The Gateway, Harbour City, Kowloon, Hong Kong on 29 June 2018, at 4:00 p.m. is set out on pages 16 to 19 of this circular.

A form of proxy for use at the AGM is enclosed with this circular. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.pearloriental.com). Whether or not you are able to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM (or any adjournment thereof) to the office of the Company's share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

VOTING AT THE ANNUAL GENERAL MEETING

Under the Listing Rules, all votes at the AGM are required to be taken by poll. Accordingly, the chairman of the AGM will demand a poll regarding the voting for all the resolutions set out in the notice of AGM. The results of the poll will be published on the website of the Company and the designated issuer website of the Stock Exchange after market close on the day of the AGM.

RECOMMENDATION

The Directors believe that the Repurchase Mandate, the Share Issue Mandate and the re-election of Directors are in the interests of the Company and its Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions at the AGM.

Yours faithfully,
For and on behalf of the Board
Pearl Oriental Oil Limited
Tang Yau Sing
Executive Director

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors, management shareholders or their respective associates had any interest in any business which competes or may compete or had any other conflicts of interests with the business of the Group.

1. LISTING RULES RELATING TO THE REPURCHASES OF SECURITIES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their fully-paid shares on the Stock Exchange subject to certain restrictions, the important of which are summarized below:

(a) Shareholders' approval

All proposed purchase of securities on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by its shareholders by an ordinary resolution, either by way of a general mandate or by a specific approval of a particular transaction and that the shares to be repurchased must be fully paid up.

(b) Share capital

Under the Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the aggregate number of its issued share capital at the date of the passing of the proposed resolution granting the Repurchase Mandate.

As at the Latest Practicable Date, the Company has 3,245,519,752 Shares in issue. Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the AGM, the exercise of the Repurchase Mandate in full would result in up to 324,551,975 Shares being repurchased by the Company during the period from the date of passing of the relevant resolution to the next annual general meeting of the Company or the date upon which the Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company, whichever occurs first.

(c) Reason for repurchase

The Directors believe that it is in the interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase securities of the Company on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

(d) Funding of repurchase

The Directors propose that repurchases of Shares under the Repurchase Mandate in these circumstances would be financed from the Company's internal resources or existing banking facilities which will be funds legally available for such purposes in accordance with the Bye-law and the laws of Bermuda. Under Bermuda law, repurchases may only be effected out of the capital paid up on the purchased Shares or out of funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose. Any premium payable on a

purchase over the par value of the Shares to be purchased must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account before the Shares are repurchased.

As compared with the financial position of the Company as at 31 December 2017 (being date of its latest audited accounts), the Directors consider that there might be a material adverse impact on the working capital or gearing position of the Company if the Repurchase Mandate is to be exercised in full during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing level (as compared with the position disclosed in its most recent published audited accounts) which in the opinion of the Directors are from time to time appropriate for the Company.

(e) Undertaking

None of the Directors nor, to the best knowledge of the Directors having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) has any present intention to sell Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

As at the Latest Practicable Date, no connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

(f) Undertaking by Directors

The Directors have undertaken to the Stock Exchange that they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Bermuda.

(g) Takeovers Code

If as a result of a repurchase of Shares a Shareholder's proportionate interest in the voting rights of the repurchasing company increases, such increase will be treated as an acquisition of voting rights for the purpose of the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**"). As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

The Directors are currently not aware of any consequences which will arise under the Takeover Code as a result of any purchase made under the Repurchase Mandate.

2. REPURCHASES OF SHARES BY THE COMPANY

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

3. SHARE PRICES

During each of the previous twelve months, the highest and lowest prices at which the Shares have been traded on the Stock Exchange were as follows:

Month	Per Share	
	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
2017		
April	0.275	0.245
May	0.325	0.238
June	0.300	0.200
July	0.239	0.162
August	0.210	0.111
September	0.164	0.130
October	0.280	0.130
November	0.365	0.220
December	0.290	0.237
2018		
January	0.300	0.241
February	0.255	0.216
March (up to the Latest Practicable Date)	0.224	0.145

NOTICE OF ANNUAL GENERAL MEETING



東方明珠石油有限公司*

Pearl Oriental Oil Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 632)

NOTICE IS HEREBY GIVEN THAT the annual general meeting of Pearl Oriental Oil Limited (the “Company”) will be held at Suites 1905-07, 19th Floor, Tower 6, The Gateway, Harbour City, Kowloon, Hong Kong, on 29 June 2018, at 4:00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors’ for the year ended 31 December 2017.
2. To re-elect retiring Directors (whose particulars are stated in this circular) and to authorize the board of directors to fix the directors’ remuneration.
3. To appoint auditors and to authorize the board of directors to fix the remuneration of the auditors.

AS SPECIAL BUSINESS

4. To consider and if thought fit, pass with or without modifications, the following resolutions as ordinary resolutions of the Company:
 - (A) “**THAT**
 - (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall be in addition to any other authorization given to the Directors and shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which (including warrants, bonds and debentures convertible into shares of the Company) would or might require the exercise of such powers after the end of the Relevant Period;

* For identification purposes only

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate number of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs (a) and (b), otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) an issue of shares under any options granted under the share option scheme adopted by the Company; (iii) an issue of shares upon the exercise of subscription rights attached to the warrants which might be issued by the Company; (iv) an issue of shares in lieu of the whole or part of a dividend pursuant to any scrip dividend scheme or similar arrangement in accordance with the Bye-laws of the Company; and (v) any adjustment, after the date of grant or issue of any options, rights to subscribe for other securities referred to in (ii) and (iii) above, in the price at which shares in the Company shall be subscribed, and/or in the number of shares in the Company which shall be subscribed, on exercise of relevant rights under such options, warrants or other securities, such adjustment being made in accordance with, or as contemplated by, the terms of such options, rights to subscribe or other securities, shall not exceed 20% of the aggregate number of the share capital of the Company in issue as at the time of passing this resolution; and
- (d) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-law of the Company or any applicable law to be held; and
- (iii) the date of which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares or other securities of the Company open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside the Hong Kong Special Administrative Region of the People’s Republic of China).”

NOTICE OF ANNUAL GENERAL MEETING

(B) **“THAT**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to repurchase shares of the Company, subject to and in accordance with all applicable laws and requirements, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of the shares of the Company which may be purchased pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the aggregate number of the share capital of the Company as at the date of passing of this Resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; and
- (iii) the date which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

- (C) **“THAT** conditional upon Resolutions A and B set out above being passed, the aggregate number of the shares of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in Resolution B above shall be added to the aggregate number of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Resolution A above provided that such amount shall not exceed 10% of the aggregate number of the share capital of the Company in issue at the date of passing of this Resolution.”

By Order of the Board
Peal Oriental Oil Limited
Tang Yau Sing
Executive Director

Hong Kong, 6 April 2018

NOTICE OF ANNUAL GENERAL MEETING

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

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. A form of proxy for use at the meeting is enclosed. To be valid, the form of proxy, together with the notarially certified power of attorney or other authority (if any) under which it is signed must be lodged at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event, not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof.
3. For determining the qualification as members of the Company to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 25 June 2018 to Friday, 29 June 2018, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificate(s) and transfer form(s) must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 22 June 2018.
4. Where there are joint holders of any share, any one of such holders may vote at the meeting, either in person or by proxy, in respect of such shares as if he were solely entitled to vote, but if more than one of such joint holders be present at the meeting in person or by proxy, the person so present whose name stands first in the register of member of the Company in respect of such share shall alone be entitled to vote in respect of it.
5. Completion and return of the form of proxy will not preclude a member from attending the meeting and voting in person at the meeting or any adjourned meeting if he so desires. If a member attends the meeting after having deposited the form of proxy, his form of proxy will be deemed to have been revoked.
6. The votes to be taken at the meeting for the resolution will be by way of poll.