

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.

This joint announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



**XIN HUA PETROLEUM
(HONG KONG) LIMITED**

(Incorporated in Hong Kong with limited liability)



東方明珠石油有限公司*
Pearl Oriental Oil Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 632)

JOINT ANNOUNCEMENT

- (1) COMPLETION OF THE SUBSCRIPTION OF NEW SHARES
BY XIN HUA PETROLEUM (HONG KONG) LIMITED;**
- (2) COMPLETION OF CONNECTED TRANSACTION – SUBSCRIPTION OF
NEW SHARES BY NOBLE PIONEER LIMITED;**
- (3) MANDATORY UNCONDITIONAL CASH OFFERS MADE BY**



**FOR AND ON BEHALF OF XIN HUA PETROLEUM
(HONG KONG) LIMITED**

**TO ACQUIRE ALL THE ISSUED CONSOLIDATED SHARES
(OTHER THAN THE EXCLUDED SHARES)**

AND CANCEL ALL OUTSTANDING CONSOLIDATED SHARE OPTIONS

**Financial adviser to
Xin Hua Petroleum (Hong Kong) Limited**



**Financial adviser to
the Company**



Reference is made to (i) the joint announcement of Pearl Oriental Oil Limited (the “**Company**”) and Xin Hua Petroleum (Hong Kong) Limited (the “**Offeror**”) dated 16 April 2019 (the “**Joint Announcement**”); (ii) the circular of the Company (the “**Circular**”) and the notice of special general meeting as set out in the Circular, both dated 21 May 2019; (iii) the announcement jointly issued by the Company and the Offeror dated 3 May 2019 in respect of the delay in despatch of the Composite Document; (iv) the announcement of the Company dated 24 June 2019 in relation to, among other matters, the poll result of the special general meeting of the Company held on 24 June 2019; and (v)

* *For identification purpose only.*

the announcement jointly issued by the Company and the offeror dated 4 July 2019 in respect of the monthly update in relation to be despatch of Composite Document. Unless otherwise stated, terms used herein shall have the same meanings as ascribed to them in the Circular.

COMPLETION OF THE SUBSCRIPTIONS

The Company is pleased to announce that all the conditions precedent under the Xin Hua Subscription and the Noble Subscription have been fulfilled (or waived, if applicable), and the Xin Hua Subscription and the Noble Subscription took place on 8 July 2019. Pursuant to the Subscription Agreements, the Company has allotted and issued 7,300,000,000 New Shares to the Offeror and 1,700,000,000 New Shares to Noble, both at the Subscription Price of HK\$0.02 per Subscription Share, for an aggregate subscription amount of HK\$180 million.

Having taken into account (i) the offsetting of the HK\$80 million from the HK\$50M Loan, the HK\$20M Loan, the First HK\$5M Loan and the Second HK\$5M Loan with Xin Hua; and (ii) the professional fees and other related expenses of approximately HK\$5 million, the net proceeds raised from the Subscription amount to approximately HK\$95 million. The Company intends to use the net proceeds to be raised from the Subscriptions as follows:

- (a) approximately HK\$28 million will be utilized for the repayment of the loan owed by the Company to NPCC, comprising a principal amount of HK\$25 million plus interest;
- (b) approximately HK\$57 million will be utilized for the reactivation and expansion of the Group's oil and gas business from the Utah Oil and Gas Field and expansion of the trading business of the Group; and
- (c) approximately HK\$10 million will be utilized as general working capital of the Group.

The Company will further disclose in its annual report(s) and interim report to be issued how it has applied the proceeds raised from the Subscriptions.

EFFECT OF THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately prior to completion of the Subscriptions; and (ii) immediately after completion of the Subscriptions:

	Immediately prior to completion of Subscriptions		Immediately after completion of Subscriptions	
	<i>Number of New Shares</i>	<i>Approximate %</i>	<i>Number of New Shares</i>	<i>Approximate %</i>
The Subscribers				
Xin Hua	-	-	7,300,000,000	59.61%
Noble	-	-	1,700,000,000	13.88%
Subtotal of the Concert Group	-	-	9,000,000,000	73.49%
Non-public Shareholders				
Pearl Oriental Sino Logistics Limited	4,872,000	0.15%	4,872,000	0.05%
The Company	4	0.00%	4	0.00%
Subtotal	4,872,004	0.15%	4,872,004	0.05%
Public Shareholders	3,240,647,748	99.85%	3,240,647,748	26.46%
Total number of issued New Shares	3,245,519,752	100.00%	12,245,519,752	100.00%

DESPATCH OF THE COMPOSITE DOCUMENT

The Share Subdivision and the Capital Reduction took effect on 3 July 2019. It is expected that the Share Consolidation shall be effective on 10 July 2019. As additional time is required to finalise the information to be included in the Composite Document following the Share Consolidation, it is expected that the despatch date of the Composite Document will be postponed to a date on or about 15 July 2019. As disclosed in the announcement jointly issued by the Company and the Offeror on 4 July 2019, a second application has been made to the Executive and the Executive has indicated that it is minded to grant consent under Rule 8.2 of the Takeovers Code to further extend the time for despatch of the Composite Document to a date falling within seven days from the completion of the Xin Hua Subscription or 7 August 2019, whichever is earlier. Further announcement will be jointly made by the Company and the Offeror as and when appropriate in compliance with the Takeovers Code.

Shareholders, Optionholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

By Order of the Board
Xin Hua Petroleum (Hong Kong) Limited
Chen Junyan
Director

By Order of the Board
Pearl Oriental Oil Limited
Liu Gui Feng
Chairlady and Executive Director

Hong Kong, 8 July 2019

As at the date of this joint announcement, (i) the board of directors of Xin Hua comprises Ms. Chen Junyan, Mr. Yu Zhibo and Mr. Chen Yaxin; (ii) Mr. Wang Zhiming is the sole director of Daqing Xinhua; and (iii) Ms. Fan is the sole director of Noble.

The directors of Xin Hua, Daqing Xinhua and Noble jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Company) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors of the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the Board comprises four executive Directors, namely Ms. Liu Gui Feng, Mr. Cheung Kam Shing, Terry, Mr. Tang Yau Sing and Mr. Lin Qing Yu.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Subscribers) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Subscribers) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.