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東方明珠創業有限公司*
Pearl Oriental Innovation Limited

(the “Company”)

(Incorporated in Bermuda with limited liability)

(Stock Code: 632)

PROFIT WARNING

The Board wishes to inform shareholders of the Company and potential investors, based on information currently available to the Company, that its results for the year ended 31 December 2008 are expected to record a loss mainly due to subsequent to the litigations with Zhang Jingyuan, the results of China Coal has not been equity accounted for during the year ended 31 December 2008 unlike the profit contributed to the Company by China Coal in the period ended 31 December 2007.

This announcement is made by the Company pursuant to rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by the Company pursuant to rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “Board”) of the Company and its subsidiaries (together with the Company, the “Group”) wishes to inform shareholders of the Company and potential investors, based on information currently available to the Company, that its results for the year ended 31 December 2008 are expected to record a loss mainly due to subsequent to the litigations with Zhang Jingyuan (as disclosed by the Company on 12 August 2008, 28 November 2008 and in its interim report for the 6-month period ended 30 June 2008), the results of China Coal Energy Holdings Limited (“China Coal”) has not been equity accounted for during the year ended 31 December 2008 unlike the profit contributed to the Company by China Coal in the period ended 31 December 2007.

Even though the economic environment in 2009 looks challenging for the Group, the Board considers that the overall operations of the Group remain sound and ongoing, the financial position of the Group remains solid and the Group is well-positioned to capture potential opportunities that may arise in future.

As the Company's audited consolidated results for the year ended 31 December 2008 will be finalised in March 2009, the Board is not in a position to quantify the extent of the loss for the time being. This profit warning announcement is only based on the preliminary estimation by the management of the Company and the unaudited information currently available. The Company expects to announce its audited consolidated results for the year ended 31 December 2008 around April 2009.

Recently, a genuine written offer from an independent third party of HK\$300,000,000 for acquiring the Company's equity interests in China Coal has been received by the Company but has been already rejected since the Board is of the view that it cannot fully reflect the value of the Company's investment in China Coal.

The Board is confident in those litigations with Zhang Jingyuan and in relation to China Coal after considering legal advice from the legal advisers of the Company in Hong Kong and China.

The Board will continue to try its best to protect and enhance the Company's interests in respect of its shareholding in China Coal.

Shareholders of the Company and investors are advised to exercise caution when dealing in the shares of the Company.

As at the date hereof, the Board comprises six executive Directors, namely Mr. Wong Yuk Kwan (alias: Wong Kwan), Mr. Chan Yiu Keung, Mr. Johnny Yuen; Mr. Cheung Kwok Yu, Mr. Zhou Li Yang and Mr. Zheng Yingsheng and three independent non-executive Directors, namely Mr. Dong Zhixiong, Mr. Fung Hing Chiu, Cyril, and Mr. Lam Ka Wai, Graham.

By Order of the Board
Pearl Oriental Innovation Limited
Cheung Kwok Yu
Executive Director and Company Secretary

Hong Kong, 9 January 2009

** For identification purposes only*