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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)

SUBSCRIPTION FOR NON-LISTED WARRANTS AND CONNECTED TRANSACTION

On 10 June 2010 (after trading hours), the Company entered into the Warrant Subscription Agreement with the Subscriber in connection with the Warrant Subscription, pursuant to which the Subscriber agreed to subscribe for 490,000,000 Warrants conferring rights to subscribe for 490,000,000 Warrants Shares at the Warrant Exercise Price of HK\$1.38 per Warrant Share (subject to adjustment upon the occurrence of any of the Adjustment Events and other dilutive events which may have adverse effects on the rights of the holder of the Warrants). Each Warrant carries the right to subscribe for one (1) Warrant Share.

The Warrants are to be subscribed at a Warrant Subscription Price of HK\$0.0102 per Warrant. The Warrant Subscription is conditional upon several conditions as set out in the paragraph headed “Conditions of the Warrant Subscription” in the section headed “The Warrant Subscription Agreement” in this announcement.

The Warrant Exercise Price of HK\$1.38 per Warrant Share represented: (i) a premium of approximately 23.21% over the closing price of HK\$1.12 per Share quoted on the Stock Exchange on the Last Trading Day; and (ii) a premium of approximately 25.57% over the average of the closing prices of HK\$1.099 per Share for the last ten (10) trading days for the Shares prior to and including the Last Trading Day.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Warrant Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

LISTING RULES IMPLICATIONS

As the Subscriber is wholly owned by Mr. Wong Kwan, chairman, an executive Director and a Substantial Shareholder and thus, a connected person of the Company, the Warrant Subscription constitutes a non-exempt connected transaction on the part of the Company under the Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirements.

TAKEOVERS CODE IMPLICATIONS

Since the Subscriber and its concert parties will hold approximately 43.27% of the enlarged issued share capital of the Company upon the issue of the Consideration Shares and its shareholding in the Company will further increase to 52.39% upon full exercise of the Warrants, it will be obliged to make an unconditional mandatory general offer for all the Shares not already owned or will be acquired by the Subscriber under Rule 26.1 of the Takeovers Code unless a waiver from strict compliance with Rule 26.1 has been obtained from the Executive. The Subscriber will make an application to the Executive pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code for the Whitewash Waiver, the grant of which will be subject to the approval of the Independent Shareholders taken by way of a poll at the SGM. The Whitewash Waiver may or may not be granted. If the Whitewash Waiver is not granted, the Warrant Subscription Agreement and the Warrant Subscription will still proceed.

GENERAL

Pursuant to Chapter 14A of the Listing Rules, the Subscriber and his associates are required to abstain from voting on the resolution at the SGM of the Company to approve the Warrant Subscription.

The Independent Board Committee comprising all the independent non-executive Directors, will be formed to advise the Independent Shareholders as to the fairness and reasonableness of the Warrant Subscription. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other matters, further information on the issue of the Warrant Subscription, a letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, a letter from the Independent Board Committee to the Independent Shareholders, a notice of the SGM and a proxy form will be despatched to the Shareholders within 21 days after the publication of this announcement.

Shareholders of the Company and investors should be aware of and take note that completion of the Warrant Subscription Agreement is conditional upon satisfaction of certain conditions precedent and may or may not proceed. Shareholders of the Company and investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

THE WARRANT SUBSCRIPTION AGREEMENT

Date

10 June 2010 (after trading hours)

Issuer

The Company

Subscriber

Orient Day Developments Limited which is wholly owned by Mr. Wong Kwan who is Chairman, is an executive Director and a Substantial Shareholder and thus, a connected person of the Company. As at the date of this announcement, Mr. Wong Kwan is beneficially interested in 710,952,800 Shares, representing approximately 43.38% of the entire issued share capital of the Company.

Number of Warrants

490,000,000 Warrants

Warrant Subscription Price

The Warrant Subscription Price is HK\$0.0102 per Warrant. The aggregate Warrant Subscription Price is approximately HK\$5 million payable by the Subscriber will be satisfied by payment of cash at completion of the Warrant Subscription.

Warrant Exercise Price

HK\$1.38 per Warrant Share, subject to adjustment upon the occurrence of any of the Adjustment Events and other dilutive events which may have adverse effects on the rights of the holder of the Warrants.

The aggregate of the Warrant Subscription Price of HK\$0.0102 per Warrant and the Warrant Exercise Price of HK\$1.38 per Share, i.e. approximately HK\$1.39, represented a premium of approximately 24.11% over the closing price of HK\$1.12 per Share quoted

on the Stock Exchange on the Last Trading Day, and (ii) a premium of approximately 26.48% over the average of the closing prices of HK\$1.099 per Share for the last ten (10) trading days for the Shares prior to and including the Last Trading Day.

The Warrant Exercise Price of HK\$1.38 per Warrant Share represented: (i) a premium of approximately 23.21% over the closing price of HK\$1.12 per Share quoted on the Stock Exchange on the Last Trading Day; and (ii) a premium of approximately 25.57% over the average of the closing prices of HK\$1.099 per Share for the last ten (10) trading days for the Shares prior to and including the Last Trading Day.

Both the Warrant Subscription Price and the Warrant Exercise Price are determined based on negotiations on an arm's length basis between the Company and the Subscriber with reference to the current market sentiment, liquidity flow in the capital market and the historical Share price. The Directors consider that both the Warrant Subscription Price and the Warrant Exercise Price are fair and reasonable.

The Warrant Subscription Completion Date

Completion will take place the Warrant Subscription Completion Date being on the second Business Day after the fulfillment of the conditions referred to in the section headed "Conditions of the Warrant Subscription" below.

Information of the Warrants

The Warrants will be issued to the Subscriber upon completion of the Warrant Subscription in registered form and constituted by a deed poll. The Warrants will rank pari passu in all respects among themselves.

Each Warrant carries the right to subscribe for one (1) Warrant Share at the Warrant Exercise Price and is issued at the Warrant Subscription Price.

The subscription rights attaching to the Warrants may be exercised at any time during a period of 36 months commencing from the date immediately after the date of issue of the Warrants. The Warrant Shares, when fully paid and allotted, will rank pari passu in all respects with the then existing issued Shares of the Company.

A total of 490,000,000 Warrants are proposed to be issued. Upon full exercise of the subscription rights attaching to the Warrants, a total of 490,000,000 Warrant Shares will be issued, representing (i) approximately 29.90% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 19.16% of the issued share capital of the Company assuming the Acquisition shall be completed and the Consideration Shares shall have been issued prior to the Warrant Subscription Completion Date; and (iii) approximately 16.08% of the issued share capital of the Company as enlarged by the allotment and issue of the Warrant Shares upon full exercise of the subscription rights attaching to the Warrants assuming the Acquisition shall be completed and the Consideration Shares shall have been issued prior to the Warrant Subscription Completion Date.

The Company will seek a specific mandate from the Independent Shareholders for the allotment and issue of the Warrant Shares. In this regard, the SGM will be convened and held to pass the necessary resolutions to approve the Warrant Subscription Agreement and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, assuming the Acquisition will have been completed, the Warrant Shares to be issued upon the exercise of all Warrants, when aggregated with all other equity securities which remain to be issued on exercise of all other subscription rights, will not exceed 20% of the issued share capital of the Company.

Transferability

The Warrants are transferable in integral multiples of 1,000,000 Warrants. In the event of a transfer of the Warrants to a connected person (as defined in the Listing Rules) of the Company, prior approval from the Company and the Stock Exchange will be obtained. The Company undertakes to comply with the relevant Listing Rules and to make necessary announcement(s), where appropriate, if and when the Subscriber makes any transfer of the Warrants to other parties requiring disclosure.

Conditions of the Warrant Subscription

Completion of the Warrant Subscription Agreement is conditional on, among the other matters, the fulfillment of the following conditions on or before 5:00 p.m. on 30 September 2010 (or such later time and date as the Company and the Subscriber shall agree in writing):

- (a) the passing by the Independent Shareholders at a special general meeting of the Company to be convened and held, of the necessary resolutions to approve the Warrant Subscription Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Warrant Shares to the holder(s) of the Warrants);
- (b) (if required) the Listing Committee of the Stock Exchange shall have approved the issue of the Warrants either unconditionally or subject to conditions to which neither the Company nor the Subscriber shall reasonably object and the satisfaction of such conditions; and
- (c) the Listing Committee of the Stock Exchange shall have granted (either unconditionally or subject to conditions to which neither the Company nor the Subscriber shall reasonably object) the listing of, and permission to deal in, the Warrant Shares which fall to be allotted and issued upon the exercise of the subscription rights attached to the Warrants.

In the event that the above conditions are not fulfilled by 5:00 p.m. on 30 September 2010 or such later date as may be agreed between the Company and the Subscriber, the Warrant Subscription Agreement will lapse and become null and void and the parties shall be released from all obligations hereunder, save the liabilities for any antecedent breaches hereof.

Voting rights for the holders of the Warrants

The holder of the Warrants will not have any right to attend or vote at any meeting of the Company by virtue of them being holders of the Warrants. The holder of the Warrants shall not have the right to participate in any distributions and/or offers of further securities made by the Company.

Rights of the holders of the Warrants on the liquidation of the Company

If the Company is wound up during the subscription period of the Warrants, all subscription rights attaching to the Warrants which have not been exercised shall lapse, save for in the event of a voluntary winding-up, the holders of the Warrants shall be entitled within six weeks after the passing of such a resolution approving the winding-up to exercise the subscription rights attaching to the Warrants in accordance with the terms and conditions of the Warrants.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Warrant Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

REASONS FOR THE WARRANT SUBSCRIPTION

The Company is an investment holding Company and its subsidiaries are principally engaged in energy and recycling businesses.

The Board considers that the Warrant Subscription represents good opportunities to raise additional funds for the Company's future operations and possible investments while broadening the Shareholder and capital base of the Company. In addition, the Warrants are not interest bearing and the Warrant Subscription will not result in any immediate dilution effect on the shareholding of the existing Shareholders. In addition to the net proceeds that will be raised upon completion of the Warrant Subscription, further capital will be raised upon the exercise of the subscription rights attaching to the Warrants by the holder of such Warrants during the subscription period.

In view of the immediate inflow of approximately HK\$5 million upon completion of the Warrant Subscription, coupled with the potential inflow of further capital upon the exercise of the subscription rights attaching to the Warrants, the Directors are of the view that the Warrant Subscription provides a good opportunity to strengthen the Company's

financial position and in the event the Subscriber fully exercises his subscription rights attaching to the Warrants, funds received may cater for future needs for its operations in the energy sectors and general working capital, and also for possible future acquisition. Further, the Warrant Exercise Price of HK\$1.38 per Warrant Share represented a premium of approximately 25.57% over the average of the closing prices of HK\$1.099 per Share for the last ten (10) trading days for the Shares prior to and including the Last Trading Day.

In view of the above, the Board considers that the terms of the Warrant Subscription are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. In addition, it demonstrates Mr. Wong Kwan's great confidence in the Company's future development potential.

USE OF PROCEEDS

The gross proceeds of the Warrant Subscription will amount to approximately HK\$5,000,000. The net proceeds from the Warrant Subscription, after the deduction of the legal fees, printing expenses and other related expenses, are estimated to be approximately HK\$4,800,000, representing a net issue price of approximately HK\$0.0098 per Warrant. The Directors intend to apply the net proceeds as general working capital of the Group.

Assuming the full exercise of the subscription rights attaching to the Warrants, it is expected approximately HK\$676,200,000 will be raised. The net proceeds of approximately HK\$676,000,000 (with a net subscription price of approximately HK\$1.379 per Warrant Share) will be used for future operations of the Group in the energy sectors, potential acquisitions in the future should suitable opportunities arise and general working capital of the Group.

FUND RAISING EXERCISE BY THE COMPANY IN THE PAST TWELVE MONTHS

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
11 December 2009	Subscription of 115,680,000 Shares	HK\$114 million	Partly as general working capital for the Group and partly for possible acquisition of overseas energy and natural resources projects	As the Deposit for the Acquisition
14 December 2009	Subscription for 65,000,000 Shares	HK\$64 million	For possible acquisition of overseas energy and natural resources projects	As part of the Further Deposit for the Acquisition
20 April 2010	Subscription for 231,367,000 Shares	HK\$310 million	Partly as acquisition of Utah Gas and Oil Field and partly for costs for the exploitation and exploration of existing and new wells	As to HK\$170 million as the Further Deposit for the Acquisition
3 May 2010	Issue of convertible notes	HK\$70 million	As general working capital for the Group	Has not yet been utilized

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 1,638,783,960 Shares in issue. The shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the completion of the Warrant Subscription assuming completion of the Acquisition and the Company exercising the option for the Phase 2 Acquisition under Agreement but before the full exercise of the subscription rights attaching to the Warrants; and (iii) assuming completion of the Acquisition and the company exercising the option for the Phase 2 Acquisition under Agreement and immediately after the completion of the Warrant Subscription and full exercise of the subscription rights attaching to the Warrants are as follows:

Shareholders	As at the date of this announcement		Assuming completion of the Acquisition and the Company exercising the option for the Phase 2 Acquisition under Agreement but before the exercise of the subscription rights attaching to the Warrants (Note 2)		Assuming completion of the Acquisition and the Company exercising the option for the Phase 2 Acquisition under Agreement and immediately after the completion of the Warrant Subscription and full exercise of the subscription rights attaching to the Warrants (Note 3)	
	(No. of Shares)	(%)	(No. of Shares)	(%)	(No. of Shares)	(%)
The Subscriber (Note 1)	710,952,800	43.38	710,952,800	27.80	1,200,952,800	39.41
Charcon Assets Limited (Note 1)	--	--	<u>395,650,000</u>	<u>15.47</u>	<u>395,650,000</u>	<u>12.98</u>
Sub-total for Mr. Wong Kwan	710,952,800	43.38	1,106,602,800	43.27	1,596,602,800	52.39
Marvel Sunlight Limited and its beneficial owner	25,080	1.53	307,677,800	12.03	307,677,800	10.10
JV Partner	--	--	70,650,000	2.76	70,650,000	2.32
Dr. Lew Mon Hung	--	--	169,560,000	6.63	169,560,000	5.56
Other Directors	2,912,090	0.18	2,912,090	0.11	2,912,090	0.10
Public Shareholders	<u>899,841,270</u>	<u>54.91</u>	<u>899,841,270</u>	<u>35.20</u>	<u>899,841,270</u>	<u>29.53</u>
Total	<u>1,638,783,960</u>	<u>100.00</u>	<u>2,557,243,960</u>	<u>100.00</u>	<u>3,047,243,960</u>	<u>100.00</u>

Note 1: The Subscriber and Charcon Assets Limited are both limited liability companies incorporated in the British Virgin Island and wholly owned by Mr. Wong Kwan.

Note 2: Assuming the JV Partner elects the payment of US\$12.5 million (equivalent to approximately HK\$97.5 million) of the Phase 2 Consideration to be satisfied the Company by the issue and allotment of the Phase 2 Consideration Shares to the JV Partner.

Note 3: It is for illustration purpose only in the event that the Warrants are fully exercised.

LISTING RULES IMPLICATIONS

As the Subscriber is an executive Director and a Substantial Shareholder and thus, a connected person of the Company, the subscription of the Warrants constitutes a non-exempt connected transaction on the part of the Company under the Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirements.

TAKEOVERS CODE IMPLICATIONS

Since the Subscriber and its concert parties will hold approximately 43.27% of the enlarged issued share capital of the Company upon the issue of the Consideration Shares and its shareholding in the Company will further increase to 52.39% upon full exercise of the Warrants, it will be obliged to make an unconditional mandatory general offer for all the Shares not already owned or will be acquired by the Subscriber under Rule 26.1 of the Takeovers Code unless a waiver from strict compliance with Rule 26.1 has been obtained from the Executive. The Subscriber will make an application to the Executive pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code for the Whitewash Waiver. The Whitewash Waiver may or may not be granted. If the Whitewash Waiver is not granted, the Warrant Subscription Agreement and the Warrant Subscription will still proceed.

GENERAL

Pursuant to Chapter 14A of the Listing Rules, the Subscriber and its associates are required to abstain from voting on the resolution at the SGM of the Company to approve the Warrant Subscription.

The Independent Board Committee comprising all the independent non-executive Directors, will be formed to advise the Independent Shareholders as to the fairness and reasonableness of the Warrant Subscription. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other matters, further information on the Warrant Subscription, a letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, a letter from the Independent Board Committee to the Independent Shareholders, a notice of the SGM and a proxy form will be despatched to the Shareholders within 21 days after the publication of this announcement.

Shareholders of the Company and investors should be aware of and take note that completion of the Warrant Subscription Agreement is conditional upon satisfaction of certain conditions precedent and may or may not proceed. Shareholders of the Company and investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Acquisition”	the acquisition of the entire issued share capital of Festive Oasis Limited and in turn the Ownership Interest by the Company from the Vendors comprising the Phase 1 Acquisition and the Phase 2 Acquisition pursuant to the terms and conditions of the Agreement dated 9 January 2010 (as supplemented by the Supplemental Agreement and the Further Supplemental Agreement) and as disclosed in the Company’s circular dated 24 May 2010
“Adjustment Events”	(1) alteration to the nominal amount of each of the Shares by reason of any subdivision or consolidation of Shares; or (2) issue of Shares by way of capitalization of profit or reserves; or (3) capital distribution to all Shareholders or grant to Shareholders rights to acquire for cash assets of the Company or any of its subsidiaries; or (4) offer to the Shareholders new Shares for subscription by way of rights; or grant of any options or warrants to all Shareholders to subscribe for new Shares, at a price which is less than 80% per cent; or (5) issue for cash any securities which are convertible into or exchangeable for or carry rights of subscription for new Shares; or (6) issue for cash any Shares at a price which is less than 80% of the market price; or (7) the repurchase of any Shares or securities convertible into Shares or any rights to acquire Shares by the Company

“Agreement”	the agreement dated 9 January 2010 entered into among the Company and the Vendors in relation to the Acquisition and as disclosed in the Company’s circular dated 24 May 2010
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (not being a Saturday, a Sunday and a public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Pearl Oriental Innovation Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on main board of the Stock Exchange
“Consideration”	the total consideration payable in respect of the Acquisition pursuant to the Agreement comprising the Phase 1 Consideration and the Phase 2 Consideration
“Consideration Shares”	918,460,000 new Shares to be issued to the Vendors or their nominees as part of the Consideration for the Acquisition pursuant to the Agreement comprising the Phase 1 Consideration Shares and the Phase 2 Consideration Shares and as disclosed in the Company’s circular dated 24 May 2010
“Director(s)”	director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	a board comprising all the independent non-executive Directors to advise the Independent Shareholders as to the terms of the Warrant Subscription
“Independent Shareholders”	Shareholders other than the Subscriber and those who are required to abstain from voting under the Listing Rules and their respective associates (if any)

“JV Partner”	Thurston Energy, LLC, a limited liability company incorporated in the USA which is owned by Mr. Ralph Curton and his partners and as disclosed in the Company’s circular dated 24 May 2010
“Last Trading Day”	10 June 2010, being the last trading day for the Shares before the entering into the Warrant Subscription Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ownership Interest”	ownership interest in respect of oil, gas and/or mineral leases, title and related rights in the Utah Gas and Oil Field and as disclosed in the Company’s circular dated 24 May 2010
“Phase 1 Acquisition”	acquisition of 100% equity interest of Festive Oasis Limited which will in turn own 70% of the Ownership Interest pursuant to the terms and conditions of the Agreement as supplemented by the Supplemental Agreement and the Further Supplemental Agreement and as disclosed in the Company’s circular dated 24 May 2010
“Phase 2 Acquisition”	the acquisition of the remaining 30% Ownership Interest and as disclosed in the Company’s circular dated 24 May 2010
“Phase 2 Consideration”	an aggregate sum of US\$25 million (equivalent to approximately HK\$195 million) payable by the Company for the Phase 2 Acquisition and as disclosed in the Company’s circular dated 24 May 2010
“Phase 2 Consideration Shares”	70,650,000 new Shares which will be issued and allotted by the Company at the Price of HK\$1.38 per Share to satisfy part of the Phase 2 Consideration for the sum of US\$12.5 million (equivalent to approximately HK\$97.5 million) and as disclosed in the Company’s circular dated 24 May 2010
“PRC”	the People’s Republic of China
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time

“SGM”	A special general meeting of the Company to be convened to, amongst other things, consider and approve the Warrant Subscription Agreement and the issue of the Warrant Shares
“Share(s)”	ordinary issued share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Orient Day Developments Limited
“Substantial Shareholder”	has the meaning ascribed thereto in the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Vendors”	Charcon Assets Limited and Marvel Sunlight Limited and as disclosed in the Company’s circular dated 24 May 2010
“Warrant(s)”	490,000,000 non-listed warrants to be issued by the Company at the Warrant Subscription Price, each entitles the holder thereof to subscribe for one Warrant Share at the Warrant Exercise Price (subject to adjustment) at any time during a period of thirty six (36) months commencing from the date of issue of the Warrants
“Warrant Exercise Price”	an initial exercise price of HK\$1.38 per Warrant Share (subject to adjustment) at which holder of the Warrants may subscribe for the Warrant Share(s)
“Warrant Share(s)”	up to 490,000,000 new Shares to be allotted and issued upon exercise of the subscription rights attaching to the Warrants
“Warrant Subscription”	the subscription of 490,000,000 Warrants pursuant to the terms of the Warrant Subscription Agreement
“Warrant Subscription Agreement”	the conditional subscription agreement dated 10 June 2010 and entered into between the Company and the Subscriber in relation to the Warrant Subscription
“Warrant Subscription Completion Date”	the second Business Day following the date on which the conditions precedent set out in the Warrant Subscription Agreement are fulfilled
“Warrant Subscription Price”	HK\$0.0102, being the issue price per Warrant payable in full on application under the Warrant Subscription

Agreement

Whitewash Wavier”	a waiver from the Executive pursuant to Note 1 on the Dispensations from Rule 26 of the Takeovers Code in respect of the obligations of the Subscriber and its concert parties to make a mandatory general offer for all the Shares not already owned or will be acquired by them which would otherwise arise as a result of the issue of the Warrant Shares
“HK\$ and cents”	Hong Kong dollars and cents, the lawful currency of Hong Kong
“%”	per cent.

As at the date hereof, the Board comprises six executive directors, namely Mr. Wong Yuk Kwan (alias: Wong Kwan), Dr. Lew Mon Hung, Mr. Cheung Kwok Yu, Mr. Zhou Li Yang, Mr. Zheng Yingsheng, and Mr. Johnny Yuen; and three independent non-executive directors, namely Mr. Yu Jianmeng, 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, 10 June 2010

** For identification purposes only*