

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this 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 announcement.*



**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)**

**CLARIFICATION ANNOUNCEMENT**

Reference is made to the Company's announcement dated 2 August 2010 (the "**Announcement**"). Unless otherwise stated, terms used herein shall have the same meanings as defined in the Announcement.

Further to the Announcement, the Board is pleased to announce that the Disposal constitutes a connected transaction for the Company under Rule 14A.13 of the Listing Rules, and the Disposal is exempt from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.31(9) of the Listing Rules.

In addition, the Board confirms that the Disposal also constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules.

Based on the unaudited financial statements of China Coal, the unaudited net loss before and after taxation of China Coal for the year ended 31 December 2008 were both approximately HK\$9.1 million, and for the year ended 31 December 2009 were both approximately HK\$2.26 million. The unaudited net liabilities of China Coal as at 31 December 2009 was approximately HK\$34.15 million.

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

Hong Kong, 6 August 2010

*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.*

\* For identification purposes only