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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)**

### ANNOUNCEMENT

Reference is made to the announcements of the Company dated 25 January 2010, 18 March 2010 and 21 June 2010 and the circular of the Company dated 24 May 2010 (the “Circular”) in relation to, inter alia, the acquisition of the entire issued share capital of Oasis. Terms defined in the Circular shall have the same meanings when used herein unless the context requires otherwise.

#### **Changes in shareholdings**

The Company was notified by Orient Day, which is wholly owned by Mr. Wong Kwan, Chairman and Chief Executive of the Company and an executive Director, that Orient Day disposed of 710,952,800 Shares held by it to certain independent third parties, including Mr. Ma Yueng-Lin (“Mr. Ma”), whose background information is set out in the paragraph headed “Information on Mr. Ma” in this announcement, who are independent of the Company and its connected persons after trading hours of 13 May 2011 (the “Share Disposal”).

Immediately following the completion of the Share Disposal, the technical issues in connection with the issue of the Consideration Shares mentioned in the Company’s announcement dated 21 June 2010 will be resolved and the Company will issue 847,810,000 Consideration Shares to the Vendors, namely Marvel, Charcon, which is wholly owned by Mr. Wong Kwan, and Dr. Lew for settlement of the consideration for the Phase 1 Acquisition pursuant to the Agreement. Furthermore, the Company was notified by Charcon that it intended to acquire 352,160,000 Shares from Marvel and Dr. Lew (the “Share Acquisition”) within 2 business days after the issue of the Consideration Shares.

The effects of the Share Disposal, the issue of the Consideration Shares and the Share Acquisition on the shareholding structure of the Company are shown as follows:-

	<b>As at the date of this announcement before completion of the Share Disposal</b>		<b>After completion of Share Disposal and issue of the Consideration Shares</b>		<b>After completion of the Share Acquisition</b>	
	No. of shares	%	No. of shares	%	No. of shares	%
Orient Day	710,952,800	35.72	-	0.00	-	0.00
Charcon	-	0.00	395,650,000	13.94	747,810,000	26.35
<i>Sub-total for Mr. Wong Kwan</i>	<i>710,952,800</i>	<i>35.72</i>	<i>395,650,000</i>	<i>13.94</i>	<i>747,810,000</i>	<i>26.35</i>
Marvel	-	0.00	282,600,000	9.96	-	0.00
Dr. Lew	-	0.00	169,560,000	5.97	100,000,000	3.52
Mr. Ma	-	0.00	560,000,000	19.73	560,000,000	19.73
Other Directors	8,375,000	0.42	8,375,000	0.30	8,375,000	0.30
Public	1,271,081,160	63.86	1,422,033,960	50.10	1,422,033,960	50.10
<b>Total</b>	<b>1,990,408,960</b>	<b>100.00</b>	<b>2,838,218,960</b>	<b>100.00</b>	<b>2,838,218,960</b>	<b>100.00</b>

The Company was advised by Mr. Wong Kwan that he would hold 747,810,000 Shares as a long term investment and remain as the single largest shareholder of the Company. The composition of the Board and the Company's development strategy on its core business of oil and gas energy will remain unchanged.

### **Information on Mr. Ma**

Upon completion of the Share Disposal and issue of the Consideration Shares, Mr. Ma shall become a substantial shareholder of the Company holding 560,000,000 Shares, representing approximately 19.73% of the then total issued share capital of the Company.

Mr. Ma is a famous entrepreneur in China and Taiwan. His family substantially owns and operates Yuanta Financial Holding Co., Ltd. (元大金融控股股份有限公司, stock code: 2885.tw), which is a leading securities company principally engaged in finance, banking, securities, investment trust and asset management in Taiwan with total market capitalization of around New Taiwan Dollars 160 billion (equivalent to approximately HK\$43 billion). Mr. Ma has invested in various sectors in China including properties, travel and technologies and has extensive experience in corporate development and management.

The Board believes that Mr. Ma's investment in the Company shall further broaden the shareholder base of the Company and Mr. Ma can provide valuable advice for the Company's rapid business development given his successful business experience.

### **Recruitment of Petroleum Professionals**

The Company has recently recruited two petroleum professionals, namely Mr. Zhang Jiayou and Mr. Zhang Kai, to further strengthen its management team.

Mr. Zhang Jiayou, Senior Geologist of the Company, is responsible for oil and gas field exploration, evaluation and development of the Company. Mr. Zhang Jiayou graduated from China University of Petroleum (Eastern China) majoring in geological exploration of petroleum and natural gas, and has been awarded as qualified petroleum engineer. Mr. Zhang Jiayou worked as reservoir engineer in China Petrochemical Corporation (Sinopec) and Helix RDS for 6 years. He also worked as geologist and project manager for several international petroleum engineering and technical firms for 8 years among which he took the position of chief geologist and project manager of ESSCA for 6 years. Mr. Zhang Jiayou is very experienced in and capable of employing the modern and advanced technologies for exploration, modeling, seismic analysis, field development plan and enhancing oil recovery etc.

Mr. Zhang Kai, Project Manager of the Company, is responsible for oil and gas field development and production management. Mr. Zhang Kai graduated from Jiangnan Petroleum University (currently named as Yangtze University) in 1992, majoring in petroleum development engineering, and has been awarded as qualified petroleum engineer. Mr. Zhang Kai worked for China National Offshore Oil Corporation (CNOOC) and its cooperating group with AGIP, Chevron and Texaco named CACT Operators Group, and Devon Energy for 19 years consecutively with rich technical and managerial experience in drilling, oil and gas field development and production.

The Board welcomes Mr. Zhang Jiayou and Mr. Zhang Kai to join the Company. Given the commencement of production of the Group's gas and oil field in Utah, USA in October 2010 and the recent surging and expected favourable oil price trend in the international market, with the support of our business partners and our professional management team, the Group will further expand its portfolio of oil assets through mergers and acquisitions so as to enhance the development potential of the Company.

As at the date hereof, the Board comprises five executive Directors, namely Mr. Wong Yuk Kwan (alias: Wong Kwan), Dr. Lew Mon Hung, Mr. Cheung Kwok Yu, Mr. Zhou Li Yang and Mr. Johnny Yuen; one non-executive Director Mr. Baiseitov Bakhytbek; 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, 13 May 2011

*\* For identification purposes only*