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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)

UPDATE ON SETTLEMENT AGREEMENT

Reference is made to the Company’s announcements dated 2 August 2010 and 24 February 2011 in relation to a settlement agreement dated 31 July 2010 and the disposal (the “Disposal”) of equity interests in China Coal Energy Holdings Limited.

The board of directors of the Company (the “Board”) is pleased to announce that Mr. Zhang Jingyuen has already early paid the third instalment of consideration for the Disposal of HK\$48,500,000 in aggregate (net proceeds after 3% expenses payable) to the Company in June and July 2011.

The Board believes that the Company’s receipt of the third instalment of consideration will further improve the financial position and financial results of the Group.

As at the date hereof, the Board comprises four executive Directors, namely Mr. Wong Yuk Kwan (alias: Wong Kwan), Dr. Lew Mon Hung, Mr. Cheung Kwok Yu and Mr. Johnny Yuen; one non-executive director, Mr. Baiseitov Bakhytbek; and three independent non-executive Directors, namely Mr. Chen Ping, Mr. Yu Jianmeng 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 July 2011

** For identification purposes only*