



Press Release

Pearl Oriental Recorded an Interim Profit of HK\$61.26 Million

**Appointment of Mr. Eddie Wang, a Veteran Banker as
Independent Non-Executive Director**

Interim Results Announcement

Pearl Oriental Innovation Limited (“Pearl Oriental”, Stock Code 0632.HK) announces that the unaudited consolidated profit of the Group as at 30 June 2011 (the “Period”) was approximately HK\$61.26 million, representing a decrease of 89.7% as compared to HK\$596.54 million over the corresponding Period last year.

The Board of Directors of Pearl Oriental (“The Board”) points out that the higher profit recorded in the last Period was mainly due to excess of the fair value of the Utah Gas and Oil Field over its acquisition cost. The substantial decrease in unaudited consolidated profit in the current Period was due to the absence of the gain from appreciation of fair value in assets from acquisitions. Turnover in the first half year was HK\$244.97 million. Other income and gains were approximately HK\$90.56 million, representing an increase of 87.8 times as compared to HK\$1.02 million in last Period. As at 30 June 2011, the Group has current assets, including cash and bank balance and short term receivables, of HK\$448.15 million in total and has no bank borrowing. Given better financial operating condition, the Group can maintain a stable and strong development potential.

The Board believes that Pearl Oriental is in a better position at the moment. Following the successful oil production from the Group’s 100% owned Utah Gas and Oil Field, which brings economic benefits, Pearl Oriental is currently under the negotiation of possible acquisition of several oil field projects. Management team and other independent professionals are conducting due diligence on Kazakhstan oilfield project which has a total 3P oil reserves over 700 million barrels. The Group’s investment strategy is to acquire further ownership interests in oil fields and oil reserves so as to build a solid foundation for the rapid growth in the coming future.

Appointment and Re-designation of Directors

Pearl Oriental is also pleased to announce that with effect from 1 September 2011, Mr. Wang Tong Sai, Eddie (“Mr. Wang”), a veteran banker, will be appointed as an Independent Non-executive Director, Mr. Chen Ping (“Mr. Chen”) will be re-designated from an Independent Non-executive director to a Non-executive director, and Mr. Johnny Yuen (“Mr. Yuen”) will resign as an Executive Director and be appointed as the Senior Consultant of the Company, respectively.



Mr. Wang has over 36 years extensive experience in international banking sector. He joined Hong Kong and Shanghai Banking Corporation Limited (“HSBC”) in 1973, and was served as the Chief Executive Officer in charge of Mainland China and succeeded in establishing HSBC as the largest foreign bank in Mainland China. He also held position as Regional President West Coast USA of HSBC. From 2006 to 2009, Mr. Wang was appointed as President of China Minsheng Bank, being the first Hong Kong banker to take up such a position in a major national domestic bank in Mainland China. Mr. Wang has obtained a Degree in Business Administration from the Chinese University of Hong Kong and is currently the Asia Pacific Senior Adviser of McKinsey & Company.

The Board welcomes joining of Mr. Wang to the Group and believes that Mr. Wang will have a great contribution for the steady development of Pearl Oriental through his successful experience, background in international banking, extensive personal network in financial, industrial and commercial sectors.

After the re-designation as Non-executive Director, Mr. Chen will actively assist the Management of Pearl Oriental in expansion and establishment of the mutual beneficial cooperation relationship with the state-owned sizable enterprises and financial institutions. He will also provide Pearl Oriental with strategic advices on merger and acquisition and financing of oilfield projects.

Due to his personal business engagement, Mr. Yuen has resigned as an Executive Director of the Company. In view of Mr. Yuen’s extensive experience in corporate business management, he will be appointed as Senior Consultant. The Board hereby extends its great appreciation for Mr. Yuen’s valuable contributions to the Company during his tenure of office.

The Board of Directors of

Pearl Oriental Innovation Limited

30 August 2011