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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

(Announcement Regarding Legal Action)

This announcement is made by the Company pursuant to rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the Company's announcement dated 23 August 2005 in respect of a legal action instituted by Horace Yao Yee Cheong, Habile International Holdings Limited and Makdavy Holdings Limited (collectively, the "Plaintiffs") under the High Court Action No. 916 of 2006. The subject matters of the legal action have happened before the existing Board of Directors which has formed in May 2006.

A judgment (the "Judgment") was given in favour of the Plaintiffs against the Company as defendant on 22 May 2009 for the aggregate sum of approximately HK\$6,946,000 together with interests thereon and legal costs were given to the Plaintiffs.

The Company will seek legal advice on the Judgment in order to consider whether to appeal against the Judgment or not. The Company considers that there will be no material impact on the financial position of the Company, and it will disclose the status of the legal action when appropriate in due course.

Shareholders of the Company and investors are advised to exercise caution when dealing in the shares of the Company.

As at the date hereof, the Board comprises five executive Directors, namely Mr. Wong Yuk Kwan (alias: Wong Kwan), Mr. Cheung Kwok Yu, Mr. Zhou Li Yang, Mr. Zheng Yingsheng and Mr. Johnny Yuen; and three independent non-executive Directors, namely Mr. Dong Zhixiong, 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, 25 May 2009

** For identification purposes only*