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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)

VOLUNTARY ANNOUNCEMENT

The Group and Mr. Cheung Mo Kit, our joint venture partner are intending to dispose of their 100% interests in China Environmental Resources Limited (“China Environmental”), a 60% owned subsidiary of the Group, at a premium to an overseas listed company (the “Listed Vehicle”) to further develop and restructure its plastic recycling businesses, and they may also jointly acquire controlling stake shareholding of the single largest shareholder of the Listed Vehicle (collectively, the “Transaction”). China Environmental has a plan of expanding into and acquiring related waste plastic processing facilities and factories in China by raising further funding through the Listed Vehicle. If the Transaction proceeds, it may constitute a notifiable transaction of the Company under the Listing Rules. If the Transaction completes, the Company will become a truly energy group focusing in oil and gas industry while it will still hold its interests in China Environmental through the Listed Vehicle in form of listed securities.

Due to the high labour cost (which is estimated to be over 10 times that in China), after due and careful consideration, China Environmental is intending to relocate the processing activities to China from France and also to dispose of the processing factory and machinery in France to independent third parties. Accordingly, a voluntary liquidation of a subsidiary (the “Subsidiary”) of China Environmental engaged in waste plastic processing and manufacturing in France has been taken out in order to facilitate the restructuring of the plastic recycling businesses of China Environmental. The French Court has appointed a liquidator to handle the related matters in accordance with the relevant legal procedures. The unaudited book value of the Subsidiary represents only approximately 2% of the unaudited total assets of the Group as at 30 June 2010, therefore the voluntary liquidation will not affect the financial position and the operations in oil, energy and recycling resources of the Group.

The Board believes that the aforesaid restructuring can help the Group to achieve good return through possible capital appreciation in the plastic recycling sector. The Board considers that the aforesaid restructuring is in the interests of the Company and the Shareholders as a whole.

Shareholders of the Company and investors should be aware of and take note that the related discussion of the Transaction is still in the preliminary stage and therefore may or may not proceed. Shareholders of the Company and investors are advised to exercise caution when dealing in the Shares.

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.

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

Hong Kong, 19 July 2010

** For identification purposes only*