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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

Originating summons (the “Summons”) have been taken out against the Company by Dransfield Holdings Limited (in liquidation) (“DHL”), a subsidiary which has been disposed of by the Group in around July 2005. The Summons was delivered to management of the Company today (after trading hours).

By the Summons, DHL alleged that the then intra-group transfer of the entire share capital of Good Value Holdings Limited (a former subsidiary of the Company) in around August 2003 was an unfair preference of the Company and was invalid and DHL claimed against the Company for a sum of RMB 93,000,000.

Reference is made to the Company’s announcement dated 23 August 2005 in respect of a legal action instituted by Horace Yao Yee Cheung, Habile International Holdings Limited and Makdavy Holding Limited (the “Previous Legal Action”). The subject matters of the Previous Legal Action have happened before the existing Board of Directors which has formed in May 2006. The Company has successfully appealed against a judgment regarding the Previous Legal Action as announced by the Company on 13 April 2010.

The subject matters of the Summons appear to be substantially and/or closely related to the same as those of the Previous Legal Action.

The Company has been advised by its legal advisers that the Summons and the claims therein were unfounded and will be stringently defended by the Company.

The Company considers that there will be no material impact on the financial position of the Group, as amount of the claim represented only approximately 3.2% of the total assets of the Group as at 31 December 2010, and it will disclose the status of the Summons when appropriate in due course.

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, 4 August 2011

** For identification purposes only*