

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



# 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)

### CHANGE OF AUDITORS

The Board announces that Messrs CCIF CPA Limited (“CCIF”) resigned as auditors of the Company and its subsidiaries (the “Group”) with effect from 30 May 2007 and Messrs KPMG (“KPMG”) have been appointed as the auditors of the Company and its subsidiaries to fill the casual vacancy following the resignation of CCIF as auditors of the Group, and to hold office until the conclusion of the next annual general meeting of the Company.

It is the Company’s policy to review the engagement of auditors from time to time.

The Board of Directors (“the Board”) of Pearl Oriental Innovation Limited (“the Company”) announces that Messrs CCIF CPA Limited (“CCIF”) resigned as auditors of the Company and its subsidiaries (the “Group”) with effect from 30 May 2007 since the Company and CCIF could not reach a consensus on the audit fee of the Company for the financial year ended 31 March 2007 and Messrs KPMG (“KPMG”) have been appointed as the auditors of the Group to fill the casual vacancy following the resignation of CCIF as auditors of the Group, and to hold office until the conclusion of the next annual meeting of the Company.

CCIF has indicated in their resignation letter that there were no circumstances connected with their resignation which they considered should be brought to the attention of the shareholders or creditors of the Company. Also, the Board confirms that there are no circumstances in respect of the change of auditors which should be brought to the attention of the shareholders of the Company.

CCIF has not yet commenced any audit work on the financial statements of the Group for the financial year ended 31 March 2007. It is expected that such change of auditors of the Company will not affect the audit and the release of annual results of the Company for the financial year ended 31 March 2007.

The Board would like to take the opportunity to thank CCIF for their professional services and support in the past.

As at the date hereof, the Board comprises six executive Directors, namely Mr. Wong Yuk Kwan (alias: Wong Kwan), Mr. Chan Yiu Keung, Mr. Cheung Kwok Yu, Mr. Zhou Li Yang, Mr. Zheng Yingsheng and Mr. Johnny Yuen; and two independent non-executive Directors, namely Dr. Anwar Ibrahim and Dr. Lee G. Lam.

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

Hong Kong, 1 June 2007

\* *For identification purposes only*

Please also refer to the published version of this announcement in The Standard.