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東方明珠創業有限公司*
Pearl Oriental Innovation Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 632)

**FURTHER DELAY IN DESPATCH OF CIRCULAR
REGARDING
MAJOR AND CONNECTED TRANSACTIONS**

The Company has made an application to the Stock Exchange for a further extension of time for despatch of the Circular to on or before 28 February 2007.

Reference is made to the Company's announcements dated 26 September 2006, 17 October 2006 and 20 November 2006 in relation to major and connected transactions (the "Announcements"). Terms defined in the Announcements shall have the same meanings when used herein unless the context requires otherwise.

Due to the recent change of the accounting personnel including financial controller and senior accountant of the Group and the change of accounting personnel including the accounting manager of Guangzhou Pearl Oriental Group, additional time is required by the Company to gather and finalize various information, including without limitation the financial information of Guangzhou Pearl Oriental Group for the years 2003 and 2004, to be incorporated in the Circular, therefore an application has been made by the Company to the Stock Exchange for a further extension of the time limit for despatch of the Circular. The Circular is expected to be despatched to the Shareholders on or before 28 February 2007 as agreed between the Company and the reporting accountant. The Directors consider the expected despatch date of 28 February 2007 is reasonable.

As at the date hereof, the Board comprises six executive Directors, namely Mr. Wong Yuk Kwan (alias: Wong Kwan), Mr. Lin XiZhong, Mr. Chan Yiu Keung, Mr. Cheung Kwok Yu, Mr. Zhou Li Yang, Mr. Zheng Yingsheng; one non-executive Director, namely Dr. Robert Fung Hing Piu; and three independent non-executive Directors, namely Dr. Anwar Ibrahim, Dr. Lee G. Lam and Mr. Victor Yang.

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

Hong Kong, 27 December 2006

* *For identification purpose only*

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