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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 22 December 2006.

Reference is made to the Company's announcements dated 26 September 2006 and 17 October 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.

Since the reporting accountant for the POL Acquisitions is different from that for the transactions as set out in the Company's circular dated 28 February 2005 (the "2005 Circular") and the relevant financial information included in the 2005 Circular is not available from the former reporting accountant, additional time is required by the reporting accountant to finalize the audited financial statements of Guangzhou Pearl Oriental Group, in particular to perform the audit of financial information of Guangzhou Pearl Oriental Group for the years 2003 and 2004 again (instead of relying on the audited financial information included in the 2005 Circular as expected when the Company issued the announcement dated 17 October 2006). Accordingly, the reporting accountant is not able to finalize the financial statements of Guangzhou Pearl Oriental Group for inclusion 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 22 December 2006 as agreed between the Company and the reporting accountant.

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, 20 November 2006

* *For identification purpose only*

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