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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)

**DELAY IN DESPATCH OF CIRCULAR
REGARDING
MAJOR AND CONNECTED ACQUISITIONS**

The Company has made an application to the Stock Exchange for an extension of time for despatch of the Circular to on or before 17 November 2006.

Reference is made to the Company's announcement dated 26 September 2006, inter alia, in relation to major and connected transactions (the "Announcement"). Terms defined in the Announcement shall have the same meanings when used herein unless the context requires otherwise.

Pursuant to Rules 14.38 and 14A.49 of the Listing Rules, the Company is required to despatch to Shareholders a circular (the "Circular") within 21 days after publication of the Announcement, which should be on or before 18 October 2006. As additional time is required by the reporting accountant to prepare the financial information for inclusion in the Circular, including the audited financial statements of Guangzhou Pearl Oriental Group, pro forma accounts, information of indebtedness and working capital of the Group, an application has been made by the Company to the Stock Exchange for an extension of the time limit for despatch of the Circular. The Circular is expected to be despatched to the Shareholders on or before 17 November 2006 as agreed between the Company and the reporting accountant.

South China Capital Limited has been appointed as the independent financial adviser to advise the independent board committee and the independent shareholders on the POL Acquisitions.

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
Wong Kwan
Chairman and Chief Executive

Hong Kong, 17 October 2006

* *For identification purposes only*

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