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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  
CONNECTED TRANSACTION –  
SUBSCRIPTION OF NEW SHARES  
APPLICATION FOR WHITEWASH WAIVER  
AND  
PROPOSED INCREASE IN AUTHORIZED SHARE CAPITAL**

The Company has made an application to the Stock Exchange and the SFC for an extension of time for despatch of the Circular to on or before 31 January 2008.

Reference is made to the announcement made by the Company dated 2 January 2008 in relation to, inter alia, the subscription of new shares, application for whitewash waiver and proposed increase in authorized share capital (the “Announcement”). Terms defined in the Announcement shall have the same meanings when used herein unless the context requires otherwise.

Pursuant to Rule 14A.49 of the Listing Rules and Rule 8.2 of the Takeovers Code, 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 23 January 2008. As additional time is required by the Company to finalize the information to be included in the indebtedness statement which will be disclosed in the Circular, an application has been made by the Company to the Stock Exchange and the SFC for an extension to the time limit for despatch of the Circular. The Circular is expected to be despatched to the Shareholders on or before 31 January 2008.

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

Hong Kong, 22 January 2008

\* *For identification purposes only*

*As at the date of this announcement, the Board comprises six executive Directors, namely Messrs. Wong Kwan, Chan Yiu Keung, Cheung Kwok Yu, Zhou Li Yang, Zheng Yingsheng, Johnny Yuen, and three independent non-executive Directors, namely Messrs. Dong Zhixiong, Fung Hing Chiu, Cyril and Lai Shi Hong, Edward.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Subscriber) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Subscriber) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than information relating to the Subscriber), the omission of which would make any statement in this announcement (other than information relating to the Subscriber) misleading.*

*The Subscriber's directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Company) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than information relating to the Company), the omission of which would make any statement in this announcement (other than information relating to the Company) misleading.*