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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)

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

The circular containing, amongst other things, further details of the Subscription and the Whitewash Waiver has been despatched by the Company to the Shareholders on 31 January 2008.

Reference is made to the announcements of the Company dated 2 January 2008 and 22 January 2008 in relation to, inter alia, the subscription of new shares, application for whitewash waiver and proposed increase in authorized share capital (the “Announcements”). Terms defined in the Announcements shall have the same meanings when used herein unless the context requires otherwise.

The circular containing, amongst other things, (i) the letter from the Board containing details of the terms of the Subscription, the Whitewash Waiver and the proposed increase in authorized share capital; (ii) the letter from the Independent Board Committee containing its advice to the Independent Shareholders on the terms of the Subscription, the Agreement and the Whitewash Waiver; and (iii) the letter from Independent Financial Adviser containing its advice to the Independent Board Committee and Independent Shareholders in respect of the terms of the Subscription, the Agreement and the Whitewash Waiver has been despatched to the Shareholders on 31 January 2008.

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

Hong Kong, 31 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.