

If you are in doubt as to any aspect of this circular, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Pearl Oriental Innovation Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed dealer, or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
RE-ELECTION OF DIRECTORS
PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Pearl Oriental Innovation Limited to be held at Suite 1908, 19/F, 9 Queen's Road Central, Hong Kong on 26 May 2009, Tuesday at 4:30 p.m. is set out in this circular. A form of proxy for use at the annual general meeting is enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk).

Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time fixed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the annual general meeting or any adjourned meeting if you so wish.

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DEFINITIONS

“AGM”	the annual general meeting of the Company to be convened on 26 May 2009, Tuesday at 4:30 p.m. at Suite 1908, 19/F, 9 Queen’s Road Central, Hong Kong
“Associate”	has the meaning ascribed to this term under the Listing Rules
“Board”	board of Directors
“Bye-laws”	the Bye-laws adopted by the Company, and as amended from time to time by resolutions of the Shareholders of the Company
“Chairman”	chairman of the Board
“Company”	Pearl Oriental Innovation Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK Dollar(s)” or “HK\$”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	27 April 2009, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Repurchase Mandate”	the proposed repurchase mandate be granted to the Directors to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing the resolution for approving the repurchase mandate
“Share(s)”	ordinary share(s) of HK\$0.10 in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	shareholder(s) of the Company
“Share Issue Mandate”	the proposed issue mandate to be granted to the Directors to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the resolution for approving the share issue mandate
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



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

(Incorporated in Bermuda with limited liability)

(Stock code: 632)

Executive directors:

Wong Yuk Kwan (*alias: Wong Kwan*)

Cheung Kwok Yu

Zhou Li Yang

Zheng Yingsheng

Johnny Yuen

Registered office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Independent non-executive directors:

Dong Zhixiong

Fung Hing Chiu, Cyril

Lam Ka Wai, Graham

*Head office and principal place of
business in Hong Kong:*

Suite 1908, 19th Floor

9 Queen's Road Central

Hong Kong

30 April 2009

To the Shareholders

Dear Sirs,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
RE-ELECTION OF DIRECTORS
PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the ordinary resolutions to be proposed at the AGM for the approval of (a) the Share Issue Mandate; (b) the Repurchase Mandate; (c) the extension of the Share Issue Mandate; (d) the re-elections of Directors; and (e) the Proposed Amendments to Bye-laws. This circular contains the explanatory statement and gives all the information reasonably necessary to enable the Shareholders to make informed decisions on whether to vote for or against the resolutions to be proposed at the AGM.

A notice convening the AGM is set out on pages 14 to 22 to this circular.

* For identification purposes only

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE SHARES

An ordinary resolution will be proposed at the AGM to grant the Directors a general and unconditional mandate to allot, issue and deal with Shares of HK\$0.10 each in the Company with an aggregate nominal value not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of such resolution. The Share Issue Mandate, if granted, will remain effective until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held under the Bye-laws or any applicable laws of the Bermuda or the Listing Rules; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

GENERAL MANDATE TO REPURCHASE SHARES

An ordinary resolution will be proposed at the AGM to grant the Directors a general and unconditional mandate to repurchase Shares subject to the maximum number of Shares of up to 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of such resolution. The Repurchase Mandate, if granted, will remain effective until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held under the Bye-laws or any applicable laws of the Bermuda or the Listing Rules; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

EXTEND GENERAL MANDATE TO ISSUE SHARES

Subject to and conditional on the passing of the resolutions to grant the Share Issue Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the AGM to extend the Share Issue Mandate by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandates of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company pursuant to the Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company in issue on the date of passing the resolution for approving the Share Issue Mandate.

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in the Appendix to this circular. The information in the explanatory statement is provided to you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution in relation to the Repurchase Mandate.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

As at the date of this circular, the executive Directors are Messrs. Wong Kwan, Cheung Kwok Yu, Zhou Li Yang, Zheng Yingsheng and Johnny Yuen and the independent non-executive Directors are Messrs. Dong Zhixiong, Fung Hing Chiu, Cyril and Lam ka Wai, Graham.

Pursuant to Bye-law 86, a Director appointed by the Board to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting.

Pursuant to Bye-law 87, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation provided that, the Chairman and/or the managing director of the Company (whilst holding such office) and Directors appointed pursuant to Bye-law 86(2) shall not, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year.

Accordingly, Messrs. Cheung Kwok Yu, Zheng Yingsheng, Fung Hing Chiu, Cyril and Lam Ka Wai, Graham will retire at the AGM, who being eligible, offer themselves for re-election at the forthcoming AGM. All other remaining directors continue in office.

The biographical details of all the retiring Directors are as follows:

Mr. Cheung Kwok Yu (“Mr. Cheung”), aged 39, Executive Director of the Company, has over 18 years of experience with international accounting firms and law firms and listed companies in direct investment, accounting, legal, corporate finance and mergers and acquisitions. Mr. Cheung is a Chartered Financial Analyst charterholder and a professional accountant in Hong Kong, and is also qualified as a solicitor in Hong Kong. Mr. Cheung has a Master degree in Applied Finance from Macquarie University in Sydney and a Bachelor of Arts degree in Accountancy from Hong Kong Polytechnic University. Mr. Cheung is responsible for the implementation of legal and financial matters of the Group.

Mr. Cheung has entered into a service contract with the Company for a term of 2 years commencing from 24 May 2008 with a remuneration of HK\$1,116,000 per annum. In addition, Mr. Cheung is entitled to a discretionary year-end-bonus under the services contract. His remuneration and other benefits are determined by reference to his duties, responsibilities and experience.

Save as disclosed above as at the Latest Practicable Date,

- (i) Mr. Cheung does not have any relationships with other Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Group;
- (ii) Mr Cheung did not hold other directorship in any public listed companies in the last 3 years prior to the issue of this circular;

LETTER FROM THE BOARD

- (iii) Mr. Cheung does not have any other interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance; and
- (iv) There is no information required to be disclosed in relation to Mr. Cheung pursuant to any of the requirements under the provisions of Rules 13.51(2)(h) to 13.51(2)(w) of the Listing Rules.

Mr. Zheng Yingsheng (“Mr. Zheng”), aged 48, Executive Director of the Company, has had over 26 years working experience in logistics management and transportation operations. Mr. Zheng is responsible for overseeing the logistics business of the Group. He had worked for several sizeable and reputable transportation and logistics companies at senior management level being respectively in charge of land transportation, ocean cargo forwarding, warehouse management, fleet management and container terminal operations, etc. He is particularly experienced in transportation and logistics work flow and systems designs and management. Mr. Zheng holds a Bachelor of Economics degree in Marine Economics from School of Economics & Management, Shanghai Maritime University and a Diploma in Business Administration from Zhejiang University, the PRC.

There is no service contract entered into between Mr. Zheng and the Company. His remuneration and other benefits are determined by reference to his duties, responsibilities and experience.

Save as disclosed above as at the Latest Practicable Date,

- (i) Mr. Zheng does not have any relationships with other Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Group;
- (ii) Mr. Zheng did not hold other directorship in any public listed companies in the last 3 years prior to the issue of this circular;
- (iii) Mr. Zheng does not have any other interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance; and
- (iv) There is no information required to be disclosed in relation to Mr. Zheng pursuant to any of the requirements under the provisions of Rules 13.51(2)(h) to 13.51(2)(w) of the Listing Rules.

LETTER FROM THE BOARD

Mr. Fung Hing Chiu, Cyril (“Mr. Fung”), aged 69, Independent Non-Executive Director of the Company, is a prominent international and Hong Kong entrepreneur. Mr. Fung graduated from Harvard Graduate School of Business Administration with an Master Degree in Business Administration in 1965. He had worked for Morgan Guaranty Trust in New York head office and Bank of East Asia. Mr. Fung was the Managing Director of Fung Ping Fan Holdings. He was also the Co-founder and Chairman of the first venture capital fund in Asia, Inter-Asia Management Co. Ltd. and succeeded in bringing McDonald’s to Hong Kong and Singapore. Mr. Fung’s strong strategic sense, proven value-enhancement expertise and very diverse business experience made him a distinct business investment consulting professional.

As at the date hereof, Sir Kenneth Fung Ping Fan Foundation Trust I (the “Trust”) owns 1,272,090 shares in the Company in which Mr. Fung is one of the trustees, Mr. Fung or the Trust does not have any other interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Fung has entered into a service contract with the Company for a term of 2 years commencing from 13 July 2007 with a director’s fee of HK\$150,000 per annum. In addition, Mr. Fung is entitled to a discretionary year-end-bonus under the service contract. His remuneration and other benefits are determined by reference to his duties, responsibilities and experience.

Save as disclosed above as at the Latest Practicable Date,

- (i) Mr. Fung does not have any relationships with other Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Group;
- (ii) Mr. Fung did not hold other directorship in any public listed companies in the last 3 years prior to the issue of this circular;
- (iii) Mr. Fung does not have any other interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance; and
- (iv) There is no information required to be disclosed in relation to Mr. Fung pursuant to any of the requirements under the provisions of Rules 13.51(2)(h) to 13.51(2)(w) of the Listing Rules.

Mr. Lam Ka Wai, Graham (“Mr. Lam”), aged 41, Independent Non-Executive Director of the Company, graduated from the University of Southampton, England with a Bachelor of Science degree in Accounting and Statistics. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. He is currently a Managing Director and Head of Corporate Finance of an investment bank and has around 15 years experience in investment banking as well as around 4 years experience in accounting and auditing. He is also an independent non-executive

LETTER FROM THE BOARD

director of Cheuk Nang (Holdings) Limited (stock code: 131), Applied Development Holdings Limited (stock code: 519), China Fortune Group Limited (stock code: 290), ZZNode Technologies Company Limited (stock code: 2371) and Artfield Group Limited (stock code: 1229), companies listed on the Main Board of The Stock Exchange of Hong Kong Limited; and China Railway Logistics Limited (stock code: 8089), a company listed on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

Mr. Lam's appointment is for a period of two years commencing from 3 October 2008. Mr. Lam will be entitled to a director's fee HK\$150,000 per annum which is determined by reference to his duties and responsibilities to the Company. He will also be entitled to a discretionary year-end-bonus.

Save as disclosed above as at the Latest Practicable Date,

- (i) Mr. Lam does not have any relationships with other Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Group;
- (ii) Mr. Lam does not have any other interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance; and
- (iii) There is no information required to be disclosed in relation to Mr. Lam pursuant to any of the requirements under the provisions of Rules 13.51(2)(h) to 13.51(2)(w) of the Listing Rules.

PROPOSED AMENDMENTS TO BYE-LAWS

The Stock Exchange has amended the Listing Rules relating to, among other things, the use of websites for communication with Shareholders and voting at general meetings. The amendments to the Listing Rules have come into effect on 1 January 2009.

Accordingly, the Directors propose to seek the approval of the Shareholders by way of passing a special resolution to be proposed at the AGM for the proposed amendments to Bye-laws to ensure compliance with the several amended provisions of the Listing Rules.

The full text of the special resolution containing such proposed amendments (special resolution no. 5) are set out in the AGM Notice on pages 14 to 22 of this circular.

LETTER FROM THE BOARD

THE AGM AND PROXY ARRANGEMENT

A notice convening the AGM to be held at Suite 1908, 19/F, 9 Queen's Road Central, Hong Kong on 26 May 2009, Tuesday at 4:30 p.m. is set out on pages 14 to 22 of this circular.

A form of proxy for use at the AGM is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk). Whether or not you are able to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM (or any adjournment thereof) to the office of the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

RECOMMENDATION

The Directors consider that all the proposed resolutions in the AGM are in the interests of the Company and the Shareholders as a whole and, accordingly, the Directors recommend all Shareholders to vote in favour of all the resolutions to be proposed at the AGM in respect thereof.

Yours faithfully,
For and on behalf of the Board
Pearl Oriental Innovation Limited
Cheung Kwok Yu
Executive Director and Company Secretary

The following is an explanatory statement required by the Stock Exchange to be presented to Shareholders concerning the Repurchase Mandate.

1. LISTING RULES RELATING TO THE REPURCHASES OF SECURITIES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their fully-paid shares on the Stock Exchange subject to certain restrictions, the important of which are summarized below:

(a) Shareholders' approval

All proposed purchase of securities on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by its shareholders by an ordinary resolution, either by way of a general mandate or by a specific approval of a particular transaction and that the shares to be repurchased must be fully paid up.

(b) Share capital

Under the Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the aggregate nominal amount of its issued share capital at the date of the passing of the proposed resolution granting the Repurchase Mandate.

As at the Latest Practicable Date, the Company has 464,737,960 Shares in issue. Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the AGM, the exercise of the Repurchase Mandate in full would result in up to 46,473,796 Shares being repurchased by the Company during the period from the date of passing of the relevant resolution to the next annual general meeting of the Company or the date upon which the Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company, whichever occurs first.

(c) Reason for repurchase

The Directors believe that it is in the interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase securities of the Company on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

(d) Funding of repurchase

The Directors propose that repurchases of Shares under the Repurchase Mandate in these circumstances would be financed from the Company's internal resources or existing banking facilities which will be funds legally available for such purposes in accordance with the Memorandum of Association and Bye-law and the laws of Bermuda. Under Bermuda law, repurchases may only be effected out of the capital paid up on the purchased Shares or out of funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account before the Shares are repurchased.

As compared with the financial position of the Company as at 31 December 2008 (being date of its latest audited accounts), the Directors consider that there would not be a material adverse impact on the working capital or gearing position of the Company if the Repurchase Mandate is to be exercised in full during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing level (as compared with the position disclosed in its most recent published audited accounts) which in the opinion of the Directors are from time to time appropriate for the Company.

(e) Connected parties

None of the Directors nor, to the best knowledge of the Directors having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) has any present intention to sell Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

As at the Latest Practicable Date, no connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

(f) Undertaking by Directors

The Directors have undertaken to the Stock Exchange that they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Bermuda.

(g) Takeovers Code

If as a result of a repurchase of Shares a Shareholder's proportionate interest in the voting rights of the repurchasing company increases, such increase will be treated as an acquisition of voting rights for the purpose of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Orient Day Developments Limited ("Orient Day"), being the only substantial shareholder of the Company, held 261,759,800 Shares representing approximately 56.32% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, the shareholding of Orient Day in the Company would be increased to approximately 62.58% of the issued share capital of the Company. Such increase would not result in the aggregate amount of the share capital in the public hands being reduced to less than 25% but would give rise to an obligation on the part of Orient Day and parties acting in concert (as defined under the Takeovers Code) with it to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. Save as disclosed, the Directors are not aware of any consequence which would arise under the Takeovers Code as a result of any repurchase pursuant to the Repurchase Mandate.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in (i) any obligation to make a mandatory offer under the Takeovers Code or (ii) the number of Shares in public hands falling below the prescribed minimum percentage of 25%.

2. SHARE PURCHASE MADE BY THE COMPANY

From October 2008 to the Latest Practicable Date, which is the previous six months preceding the date of this circular, no Shares have been repurchased by the Company.

3. SHARE PRICES

During each of the previous twelve months, the highest and lowest prices at which the Shares have been traded on the Stock Exchange were as follows:

Month	Per Share	
	Highest (HK\$)	Lowest (HK\$)
2008		
April	0.960	0.880
May	1.330	0.910
June	1.140	1.000
July	1.260	0.940
August	1.070	0.295
September	0.400	0.255
October	0.330	0.178
November	0.220	0.186
December	0.400	0.196
2009		
January	0.385	0.285
February	0.300	0.255
March	0.255	0.225
April (up to the Latest Practicable Date)	0.280	0.225

NOTICE OF ANNUAL GENERAL MEETING



東方明珠創業有限公司*

Pearl Oriental Innovation Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 632)

NOTICE IS HEREBY GIVEN THAT the annual general meeting of Pearl Oriental Innovation Limited (the “Company”) will be held at Suite 1908, 19/F, 9 Queen’s Road Central, Hong Kong, on 26 May 2009, Tuesday at 4:30 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors’ for the year ended 31 December 2008.
2. To re-elect retiring Directors (whose particulars are stated in this circular) and to authorize the board of directors to fix the directors’ remuneration.
3. To appoint auditors and to authorize the board of directors to fix the remuneration of the auditors.

As special business, to consider and if thought fit, pass with or without modifications, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

4. (A) “**THAT**
 - (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall be in addition to any other authorization given to the Directors and shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which (including warrants, bonds and debentures convertible into shares of the Company) would or might require the exercise of such powers after the end of the Relevant Period;”
 - (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

approval in paragraphs (a) and (b), otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) an issue of shares under any options granted under the share option scheme adopted by the Company; (iii) an issue of shares upon the exercise of subscription rights attached to the warrants which might be issued by the Company; (iv) an issue of shares in lieu of the whole or part of a dividend pursuant to any scrip dividend scheme or similar arrangement in accordance with the Bye-laws of the Company; and (v) any adjustment, after the date of grant or issue of any options, rights to subscribe for other securities referred to in (ii) and (iii) above, in the price at which shares in the Company shall be subscribed, and/or in the number of shares in the Company which shall be subscribed, on exercise of relevant rights under such options, warrants or other securities, such adjustment being made in accordance with, or as contemplated by, the terms of such options, rights to subscribe or other securities, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the time of passing this resolution; and

(d) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-law of the Company or any applicable law to be held; and
- (iii) the date of which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares or other securities of the Company open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside the Hong Kong Special Administrative Region of the People’s Republic of China).

NOTICE OF ANNUAL GENERAL MEETING

(B) “**THAT**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to repurchase shares of the Company, subject to and in accordance with all applicable laws and requirements, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares of the Company which may be purchased pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company as at the date of passing of this Resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; and
- (iii) the date which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

- (C) “**THAT** conditional upon Resolutions A and B set out above being passed, the aggregate nominal amount of the shares of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in Resolution B above shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Resolution A above provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution.”

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL RESOLUTION

To consider and if thought fit, pass with or without modifications, the following as a special resolution of the Company.

5. **“THAT** the bye-laws (“Bye-laws”) of the Company be and are hereby amended in the following manner:

(a) Bye-law 1

By inserting the following paragraph immediately after the definition of “Board or Directors” in existing Bye-law 1:

““business day” shall mean a day on which the Designated Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Designated Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day by reason of a Number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Bye-laws be counted as a business day.”

(b) Bye-law 2

- (i) By adding the following words before the semi-colon at the end of the existing Bye-law 2(e):

“, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations;”

- (ii) By deleting the existing Bye-law 2(h) in its entirety and substituting therefor the following:

“(h) a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorized representative or, where proxies are allowed, by proxy at a general meeting of which Notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days specifying (without prejudice to the power contained in these Bye-laws to amend the same) the intention to propose the resolution as a special resolution, has been duly given. Provided that if

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permitted by the Designated Stock Exchange, except in the case of an annual general meeting, if it is so agreed by a majority in number of the Members having the right to attend and vote at any such meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the shares giving that right and in the case of an annual general meeting, if it is so agreed by all Members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which Notice of less than twenty-one (21) clear days and less than ten (10) clear business days has been given;”

- (iii) By deleting the existing Bye-law 2(i) in its entirety and substituting therefor the following:

“(i) a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice of not less than fourteen (14) clear days and not less than ten (10) clear business days has been duly given;”

(c) Bye-law 10

- (i) By adding the word “and” after the words “shall be a quorum;” in the last line of the existing Bye-law 10(a).
- (ii) By deleting the words “on a poll” after the words “every holder of shares of the class shall be entitled” in the 1st line of the existing Bye-law 10(b) and deleting “; and” after the words “such share held by him” in the last line of Bye-law 10(b) and inserting a full stop thereafter.
- (iii) By deleting the existing Bye-law 10(c) in its entirety.

(d) Bye-law 44

By inserting the words “or by any electronic means in such manner as may be accepted by the Designated Stock Exchange” after the words “in accordance with the requirements of any Designated Stock Exchange” in the 8th line of the existing Bye-law 44.

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(e) Bye-law 59(1)

By deleting the existing Bye-law 59(1) in its entirety and substituting therefor the following:

“59.(1) An annual general meeting shall be called by Notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any special general meeting at which the passing of a special resolution is to be considered shall be called by Notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days. All other special general meetings may be called by Notice of not less than fourteen (14) clear days and not less than ten (10) clear business days but if permitted by the rules of the Designated Stock Exchange, a general meeting may be called by shorter notice if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the issued shares giving that right.”

(f) Bye-law 66

By deleting the existing Bye-law 66 in its entirety and substituting therefor the following:

“66. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll.”

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(g) Bye-law 67

By deleting the existing Bye-law 67 in its entirety and substituting therefor the following:

“67. The result of the poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

(h) Bye-law 68

By deleting the existing Bye-law 68 in its entirety and substituting therefor the words “intentionally deleted”.

(i) Bye-law 69

By deleting the existing Bye-law 69 in its entirety and substituting therefor the words “intentionally deleted”.

(j) Bye-law 70

By deleting the existing Bye-law 70 in its entirety and substituting therefor the words “intentionally deleted”.

(k) Bye-law 73

By deleting the words “whether on a show of hands or on a poll,” after the words “In the case of any equality of votes” in the 1st line of the existing Bye-law 73.

(l) Bye-law 75(1)

By deleting the words “whether on a show of hands or on a poll,” after the words “persons incapable of managing their own affairs may vote,” in the 4th line of the existing Bye-law 75(1) and by deleting the words “or poll” after the words “not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting” in the 11th line of the existing Bye-law 75(1).

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(m) Bye-law 80

By deleting existing Bye-law 80 in its entirety and replacing therewith the following:

“80. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate) not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.”

(n) Bye-law 81

By deleting the words “to demand or join in demanding a poll and” after the words “The instrument of proxy shall be deemed to confer authority” in the 4th line of existing Bye-law 81.

(o) Bye-law 82

By deleting the words “,or the taking of the poll,” after the words “at least before the commencement of the meeting or adjourned meeting” in the 7th line of existing Bye-law 82.

(p) Bye-law 84

By deleting the words “including the right to vote individually on a show of hands notwithstanding the provisions of Bye-law 66” after the words “as if it were an individual Member” in the 10th line of the existing Bye-law 84.

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(q) Bye-law 163

By inserting the words “or the website of the Designated Stock Exchange” after the words “A notice placed on the Company’s website” in the 3rd line of the existing Bye-law 163(b).

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

Hong Kong, 30 April 2009

As at the date of this notice, the executive directors of the Company are Messrs. Wong Kwan, Cheung Kwok Yu, Zhou Li Yang, Zheng Yingsheng and Johnny Yuen; and the independent non-executive directors of the Company are Messrs. Dong Zhixiong, Fung Hing Chiu, Cyril and Lam Ka Wia, Graham.

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or, if he is a holder of more than one share of the Company, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. A form of proxy for use at the meeting is enclosed. To be valid, the form of proxy, together with the certified power of attorney or other authority (if any) under which it is signed must be lodged at the Company’s branch share registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong as soon as possible and in any event, not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof.
3. Where there are joint holders of any share, any one of such holders may vote at the meeting, either in person or by proxy, in respect of such shares as if he were solely entitled to vote, but if more than one of such joint holders be present at the meeting in person or by proxy, the person so present whose name stands first in the register of member of the Company in respect of such share shall alone be entitled to vote in respect of it.
4. Completion and return of the form of proxy will not preclude a member from attending the meeting and voting in person at the meeting or any adjourned meeting if he so desires. If a member attends the meeting after having deposited the form of proxy, his form of proxy will be deemed to have been revoked.
5. The votes to be taken at the meeting for the resolution will be by way of poll.