



東方明珠創業有限公司*

Pearl Oriental Innovation Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 632)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the special general meeting of Pearl Oriental Innovation Limited (the “Company”) will be held on Monday, 16 April 2007 at 4:00 p.m. at Unit 3611, 36/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. **“THAT** the directors of the Company be and are hereby authorized to issue and allot to 中信通商企業管理有限公司 (CITIC MERCHANT CO. LTD) (the “JV Partner”) 8,000,000 new shares of the Company (the “Shares”) pursuant to a joint venture and merger & acquisition agreement entered into between the Company and the JV Partner under a specific mandate (the “Specific Mandate”) and being also subject to the Listing Committee of The Stock Exchange of Hong Kong Limited granting (if necessary) the listing of, and permission to deal in the Shares to be issued. The Specific Mandate be and is hereby approved and the respective directors of the Company be and are hereby authorised to sign, seal, execute, perfect and deliver all such documents and do all such deeds, acts matters and things as they may in their discretion consider necessary or desirable for the purpose of the implementation of the Specific Mandate.”
2. **“THAT:**
 - (a) subject to paragraph 2(c) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to issue, allot and deal with unissued shares of HK\$0.50 each in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which might require the exercise of such power be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph 2(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 (including warrants, bonds and debentures convertible into Shares) which 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, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (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 or other securities referred to in (ii) and (iii) above, in the price at which Shares shall be subscribed, and/or in the number of Shares 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:

(i) 20% of the aggregate nominal amount of the share capital of the Company in issue as at the time of passing this resolution; and

(ii) the aggregate nominal amount of share capital of the Company repurchased by the Company after the date of passing this resolution pursuant to the general mandate to repurchase Shares given by the Company to the Directors from time to time (subject to a maximum number equivalent to 10% of the then existing issued share capital of the Company).

(d) for the purpose of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is 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 by the Memorandum of Association and Bye-laws of the Company or any applicable laws of Bermuda to be held; and

(iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Right Issue” means an offer of Shares open for a period fixed by the Directors to holders of the Shares on the register of members on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusive 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 any relevant jurisdiction, or the requirements of any recognized regulatory body or any stock exchange).”

By Order of the Board
Pearl Oriental Innovation Limited
Wong Kwan
Chairman and Chief Executive

Hong Kong, 23 March 2007

Registered Office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal Place of Business in Hong Kong:
Unit 3611, 36/F.
West Tower, Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

Notes:

1. Any shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
2. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed must be deposited at the Company's Hong Kong branch share registrar, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the special general meeting.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney or other person duly authorized.
4. Delivery of the form of proxy will not preclude a member from attending and voting in person at the meeting convened and in such event, the form of proxy shall be deemed to be revoked.
5. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, then one of the said persons so present being the most, or as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holder stand on the register in respect of the relevant joint holding.

As at the date hereof, the board of Directors comprises six executive Directors, namely Mr. Wong Yuk Kwan (alias: Wong Kwan), Mr. Chan Yiu Keung, Mr. Cheung Kwok Yu, Mr. Zhou Li Yang, Mr. Zheng Yingsheng and Mr. Johnny Yuen; 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.

** For identification purpose only*

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