
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

ORITRON

ORIENT POWER HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Directors:

Poon Ka Hung

Wu Lai Ping

Lin Hoo Fun

Leung Chun Pong

Jennifer Cheung Mei Ha*

Edward Fung Chi Kong*

Joseph Chan Wing Tai*

Principal Office:

Unit 7, 3rd Floor

Harbour Centre, Tower 1

1 Hok Cheung Street

Hung Hom

Kowloon

Hong Kong

* *Independent non-executive directors*

24th April, 2003

To the shareholders

Dear Sir or Madam,

AMENDMENT OF BYE-LAWS AND GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES

INTRODUCTION

The directors of Orient Power Holdings Limited (the “Company”) propose to amend the Bye-laws of the Company and to grant to the directors of the Company general mandates to issue shares and to repurchase shares of the Company.

The purpose of this circular is to give you further details of the abovementioned proposals and to convene a special general meeting (the “SGM”) to consider and, if thought fit, approve the resolutions necessary for the proposals to be implemented. This circular also contains the explanatory statement in compliance with the Listing Rules of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and gives all the information reasonably necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the purchase by the Company of its own shares.

AMENDMENT OF BYE-LAWS

With the effect of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) on 1st April, 2003, Hong Kong Securities Clearing Company Limited requires that it and/or its nominees can appoint multiple corporate representatives to attend and vote at a meeting of the Company as if they were individual shareholders. In order to comply with such requirements, it is proposed to amend Bye-law 87 of the Bye-laws of the Company to allow a member who is a clearing house or its nominee to appoint multiple corporate representatives to attend and vote at a meeting of the Company as if each were an individual shareholder.

GENERAL MANDATE TO ISSUE SHARES

It is proposed to grant a general mandate to the directors of the Company to allot, issue and dispose of shares of the Company not exceeding 20 per cent. of the issued share capital of the Company in issue to provide flexibility to the Company to raise fund by issue of shares efficiently.

GENERAL MANDATE TO REPURCHASE SHARES

At the SGM, an ordinary resolution will also be proposed that the directors be given a general mandate to exercise all powers of the Company to repurchase issued and fully paid shares of the Company. Under such mandate, the number of shares that the Company may repurchase shall not exceed 10 per cent. of the share capital of the Company in issue on the date of the resolution. The Company’s authority is restricted to purchases made on the Stock Exchange in accordance with the Listing Rules of the Stock Exchange. On 16th April, 2003 (the “Latest Practicable Date”), being the latest practicable date prior to printing of this circular, there were in issue an aggregate of 444,805,968 shares of HK\$0.10 each of the Company (“Shares”). Exercise in full of the mandate, on the basis that no further Shares are issued prior to the date of the SGM, could accordingly result in up to 44,480,596 Shares being repurchased by the Company. The mandate allows the Company to make or agree to make purchases only during the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company.

The directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company the flexibility to make such repurchase when appropriate and beneficial to the Company. Such repurchases may enhance the net value of the Company and/or earnings per Share. As compared with the financial position of the Company as at 31st December, 2002 (being the date of its

latest audited accounts), the directors consider that there would be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed purchases were to be carried out in full during the proposed purchase period. No purchase would be made in circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company.

The Company is empowered by its Memorandum of Association and Bye-laws to purchase its Shares. Bermuda law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or funds of the Company that would otherwise be available for dividend or distribution or the proceeds of a new issue of shares made for such purpose. The amount of premium payable on repurchase may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium or contributed surplus accounts of the Company. Under Bermuda law, the shares so repurchased will be treated as cancelled but the aggregate amount of authorised share capital will not be reduced.

The directors intend to apply the capital paid up on the relevant Shares or the profit that would otherwise be available for distribution by way of dividend for any purchase of its Shares.

DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the directors nor, to the best of the knowledge and belief of the directors having made all reasonable enquiries, any of the associates of any of the directors has any present intention, in the event that the proposal is approved by shareholders, to sell Shares to the Company.

No connected person of the Company (as defined in the Listing Rules of the Stock Exchange) has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make purchases of Shares.

UNDERTAKING OF THE DIRECTORS

The directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed resolution in accordance with the Listing Rules of the Stock Exchange and all applicable laws of Bermuda, and in accordance with the regulations set out in the Memorandum of Association and Bye-laws of the Company.

EFFECT OF TAKEOVERS CODE

A repurchase of Shares by the Company may result in an increase in the proportionate interest of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Hong Kong Code on Takeovers and Mergers (the “Code”).

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, High Rate Investments Limited and Newray Int’l Limited, who held approximately 36.39 per cent. and 10.98 per cent. of the issued share capital of the Company respectively, were the only substantial shareholders holding more than 10 per cent. of the issued share capital of the Company. In the event that the directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, the shareholding of High Rate Investments Limited and Newray Int’l Limited in the Company would be increased to approximately 40.43 per cent. and 12.20 per cent. of the issued share capital of the Company respectively and such increase would give rise to an obligation on High Rate Investments Limited to make a mandatory offer under Rule 26 of the Code.

STOCK EXCHANGE RULES FOR REPURCHASES OF SHARES

The Listing Rules of the Stock Exchange permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(a) Shareholders’ approval

The Listing Rules provide that all shares repurchases on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, which may be by way of general mandate, or by special resolution in relation to specific transactions.

(b) Source of funds

Repurchases must be funded out of funds legally available for the purpose.

GENERAL

During each of the six months preceding the date of this circular, no Shares have been repurchased by the Company.

During each of the previous 12 months, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

Month	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2002		
April	0.510	0.420
May	0.630	0.475
June	0.540	0.445
July	0.465	0.350
August	0.435	0.350
September	0.420	0.320
October	0.370	0.310
November	0.390	0.325
December	0.395	0.345
2003		
January	0.480	0.380
February	0.550	0.430
March	0.510	0.380

SPECIAL GENERAL MEETING

You will find on pages 7 to 10 of this circular a notice of the SGM to be held at 12:05 p.m. on 23rd May, 2003 (or so soon thereafter as the annual general meeting of the Company convened for the same day at 12:00 noon shall have concluded or adjourned) at Salon I, 1st Floor, The Harbour Plaza, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong.

Resolution no. 1 will be proposed as a special resolution to approve the proposed amendment of the Bye-laws of the Company.

Resolution no. 2 will be proposed as an ordinary resolution to give a general mandate to the directors to allot, issue and deal with shares of the Company with an aggregate nominal value not exceeding 20 per cent. of the share capital of the Company in issue as at the date of the resolution.

Resolution no. 3 will be proposed as an ordinary resolution to give a general mandate to the directors to make on-market purchases of shares of the Company of up to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the resolution.

Resolution no. 4 will be proposed as an ordinary resolution to extend resolution no. 2 to include the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors pursuant to resolution no. 3.

There is enclosed a pink form of proxy for use at the SGM. You are requested to complete the form of proxy and return it to the principal office of the Company in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the meeting, whether or not you intend to be present at the meeting. The completion and return of the form of proxy will not prevent you from attending and voting in person should you so wish.

RECOMMENDATION

The directors consider that the proposed amendment of the Bye-laws and granting of the mandates to issue and repurchase shares of the Company are in the interest of the Company and so recommend you to vote in favour of all resolutions at the SGM. The directors will vote all their shareholdings in favour of the resolutions.

Yours faithfully,
By order of the Board
Poon Ka Hung
Chairman

NOTICE OF SPECIAL GENERAL MEETING

ORITRON ORIENT POWER HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of the abovementioned company (the “Company”) will be held at Salon I, 1st Floor, The Harbour Plaza, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on 23rd May, 2003 at 12:05 p.m. (or so soon thereafter as the annual general meeting of the Company convened for the same day at 12:00 noon shall have concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolutions, of which resolution no.1 will be proposed as a special resolution and resolution nos. 2, 3 and 4 will be proposed as ordinary resolutions:

SPECIAL RESOLUTION

1. **“THAT** the existing provisions of Bye-law 87 of the Bye-laws of the Company be and are hereby deleted and be replaced by the following:

“87 (A) Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of these Bye-Laws be deemed to be present in person at any such meeting if a person so authorised is present thereat.

(B) Where a member of the Company is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of members of the Company provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-Law shall be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including the right to vote individually on a show of hands.

NOTICE OF SPECIAL GENERAL MEETING

(C) Any reference in these Bye-Laws to a duly authorised representative of a member of the Company being a corporation shall mean a representative authorised under the provisions of this Bye-law.” ”

ORDINARY RESOLUTIONS

2. **“THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company during the Relevant Period of all powers of the Company to allot shares and to make and grant offers, agreements and options which would or might require shares to be allotted be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the directors during the Relevant Period to make and grant offers, agreements and options which would or might require shares to be allotted 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 approval in paragraph (a), otherwise than pursuant to a Rights Issue or a scrip dividend scheme or similar arrangement of the Company or the exercise of the subscription rights under the share option scheme of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly;
- (d) for the purpose 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 revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

NOTICE OF SPECIAL GENERAL MEETING

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory).”

3. **“THAT:**

- (a) the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase its own shares, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval 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 revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF SPECIAL GENERAL MEETING

4. “**THAT** conditional upon resolution no. 3 above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors as mentioned in resolution no. 3 above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no. 2 above.”

By Order of the Board
Jennifer Cheung Mei Ha
Company Secretary

Hong Kong, 24th April, 2003

Principal Office:

Unit 7, 3rd Floor
Harbour Centre, Tower 1
1 Hok Cheung Street
Hung Hom
Kowloon
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint more than one proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, a pink form of proxy must be deposited at the Company's principal office together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.