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ORITRON

ORIENT POWER HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

<http://www.orientpower.com>

PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES

The Vendor holds 161,870,103 Shares, representing approximately 36.39% of the issued share capital of the Company as at the date of this announcement.

On 23 October 2003, the Vendor and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent agreed to place, on a best-endeavours basis, 65,000,000 existing Shares at a price of HK\$0.96 per Share on behalf of the Vendor. On the same day, the Vendor entered into a conditional agreement with the Company for the subscription of the Subscription Shares at the same price per Share. The Placing Shares represent approximately 14.61% of the existing issued share capital of the Company and approximately 12.75% of the issued share capital of the Company as enlarged by the Subscription.

The Placing is unconditional and the Placing Shares will be placed by the Placing Agent to more than six independent professional, institutional and/or individual investors.

Assuming that all the Placing Shares will be placed, the shareholding of the Vendor in the issued share capital of the Company will be reduced from approximately 36.39% to approximately 21.78% upon completion of the Placing but before completion of the Subscription, and will be increased from approximately 21.78% to approximately 31.75% upon completion of the Placing and the Subscription.

Completion of the Subscription is conditional upon the fulfilment of the conditions set out under the section headed "Conditions to the Subscription" in this announcement.

The Placing and the Subscription are effected to enable the Company to raise funds. The Company intends to use the estimated net proceeds of the Subscription of approximately HK\$60 million for the Company's working capital (the breakdown of which is provided below).

The Placing Agreement contains provision granting the Placing Agent the right to terminate its obligations on the occurrence of certain events including force majeure occurring prior to completion of the Placing Agreement. For this purpose, force majeure includes any event, development or change resulting in a material adverse change in political, economic, fiscal, financial, regulatory or stock market conditions in the PRC (including Hong Kong). If the Placing Agent exercises such right, the Placing will not proceed.

The directors of the Company are not aware of any reasons for the increase in trading volume of the shares of the Company on 22 October 2003.

The Company also confirms that save as disclosed hereinabove, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, neither is the board of directors aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended from 9:30 a.m. on 23 October 2003 pending release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:30 a.m. on 24 October 2003.

PLACING AGREEMENT DATED 23 OCTOBER 2003

Vendor:

High Rate Investments Limited, a controlling shareholder of the Company.

As at the date of this announcement, the Vendor holds 161,870,103 Shares, representing approximately 36.39% of the existing issued share capital of the Company.

Placing Agent:

The Placing is arranged by the Placing Agent.

The Placing Agreement contains provision granting the Placing Agent the right to terminate its obligations on the occurrence of certain events including force majeure occurring prior to completion of the Placing Agreement. For this purpose, force majeure includes any event, development or change resulting in a material adverse change in political, economic, fiscal, financial, regulatory or stock market conditions in the PRC (including Hong Kong). If the Placing Agent exercises such right, the Placing will not proceed.

Number of Shares to be placed:

Up to a maximum of 65,000,000 existing Shares, representing approximately 14.61% of the existing issued share capital of the Company to be placed by the Placing Agent on a best-efforts basis.

Placement to:

More than six independent professional, institutional and/or individual investors to be procured by the Placing Agent.

Placing price:

HK\$0.96 per Share, representing a discount of approximately 6.8% to the closing price of HK\$1.03 per Share as quoted on the Stock Exchange on 22 October 2003 (being the last trading day prior to the release of this announcement), and representing a discount of approximately 9.69% to the average closing price of HK\$1.063 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including 22 October 2003. The Placing Price is determined after arm's length negotiation between the Company and the Placing Agent, and the board of directors of the Company considers that the Placing Price is fair and reasonable so far as the Company and the shareholders are concerned.

Rights:

The Placing Shares are sold free from any lien, charge, encumbrance or third-party right and will receive all rights, dividends and distributions declared, paid or made in respect thereof on or after the date of completion of the Placing Agreement.

Independence of the Placing Agent and the places:

The Placing Agent is, and the places to be procured by them will be, independent of and not connected and not acting in concert with the directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates (as defined in the Listing Rules). The places will be independent professional, institutional and/or individual investors.

Condition to the Placing:

The Placing is unconditional.

Completion of the Placing:

29 October 2003 (or such other date as the parties may mutually agree).

SUBSCRIPTION AGREEMENT DATED 23 OCTOBER 2003**Subscriber:**

High Rate Investments Limited

Issuer:

The Company

Number of new Shares to be subscribed for:

Equal to the number of Shares to be successfully placed under the Placing which shall not exceed 65,000,000 new Shares, representing approximately 14.61% of the existing issued share capital of the Company and approximately 12.75% of the issued share capital of the Company as enlarged by the Subscription.

Subscription price:

Same as the Placing Price.

The Company will bear all the costs and expenses of approximately HK\$2.5 million incurred in respect of the Placing and the Subscription and will reimburse the Vendor for all costs and expenses incurred by it in relation to the Placing and the Subscription.

Mandate to issue the new Shares:

The Subscription Shares are to be issued under the general mandate granted to the directors of the Company pursuant to the resolution of its shareholders passed on 23 May 2003.

Ranking of the new Shares:

The Subscription Shares, when fully paid, will rank pari passu in all respects with the Shares in issue on the completion date of the Subscription, including the right to any dividends or distributions after the date of allotment.

Conditions to the Subscription:

The Subscription is conditional upon:

- (1) completion of the Placing;
 - (2) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subscription Shares;
 - (3) the approval of the Executive Director of the Corporate Finance Division of the SFC granting a waiver to the Vendor and any person acting in concert with it (if any) in respect of the general offer obligation which would arise under Rule 26.1 of the Takeovers Code as a result of completion of the Subscription;
- and

(4) if required, the Bermuda Monetary Authority having granted the approval of the issue of the Subscription Shares.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

The Vendor will apply to the SFC for the waiver referred to in (3).

Completion of the Subscription:

Completion of the Subscription will take place upon the fulfillment of all conditions listed above and within 14 days from the date of the Subscription Agreement which is 5 November 2003. If the date of completion of the Subscription is to be extended beyond 5 November 2003, the Subscription will constitute a connected transaction under the Listing Rules which will require the approval of the independent shareholders of the Company and steps will be taken to ensure compliance with the Listing Rules. Further announcement will be made as and when appropriate.

FUND RAISING EXERCISE IN THE PAST 12 MONTHS

The Company has not conducted any fund raising exercise for the past 12 months from the date of this announcement.

CHANGES TO THE SHAREHOLDING AS A RESULT OF THE PLACING AND THE SUBSCRIPTION

The shareholdings of the Vendor and Newray Int'l Limited before the Placing, after the Placing (assuming all the Placing Shares will be placed) but before the Subscription, and after the Subscription should approximately be as follows:

	Immediately before the Placing and the Subscription	Immediately after the Placing but before the Subscription	Immediately after the Placing and the Subscription
The Vendor (Note 1)	36.39% being 161,870,103 Shares	21.78% being 96,870,103 Shares	31.75% being 161,870,103 Shares
Newray Int'l Limited (Note 2)	10.98% being 48,850,327 Shares	10.98% being 48,850,327 Shares	9.58% being 48,850,327 Shares
Places under the Placing	–	14.61% being 65,000,000 Shares	12.75% being 65,000,000 Shares
Public shareholders other than placees under the Placing	52.63% being 234,085,538 Shares	52.63% being 234,085,538 Shares	45.92% being 234,085,538 Shares
Total:	100% being 444,805,968 Shares	100% being 444,805,968 Shares	100% being 509,805,968 Shares

Notes:

1. The Vendor is beneficially owned as to 50% by Mr. Poon Ka Hung, and the remaining 50% by family discretionary trusts of which Mr. Wu Lai Ping and his family members are beneficiaries. Mr. Poon Ka Hung and Mr. Wu Lai Ping are directors of both the Company and the Vendor.
2. Newray Int'l Limited is beneficially owned and controlled by Mr. Lin Hoo Fun, who is a director of both the Company and Newray Int'l Limited.

REASON FOR THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS OF THE SUBSCRIPTION

The Company is principally engaged in the development, manufacture, sale and distribution of information and entertainment products for home and automobiles, development and provision of networking technology services, and provision of integrated solutions and services for the cable TV industry.

The Placing and the Subscription are effected to raise funds for the Company. The directors of the Company consider that the Placing represents an opportunity to raise capital for the Company and at the same time, broaden the shareholder base and the capital base of the Company. Assuming that all the Placing Shares will be placed, the Company intends to use the estimated net proceeds of the Subscription of approximately HK\$60 million as to approximately HK\$25 million for the development of the in-car electronics and home entertainment business of the Group; and approximately HK\$35 million for capital expenditure for the establishment of production facilities for the in-car electronics business of the Group.

Increase in trading volume

This statement is made at the request of The Stock Exchange of Hong Kong Limited

The Company has noted the increase in the trading volume of the Shares on 22 October 2003 and wishes to state that it is not aware of any reason for such increase.

The Company also confirms that save as disclosed hereinabove, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, neither is the board of directors aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

Suspension and Resumption of trading

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended from 9:30 a.m. on 23 October 2003 pending release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:30 a.m. on 24 October 2003.

DEFINITION

In this announcement, the following words and phrases have the following meanings:

“Company”	Orient Power Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	placement of the Placing Shares at the Placing Price
“Placing Agent”	First Asia Finance Group Limited, a deemed licensed corporation registered under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and is engaged in the regulated activities of dealing in securities, advising on securities, corporate finance and asset management, which is independent of and not connected and not acting in concert with the directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates (as defined in the Listing Rules)
“Placing Agreement”	the placing agreement dated 23 October 2003 between the Vendor and the Placing Agent in respect of the Placing
“Placing Price”	placing price of HK\$0.96 per Share
“Placing Shares”	up to a maximum of 65,000,000 existing Shares
“PRC”	People’s Republic of China
“SFC”	Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription”	the subscription of the Subscription Shares by the Vendor
“Subscription Agreement”	the subscription agreement dated 23 October 2003 between the Company and the Vendor in respect of the Subscription
“Subscription Price”	the subscription price of HK\$0.96 per Share, which is the same as the Placing Price
“Subscription Shares”	such number of new Shares equal to the number of Placing Shares to be successfully placed under the Placing
“Takeovers Code”	The Code on Takeovers and Mergers published by the SFC
“Vendor”	High Rate Investments Limited, which has approximately 36.39% interest in the entire issued share capital of the Company immediately before the Placing, a company incorporated in the British Virgin Islands with limited liability, which is beneficially owned as to 50% by Mr. Poon Ka Hung and the balance of 50% by family discretionary trusts of which Mr. Wu Lai Ping and his family members are beneficiaries. Mr. Poon Ka Hung and Mr. Wu Lai Ping are directors of both of the Company and High Rate Investments Limited

By Order of the Board
Poon Ka Hung
Chairman

Hong Kong, 23 October 2003

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

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