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ORITRON

ORIENT POWER HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 615)

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**
Tay Chee Hung**
Tang Tin Ying**

Principal Office:

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

* *Non-executive directors*

** *Independent non-executive directors*

28th April, 2005

To the shareholders

Dear Sir or Madam,

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

INTRODUCTION

At the annual general meeting of Orient Power Holdings Limited (the “Company”) for the year ended 31st December, 2004, resolutions will be proposed to grant to the directors of the Company general mandates to issue shares and repurchase shares of the Company and to amend the Bye-laws of the Company.

The purpose of this circular is to give you further details of the abovementioned proposals. 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.

GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company to be held on 30th May, 2005 (“AGM”) an ordinary resolution will be 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 as at the date of passing the relevant resolution to provide flexibility to the Company to raise fund by issue of shares efficiently.

GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, 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 as at the date of passing the relevant 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 25th April, 2005 (the “Latest Practicable Date”), being the latest practicable date prior to printing of this circular, there were in issue an aggregate of 509,805,968 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 AGM, could accordingly result in up to 50,980,596 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, 2004 (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 repurchase mandate 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 (“High Rate”), UBS AG and Neon Liberty Capital Management, LLC (“Neon Liberty”), who held approximately 31.75 per cent., 10.49 per cent. and 10.05 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, UBS AG and Neon Liberty in the Company would be increased to approximately 35.28 per cent., 11.66 per cent. and 11.17 per cent. of the issued share capital of the Company respectively and such increase would give rise to an obligation on High Rate 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 specific approval.

(b) *Source of funds*

Repurchases must be funded out of funds legally available for the purpose in accordance with the Company's Memorandum of Association and Bye-laws and the laws of Bermuda.

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 HK\$	Lowest HK\$
2004		
April	1.150	1.010
May	1.070	0.800
June	1.060	0.910
July	1.080	0.950
August	0.970	0.790
September	0.930	0.540
October	0.640	0.530
November	0.590	0.540
December	0.570	0.480
2005		
January	0.530	0.480
February	0.640	0.485
March	0.620	0.530

AMENDMENT OF BYE-LAWS

It is proposed to amend Bye-law 99 of the Company's Bye-laws in order to comply with the new requirement in paragraph A.4.2 of Appendix 14 of the Listing Rules to the effect that all directors of the Company shall be subject to retirement by rotation at least once every three years.

ANNUAL GENERAL MEETING

You will find on pages 8 to 11 of this circular a notice of the AGM to be held at 12:00 noon on 30th May, 2005 at Salon I, 1st Floor, The Harbour Plaza, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong.

Resolution no. 5A 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. 5B 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. 5C will be proposed as an ordinary resolution to extend resolution no. 5A 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. 5B.

Resolution no. 5D will be proposed as a special resolution to approve the proposed amendment of the Bye-laws of the Company.

There is enclosed a form of proxy for use at the AGM. 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.

According to the Bye-laws of the Company, on or before the declaration of the result of voting on a show of hands on a resolution at the AGM, a poll may be demanded by:

- (a) at least three members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy entitled to vote at the meeting; or
- (b) any member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and representing not less than 10% of the total voting rights of all the members having the right to vote at the meeting; or
- (c) any member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

RE-ELECTION OF DIRECTORS

Resolutions will be proposed at the AGM for re-election of Mr. Wu Lai Ping (“Mr. Wu”), Ms. Jennifer Cheung Mei Ha (“Ms. Cheung”), Mr. Tay Chee Hung (“Mr. Tay”) and Mr. Tang Tin Ying (“Mr. Tang”) as directors according to the Company’s Bye-laws.

Mr. Wu, aged 60, is the Vice Chairman of the Company and its subsidiaries (the “Group”). He is responsible for the overall production of the Group and has over 38 years of experience in production management and quality control in the electronics field. He is one of the founders of the Group and is also the Managing Director of the Group’s audio division. He is interested in 161,870,103 shares in the Company held by High Rate within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”) as 50 per cent. of the issued share capital of High Rate is owned by a family discretionary trust of which he is the settlor and his family members are beneficiaries. Mr. Wu has a service contract dated 4th November, 1994 with the Company which shall continue until terminated by either party giving to the other three months’ written notice. His emoluments for the year ended 31st December, 2004 comprised an annual salary of HK\$1,540,000 and housing allowance of HK\$576,000. His emoluments have been determined on the basis of his experience and contribution to the operation of the Group and have remained substantially on similar level since 1994 as Mr. Wu has waived his entitlement to an annual increase of 15% and bonus.

Ms. Cheung, aged 49, is a solicitor practising in Hong Kong. She joined the Group in 1993 and is a non-executive director and the company secretary of the Company. She had been an independent non-executive director of Champion Technology Holdings Limited in the last 3 years.

Mr. Tay, aged 43, is an independent non-executive director of the Company. He has been the Managing Director of Scotiatrust (Asia) Limited since 1993 and is a registered dealer with the Securities and Futures Commission in Hong Kong. Mr. Tay graduated from the London School of Economics and Political Science, University of London, the United Kingdom with a Bachelor of Science degree in Actuarial Science. He is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. He has over 18 years of experience in auditing, taxation, tax planning, and financial services including financing, fiduciary and advisory services.

Mr. Tang, aged 45, is an independent non-executive director of the Company. He is a director of Chan & Tang C.P.A. Limited, Certified Public Accountants (formerly known as Chan & Tang, Certified Public Accountants of which he had been a partner since 1991). He is a fellow Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants in the United Kingdom. Mr. Tang has over 20 years’ experience in auditing, taxation and tax planning. He is fellow director of Mr. Joseph Chan Wing Tai, an independent non-executive director of the Company, in Chan & Tang C.P.A. Limited, Certified Public Accountants.

Save as disclosed above, none of the aforesaid directors (i) is connected with any directors, senior management or substantial or controlling shareholders of the Company or (ii) has any interests in the shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between the Company and each of Ms. Cheung , Mr. Tay and Mr. Tang. They have no fixed term of service with the Company but will be subject to the general requirement of retirement by rotation under the Bye-laws of the Company. No director's fee is paid by the Company to Ms. Cheung. The respective annual directors' fees for Mr. Tay and Mr. Tang have been fixed at HK\$120,000 with reference to the range of prevailing directors' fees for independent non-executive directors of listed companies in Hong Kong.

RECOMMENDATION

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

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

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(Stock Code: 615)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the abovenamed company (the “Company”) will be held at Salon I, 1st Floor, The Harbour Plaza, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on 30th May, 2005 at 12:00 noon for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31st December, 2004.
2. To declare a final dividend of 1.5 Hong Kong cents per share for the year ended 31st December, 2004.
3. To elect directors and to authorise the board of directors to fix their remuneration.
4. To appoint auditors and to authorise the board of directors to fix their remuneration.
5. As special business, to consider and, if thought fit, pass the following resolutions, of which resolution nos. 5A, 5B and 5C will be proposed as ordinary resolutions and resolution no. 5D will be proposed as a special resolution:

ORDINARY RESOLUTIONS

A. “THAT:

- (a) subject to paragraph (c), the exercise by the directors of the Company during the Relevant Period 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 which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power 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 of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to a Rights Issue or 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; 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-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

“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 exclusion or other arrangements as the directors of the Company 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 recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

B. “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.”

- C. “**THAT** conditional upon resolution no. 5B 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. 5B 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. 5A above.”

SPECIAL RESOLUTION

- D. “**THAT** the existing Bye-law 99 of the Bye-laws of the Company be and is hereby deleted and be replaced by the following:

“99. Notwithstanding any other provisions in these Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to one-third but not less than one-third) shall retire from office by rotation so that each director shall be subject to retirement at least once every three years. A retiring Director shall be eligible for re-election. The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.””

By Order of the Board
Jennifer Cheung Mei Ha
Company Secretary

Hong Kong, 28th April, 2005

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 proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at the Company’s principal office in Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.
- (2) The register of members of the Company will be closed from 24th May, 2005 to 30th May, 2005, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend to be approved at the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share registrars in Hong Kong, Standard Registrars Limited, Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on 23rd May, 2005.