

# **ORITRON**

## **ORIENT POWER HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 615)**

**(the “Company”)**

### **ANNOUNCEMENT**

The contents of the Article relating to bank creditors are inaccurate.
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The Company refers to an article (“Article”) in South China Morning Post today and would clarify that save for the description of the litigations with Philips in Hong Kong and the US, the contents of the Article are inaccurate.

After the release of the announcement of the Company dated 25th May, 2005 in respect of litigations with Philips, various banks enquired on their impact on the Company and its subsidiaries (the “Group”). Standard Chartered Bank (“SCB”) (a principal bank of the Group) arranged meetings with bankers of the Group (the “Lenders”) and the majority of the Lenders have indicated their support for an interim standstill agreement principally to the effect that the existing facilities remain available to the Group and no enforcement action will be taken by any Lender against the Group. The Lenders are currently observing an informal standstill (which is not legally binding on them) pending the signing of the interim standstill agreement by all Lenders. SCB acts as the liaison bank and coordinator of the steering committee of the Lenders. Deloitte Touche Tohmatsu (“DTT”) has been appointed by the Lenders to review the financial position of the Group. DTT has issued a report to the Lenders which the Company understands is not negative.

The Company would further clarify as follows :

- (a) it has not been informed by any of its banks of any disclosure concerns;
- (b) the allegation in the Article that “creditors want to control the cash of the company” is inaccurate. DTT will be appointed to provide financial monitoring and other services to the Group;
- (c) the Group has investments in joint ventures in China, which joint ventures are subsidiaries of the Company. Funds are provided to these subsidiaries as working capital in the ordinary course of business and these funds are still within the Group. The Company is not aware of any creditors who “were “losing faith” in the firm’s management”;
- (d) there are no “disclosure issues” relating to the Company’s reporting of contingent liabilities, which have been fully disclosed in the relevant annual and interim reports as required under the Listing Rules;
- (e) as at 30th May, 2005, the Group’s bank loans totalled about HK\$1.2 billion, and had about HK\$335 million contingent liabilities relating to letters of credit, trade receipts etc.; and
- (f) SCB remains supportive of the Group.

The Company also announces that Orient Power Video Manufacturing Limited (“OP Video”), a wholly owned subsidiary of the Company, received a writ of summon on 23rd July, 2005 from STMicroelectronics Asia Pacific Pte. Ltd., a supplier, claiming for US\$4,081,606.40 being the balance of price of goods sold to OP Video. Such balance has not been settled by OP Video as there is a dispute on the mode of payment. Legal advice is now being sought. The case is not expected to have any material impact on the operation and financial position of the Group. Further announcement(s) on this case will be made as appropriate.

By Order of the Board  
**Poon Ka Hung**  
Chairman

Hong Kong, 25th July, 2005

*As at the date of this announcement, the directors of the Company comprise Messrs. Poon Ka Hung, Wu Lai Ping and Lin Hoo Fun as executive directors; Ms. Jennifer Cheung Mei Ha, Mr. Edward Fung Chi Kong and Mr. Leung Chun Pong as non-executive directors; and Messrs. Joseph Chan Wing Tai, Tay Chee Hung and Tang Tin Ying as independent non-executive directors.*

“Please also refer to the published version of this announcement in China Daily”