

**ORIENT POWER HOLDINGS LTD:
HOW BAD IS THE SITUATION AT THIS COMPANY, TODAY ?**

It is going to be very interesting to see whether or not Orient Power Holdings Ltd (東強電子集團有限公司) (Code: 615, Main Board, The Stock Exchange of Hongkong Ltd) will be able to honour its commitments to Standard Chartered Bank (Hongkong) Ltd in respect to its present situation, which, clearly, is bordering on, or the company has arrived at, insolvency.

On October 17, 2005, Orient Power Holdings announced that a '*Standstill Agreement*' was in force between it and certain of its subsidiaries and a number of its creditors, with Standard Chartered Bank as security agent.

In simple terms, this means that the company is unable to pay its debts as they fall due and has requested of its principal creditors for additional time to restructure itself, financially.

The Standstill Agreement announcement stated, inter alia:

'Under and subject to the terms of the Standstill Agreement, the Lenders agree not to enforce the payment of monies due from the Group (amounting to book value of about HK\$1.43 billion as at 30th June, 2005) under the existing facilities (amounting to a total of about HK\$1.5 billion) (the "Existing Facilities") during the standstill period, which assuming no early termination on the occurrence of a default will expire on 31st January, 2006 or such later date up to 31st March, 2006 as may be agreed between the Company and SCB (Standard Chartered Bank) as liaison bank (acting on the instructions of the Steering Committee of the financial creditors).'

The above-mentioned announcement followed in the wake of TARGET's exclusive report of July 27, 2005, when this medium reported that the Singapore-based company, STMicroelectronics Asia Pacific Pte Ltd, had sued Orient Power Video Manufacturing Ltd, a wholly owned subsidiary of Orient Power Holdings, for about \$HK34 million in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

For Full Story, Please Refer To:

[TARGET Intelligence Report, Volume VII, Number 139.](#)

The latest news with regard to Orient Power Holdings is that Cobalt Industrial Company Ltd (高寶實業有限公司) has issued Legal Proceedings in the HKSAR District Court, demanding \$HK99,048 from Orient Power Electronics Ltd (東強電子有限公司), another wholly owned subsidiary of Orient Power Holdings.

In this District Court Action, it is alleged that Cobalt Industrial was/is a supplier to Orient Power Electronics and that, between December 6, 2004, and August 5, 2005, it sold and delivered goods to Orient Power Electronics in the amount of \$HK122,462.90.

In addition, it is alleged at Paragraph 5 of the Statement of Claim, attached to Writ of Summons Number 5532, that '*the Defendant owed to the Plaintiff a sum of HK\$46,285.05*', bringing up the total to \$HK168,747.95.

By ... [CLICK TO ORDER FULL ARTICLE](#)

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