

**ORIENT POWER HOLDINGS LTD:
THINGS HAVE, TRULY, FALLEN APART –
STANDSTILL AGREEMENT EXTENSION RUNS OUT ON MAY 30**

Things have, clearly, fallen apart at publicly listed Orient Power Holdings Ltd () (Code: 615, Main Board, The Stock Exchange of Hongkong Ltd) and the Standstill Agreement of last October, which expired on March 31, 2006, but was extended until May 30, 2006, is, obviously, no longer effective as more and more creditors are unwilling to wait any longer for their money.

Last Friday, for instance, 2 more claims were lodged in Courts of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), one claim, lodged in the HKSAR High Court and one claim, filed in the HKSAR District Court.

Exactly, one week earlier, on May 5, 2006, New Way Industries Ltd () issued District Court Action Number 2297, claiming \$HK191,708.29 from Orient Power Electronics Ltd (), a wholly owned subsidiary of Orient Power Holdings, in respect of goods, allegedly sold and delivered to this company.

For the week, ended April 21, 2006, a total of 6 claims were lodged in the HKSAR Courts, 2 claims, filed in the HKSAR High Court, and 4 claims, filed in the HKSAR District Court.

The aggregate amount of those 6 claims was about \$HK12 million.

For More About These Claims, Please Refer To:

TARGET Intelligence Report, Volume VIII, Number 77,
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**'ORIENT POWER HOLDINGS LTD:
CREDITORS SCREAM: WE WANT OUR MONEY !'**

Philips Electronics Hongkong Ltd, last Friday, issued High Court Action Number 1026, naming Orient Power Car Stereos Ltd () – Receivers and Managers, having already been appointed – a wholly owned subsidiary of Orient Power Holdings Ltd, as Defendant.

In the Statement of Claim, attached to Writ of Summons, Number 1026, it is stated, definitively, that the Defendant acknowledged its debt to the Plaintiff (\$US608,598.44) and that a Settlement Agreement had been agreed.

The Settlement Agreement called for payments of:

1. \$US200,000 on or before April 7, 2006;
2. \$US200,000 on or before May 1, 2006; and,
3. \$US208,594.44 on or before June 1, 2006.

The first installment of \$US200,000 was paid, it is stated at Paragraph 6 of the Statement of Claim, but,

then, things went terribly wrong, it is suggested, very clearly.

Paragraphs 7 to 9 of the Statement of Claim make the following allegations:

*‘7. On 2nd May 2006, the Plaintiff presented the cheque (no. 925805) for payment, which was, however, dishonoured for reason of “insufficient fund” (“**Dishonoured Cheque**”). Particulars of the Dishonoured Cheque are as follows:-*

Particulars

Cheque No.	Dated (dd/mm/yy)	Amount (USD)	Drawer	Drawee	Payee
925805	01/05/2006	200,000.00	Orient Power Car Stereos Ltd.	Standard Chartered Bank	Philips Electronics Hong Kong Limited

‘8. The Plaintiff duly gave notice of the Dishonoured Cheque to the Defendant under a letter issued by its solicitors, Messrs. Wilkinson & Grist, to the Defendant dated 9th May 2006. In such letter, the Defendant was also demanded to pay the entire outstanding Settlement Amount in the sum of USD408,598.44 to the Plaintiff within two days from the date of the letter, failing which the Plaintiff would institute legal action against the Defendant without further notice.

‘9. Despite the letter of demand pleaded in paragraph 8 hereof, the Defendant has wrongfully failed and/or refused and still wrongfully fails and/or refuses to pay the sum of USD408,598.44 to the Plaintiff in full or any part thereof to date.’

Philips Electronics Hongkong Ltd is, therefore, seeking \$US408,598.44 plus interest and costs.

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