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ONFEM HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 230)

ANNOUNCEMENT

Reference is made to the announcement of the Company dated 16 June, 7 July and 11 August 2004 in relation to, among other things, the issue of a statutory demand in the sum of approximately HK\$2,151,000 by the Group against PEHL on 28 May 2004, the filing by the Group of a petition for the winding-up of PEHL to the High Court on 7 July 2004 and the issue of an order by the High Court on 11 August 2004 to wind up PEHL under the provisions of the Companies Ordinance respectively.

On 23 May 2005, the High Court granted an order appointing Mr. Desmond Chung Seng Chiong and Mr. Roderick John Sutton, both of Ferrier Hodgson Limited, as the joint and several liquidators of PEHL and ordered that a committee of inspection be appointed in the winding-up of PEHL.

The Board does not expect any material adverse impact on the Group arising from the winding-up and the appointment of the joint and several liquidators of PEHL.

Shareholders of the Company and potential investors are reminded to exercise caution when dealing in the shares of the Company.

APPOINTMENT OF JOINT AND SEVERAL LIQUIDATORS OF PEHL

Reference is made to the announcement of the Company dated 16 June, 7 July and 11 August 2004 in relation to, among other things, the issue of a statutory demand in the sum of approximately HK\$2,151,000 by the Group against PEHL on 28 May 2004, the filing by the Group of a petition for the winding-up of PEHL to the High Court on 7 July 2004 and the issue of an order by the High Court on 11 August 2004 to wind up PEHL under the provisions of the Companies Ordinance respectively.

On 23 May 2005, the High Court granted an order appointing Mr. Desmond Chung Seng Chiong and Mr. Roderick John Sutton, both of Ferrier Hodgson Limited, as the joint and several liquidators of PEHL and ordered that a committee of inspection be appointed in the winding-up of PEHL.

PEHL had incurred losses since the year ended 31 December 1998 and had been in a net liability position since the year ended 31 December 2002. The Group has made provision for the investment in PEHL since the year ended 31 December 1999 and such investment has already been fully provided for in the consolidated accounts of the Group for the year ended 31 December 2002. On this basis, the Board does not expect any material adverse impact on the Group arising from the winding-up and the appointment of the joint and several liquidators of PEHL.

INFORMATION ON PEHL AND ITS SUBSIDIARIES

As stated in the announcements of the Company dated 16 June 2004 and 7 July 2004, the Company holds a 51% indirect beneficial interest in PEHL, and the remaining 49% equity interest of PEHL is held by Polyrich Profits Limited which, as far as the Company is aware, is wholly owned by Mr. Leung. Mr. Leung is also a director of PEHL.

For further details of PEHL and its subsidiaries, please refer to the Company's announcement dated 16 June 2004 and in particular, the section entitled "INFORMATION ON THE POLYCROWN GROUP".

Shareholders of the Company and potential investors are reminded to exercise caution when dealing in the shares of the Company.

LIST OF DIRECTORS

As at the date hereof, the Board comprises eight directors, of which five are executive directors, namely, Mr. Lin Xizhong, Mr. Wang Xingdong, Mr. Yan Xichuan, Mr. Qian Wenchao and Ms. He Xiaoli; and three are independent non-executive directors, namely, Mr. Lam Chun, Daniel, Mr. Selwyn Mar and Ms. Tam Wai Chu, Maria.

DEFINITIONS

"Board"	the board of directors (including the independent non-executive directors) of the Company
"Companies Ordinance"	Companies Ordinance (Chapter 32, Laws of Hong Kong)
"Company"	ONFEM Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on The Stock Exchange of Hong Kong Limited
"Group"	the Company and its subsidiaries
"High Court"	the High Court of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Mr. Leung"	Mr. Leung Pok Ching
"PEHL"	Polycrown Engineering (Holdings) Limited, an indirect 51%-owned subsidiary of the Company

By order of the Board
Wang Xingdong
Managing Director

Hong Kong, 7 June 2005