



# ONFEM HOLDINGS LIMITED

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

## ANNOUNCEMENT

Reference is made to the Announcement in relation to the Claim alleged by the Plaintiff for the breach of the Contract entered into between ZOBHP, a wholly subsidiary of the Company, and the Plaintiff.

The Board wishes to inform the shareholders and potential investors of the Company that a Judgement dated 15 August 2006 was issued against ZOBHP and the Company understands from ZOBHP that it has decided to lodge an appeal against the Judgement.

The Company will keep its shareholders and the potential investors informed of the progress of this matter and will make further announcement when there is further material development.

**Shareholders of the Company and investors should exercise caution when dealing in the shares of the Company.**

Reference is made to the announcement made by the Company dated 13 February 2004 (the “**Announcement**”) in relation to the claim (the “**Claim**”) made by China Railway Nineteenth Bureau Group Corporation (中鐵十九局集團有限公司) (the “**Plaintiff**”) for the alleged breach on the part of Zhuhai (Oriental) Blue Horison Properties Company Limited (珠海東方海天置業有限公司) (“**ZOBHP**”), a wholly-owned subsidiary of the Company, of a construction contract (the “**Contract**”) entered into between ZOBHP and the Plaintiff in 1999. Terms in this announcement shall have the same meanings as those defined in the Announcement unless otherwise defined.

The Claim is for an aggregate amount of approximately RMB23,113,000 (equivalent to approximately HK\$22,622,000) plus further interests, damages and costs and the litigation has been on-going since 2004.

The Board wishes to inform the shareholders and potential investors of the Company that a judgement (the “**Judgement**”) dated 15 August 2006 was issued by the Intermediate People’s Court of China in Zhuhai, Guangdong Province, the PRC against ZOBHP for an aggregate sum of approximately RMB9,682,672 (equivalent to approximately HK\$9,477,000) (the “**Judgement Debt**”) and the interest on certain part thereof. The Company understands from ZOBHP that it has decided to lodge an appeal against the Judgement to the Higher People’s Court of China in Guangdong Province.

The Judgement Debt represents approximately 1.6% of the Group’s audited consolidated net asset value of approximately HK\$600,034,000 as at 31 December 2005. In view of the size of the Judgement Debt, the Board does not consider that the Judgement has any material adverse impact on the operation and the financial position of the Group.

The Company will keep its shareholders and the potential investors informed of the progress of this matter and will make further announcement when there is further material development.

**Shareholders of the Company and investors should exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Wang Xingdong**  
Managing Director

Hong Kong, 8 September 2006

*As at the date of this announcement, the Board comprises eight directors, namely Mr. Zhou Zhongshu as the Chairman and non-executive director; Mr. Wang Xingdong, Mr. Yan Xichuan, Mr. Qian Wenchao and Ms. He Xiaoli as executive directors; and Mr. Lam Chun, Daniel, Mr. Selwyn Mar and Ms. Tam Wai Chu, Maria as independent non-executive directors.*

*For the purpose of this announcement, translations of RMB into HK\$ or vice versa have been calculated by using an exchange rate of HK\$1.00 to RMB1.0217.*