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ONFEM HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

MAJOR AND CONNECTED TRANSACTION – FORMATION OF THE JOINT VENTURE COMPANY FOR A PROPERTY DEVELOPMENT PROJECT IN NANJING, THE PRC INCLUDING PROVISION OF FINANCING TO THE JOINT VENTURE COMPANY

The Board wishes to announce that the Shareholders' Agreement was entered into amongst ONFEM SPV, WODL and ODCL on 11th April 2006, pursuant to which ODCL will become the Joint Venture Company to undertake the property development on the Land through the Project Company which was established on 5th January 2006 and wholly-owned by ODCL. Upon completion of the Share Transfer, the equity interests in ODCL will be owned as to 71% by the Group and as to 29% by WODL.

ONFEM SPV and WODL estimate that, before financing from financial institutions is expected to be arranged and be available to the Project Company, the Project Company would require a total financing (the "Initial Financing") of approximately RMB180,000,000 (approximately HK\$173,077,000) to meet the full payment of the relevant land premium and other preliminary expenses, including the registered capital of the Project Company of US\$3,300,000 (approximately HK\$25,740,000). The Initial Financing will be provided by the Joint Venture Company by way of registered capital and shareholders' loans.

On 9th December 2005, the Company (on behalf of ONFEM SPV) received from WODL a sum of US\$957,000 (approximately HK\$7,465,000) in cash as the share of Mr. Tsui and Mr. Ser of the tender deposit for the Land pursuant to the negotiations of a non-binding letter of intent entered into on 21st December 2005 between the Company and Mr. Tsui and Mr. Ser. Upon completion of the Share Transfer, such payment from WODL will be applied as the shareholder's loan from WODL to the Joint Venture Company in proportion to its equity interest in the Joint Venture Company for the purpose of funding the registered capital of the Project Company.

Pursuant to the Shareholders' Agreement, the remaining amount of the Initial Financing of approximately RMB153,230,000 (approximately HK\$147,337,000), being the Initial Financing of RMB180,000,000 (approximately HK\$173,077,000) less the contribution from WODL of US\$957,000 (approximately HK\$7,465,000) and ONFEM SPV's share in funding the registered capital of the Project Company of US\$2,343,000 (approximately HK\$18,275,000), will be provided solely by ONFEM SPV (and/or its specified company or companies) by way of shareholder's loans to the Joint Venture Company. As part of the negotiations amongst the Company, Mr. Tsui and Mr. Ser and under the Shareholders' Agreement, in lieu of providing a shareholder's loan equivalent to 29% of the aforementioned remaining amount of the Initial Financing (approximately RMB44,437,000 or HK\$42,728,000) (the "Excess Loan"), WODL will pledge (or will procure Mr. Tsui, Mr. Ser and/or their respective spouses, children and/or the companies wholly-owned by one or more of the above individuals to pledge) to ONFEM SPV certain unencumbered properties (the "Pledging Properties"), which are acceptable to ONFEM SPV and with an aggregate acceptable value of not less than the Excess Loan. All of the Pledging Properties are real estate properties in Hong Kong.

Since Mr. Tsui was a director of the Project Company at the time the Shareholders' Agreement was entered into, he is a connected person of the Company by virtue of the fact that he is a director of a subsidiary of the Company. Furthermore, since Mr. Tsui and his associates are jointly the controlling shareholders of WODL, WODL is a connected person of the Company. As such, the Transaction constitutes a connected transaction for the Company under the Listing Rules. Save for the connection between Mr. Tsui and the Company and the relationships amongst Mr. Tsui and the remaining shareholders of WODL as mentioned above, the Directors, to the best of their knowledge, information and belief and having made all reasonable enquiries, confirm that the shareholders of WODL are independent third parties not connected with the Directors, chief executive and substantial shareholders of the Company and its subsidiaries and their respective associates. In addition, the Directors, to the best of their knowledge, information and belief and having made all reasonable enquiries, confirm that none of the shareholders of WODL holds any securities of the Company as of the date of this announcement.

Based on the applicable size tests regarding the total capital commitment (including equity and loans) of the Group with respect to the Transaction, the relevant percentage ratio under Rule 14.07 of the Listing Rules exceeds 25% but is less than 75%. Accordingly, the Transaction also constitutes a major transaction for the Company under the Listing Rules.

June Glory is the controlling shareholder of the Company directly and indirectly holding 416,585,852 shares in the Company, representing approximately 53.95% of the issued share capital of the Company as of the date of this announcement. June Glory is not (i) a party to the Shareholders' Agreement or (ii) an associate of any party to the Shareholders' Agreement or any shareholder of any party to the Shareholders' Agreement (save for June Glory's interests held through the Company) and does not have any material interest in the Transaction pursuant to Rules 2.15 and 2.16 of the Listing Rules. As such, June Glory will not be required to abstain from voting at a general meeting of the Company to approve the Transaction. Furthermore, no Shareholder will be required to abstain from voting at a general meeting of the Company to approve the Transaction. The Company has obtained a shareholder's written approval from June Glory with respect to the resolution to approve the Transaction. In order to save time and costs in convening a general meeting, the Company has made an application to the Stock Exchange under Rules 14.44 and 14A.43 of the Listing Rules for a waiver from the requirement for the Transaction to be approved by the Shareholders in general meeting and the Stock Exchange has, on 4th April 2006, indicated to the Company that such waiver would be granted accordingly.

The Independent Board Committee has been formed by the Board to advise the Independent Shareholders in respect of the Transaction. An independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Transaction.

A circular containing information regarding, amongst other matters, the Shareholders' Agreement, a valuation report of the Land, the advice from the Independent Board Committee to the Independent Shareholders and the opinion of the independent financial adviser in connection with the Transaction will be despatched to the Shareholders as soon as practicable.

BACKGROUND

On 21st December 2005, the Company entered into a non-binding letter of intent with Mr. Tsui and Mr. Ser in respect of the major terms relating to the bidding of and the joint development of the Land on a 71:29 basis. On the same date, through its indirect wholly-owned subsidiary, ODCL, the Company submitted a bid to acquire the land use rights of the Land at a price of RMB160,000,000 (approximately HK\$153,846,000) in a public tender and such bid was awarded to ODCL on 23rd December 2005.

On 5th January 2006, ODCL established the Project Company to acquire the legal title of the Land and undertake the property development project thereon. The Company had paid up the registered capital of the Project Company of US\$3,300,000 (approximately HK\$25,740,000). Mr. Tsui was appointed as one of the four directors of the Project Company upon its establishment.

As part of the negotiations amongst the Company, Mr. Tsui and Mr. Ser relating to the bidding of and the joint development of the Land, it was intended that Mr. Tsui and Mr. Ser would form a joint venture with the Group through WODL which is owned by Mr. Tsui (together with his wife and sons) and Mr. Ser (together with his daughter), and WODL will own 29% equity interest in such joint venture. It is against this background that the Shareholders' Agreement was entered into amongst ONFEM SPV, WODL and ODCL. Pursuant to the Shareholders' Agreement, KIL will transfer 29% equity interest in ODCL to WODL for a cash consideration of HK\$2,900. As a result, ODCL will become the Joint Venture Company owned as to 71% by the Group and as to 29% by WODL upon completion of the Share Transfer and ODCL will continue to be a subsidiary of the Company.

THE SHAREHOLDERS' AGREEMENT

Date

11th April 2006

Parties

- (1) ONFEM SPV;
- (2) WODL, a company incorporated under the laws of Hong Kong with limited liability with principal business activity of investment holding; and
- (3) ODCL

Subject matter

The Shareholders' Agreement sets out, among other things, the transfer of a 29% equity interest in ODCL from KIL to WODL and how the Joint Venture Company shall be managed and operated, including the funding arrangements for the Joint Venture Company and the Project Company.

Business objective of the Joint Venture Company and the Project Company

The Joint Venture Company is an investment holding company of the Project Company, the principal business of which will be property development on the Land.

Management of the Joint Venture Company and the Project Company

The board of directors of each of the Joint Venture Company and the Project Company will comprise four directors. ONFEM SPV and WODL will be entitled to nominate three directors and one director to each of the board of directors of the Joint Venture Company and the Project Company respectively. All major matters in relation to the property development project on the Land will be decided by the board of directors of the Joint Venture Company or the Project Company (as the case may be).

The Project Company will be managed by senior management nominated by ONFEM SPV and WODL respectively.

Estimated initial investment amount and funding arrangements of the Joint Venture Company and the Project Company

ONFEM SPV and WODL estimate that, before financing from financial institutions is expected to be arranged and be available to the Project Company, the Project Company would require a total financing (the "Initial Financing") of approximately RMB180,000,000 (approximately HK\$173,077,000) to meet the full payment of the relevant land premium and other preliminary expenses, including the registered capital of the Project Company of US\$3,300,000 (approximately HK\$25,740,000). The Initial Financing will be provided by the Joint Venture Company by way of registered capital and shareholder's loans.

On 9th December 2005, the Company (on behalf of ONFEM SPV) received from WODL a sum of US\$957,000 (approximately HK\$7,465,000) in cash as the share of Mr. Tsui and Mr. Ser of the tender deposit for the Land pursuant to the negotiations of the above mentioned non-binding letter of intent between the Company and Mr. Tsui and Mr. Ser. Upon completion of the Share Transfer, such payment from WODL will be applied as the shareholder's loan from WODL to the Joint Venture Company in proportion to its equity interest in the Joint Venture Company for the purpose of funding the registered capital of the Project Company.

Pursuant to the Shareholders' Agreement, the remaining amount of the Initial Financing of approximately RMB153,230,000 (approximately HK\$147,337,000), being the Initial Financing of RMB180,000,000 (approximately HK\$173,077,000) less the contribution from WODL of US\$957,000 (approximately HK\$7,465,000) and ONFEM SPV's share in funding the registered capital of the Project Company of US\$2,343,000 (approximately HK\$18,275,000), will be provided solely by ONFEM SPV (and/or its specified company or companies) by way of shareholder's loans to the Joint Venture Company. As part of the negotiations amongst the Company, Mr. Tsui and Mr. Ser and under the Shareholders' Agreement, in lieu of providing a shareholder's loan equivalent to 29% of the aforementioned remaining amount of the Initial Financing (approximately RMB44,437,000 or HK\$42,728,000) (the "Excess Loan"), WODL will pledge (or will procure Mr. Tsui, Mr. Ser and/or their respective spouses, children and/or the companies wholly-owned by one or more of the above individuals to pledge) to ONFEM SPV certain unencumbered properties (the "Pledging Properties"), which are acceptable to ONFEM SPV and with an aggregate acceptable value of not less than the Excess Loan. All of the Pledging Properties are real estate properties in Hong Kong and the aforesaid remaining amount of the Initial Financing of approximately RMB153,230,000 (approximately HK\$147,337,000) is expected to be fully financed by the Group, through ONFEM SPV by way of shareholder's loans, before or by around June 2006.

The Company has engaged independent professional property valuers to assess the value of the Pledging Properties. Based on a preliminary valuation of the Pledging Properties made by the independent professional property valuers on 31st March 2006, the aggregate value of the Pledging Properties amounted to approximately HK\$53,500,000. The composition of the Pledging Properties may be subject to adjustment if the final aggregate valuation of such Pledging Properties to be made by the independent professional property valuers is substantially different from the preliminary valuation mentioned above. Final valuation on the Pledging Properties will be performed shortly after the publication of this announcement.

The Project Company shall arrange financing from financial institutions to fund its financing needs beyond the Initial Financing. If financing from financial institutions is insufficient or if the registered capital of the Project Company has to be increased (in addition to the initial registered capital of US\$3,300,000), ONFEM SPV and WODL may (and should in the case of an increase in the registered capital of the Project Company) provide funds to the Joint Venture Company by way of shareholders' loans in proportion to their respective equity interests in the Joint Venture Company to fund the outstanding financing needs (the "Further Financing") of the Project Company from time to time.

The Shareholders' Agreement also provides for the possibility of the Further Financing (except in the case of an increase in the registered capital of the Project Company) be provided solely by ONFEM SPV by way of shareholder's loans to the Joint Venture Company from time to time. In such case, WODL shall pledge (or shall procure Mr. Tsui, Mr. Ser and/or their respective spouses, children and/or the companies wholly-owned by one or more of the above individuals to pledge) to ONFEM SPV unencumbered asset(s) which are acceptable to ONFEM SPV and with an aggregate acceptable value of not less than the share of the relevant shareholder's loans in proportion to the then equity interest of WODL in the Joint Venture Company.

Pursuant to the Shareholders' Agreement, the Company can from time to time appoint property valuers to revalue the Pledging Properties and any other assets pledged by WODL (or procured to be pledged by WODL) to ONFEM SPV pursuant to the Shareholders' Agreement (the "Total Pledging Properties"), and if the revaluation amount of the Total Pledging Properties (the "Total Pledging Properties Revaluation") is below the aggregate amount of the valuation of the Total Pledging Properties at the respective time when such properties and/or assets were pledged to ONFEM SPV (the "Total Pledging Properties Valuation"), WODL agrees to, at the direction of ONFEM SPV, pledge (or procure Mr. Tsui, Mr. Ser and/or their respective spouses, children and/or the companies wholly-owned by one or more of the above individuals to pledge) to ONFEM SPV additional unencumbered asset(s) (the "Additional Pledging Assets"), which are acceptable to ONFEM SPV and with an aggregate acceptable value of not less than the difference between the Total Pledging Properties Valuation and the Total Pledging Properties Revaluation.

The shareholding structure of ODCL will be adjusted in proportion to the contributions (including shareholders' loans and acceptable value of assets pledged) of ONFEM SPV and WODL in ODCL if (i) in the case of the Further Financing, WODL is not able to provide shareholder's loans or to pledge (or to procure Mr. Tsui, Mr. Ser and/or their respective spouses, children and/or the companies wholly-owned by one or more of the above individuals to pledge) unencumbered asset(s) which are acceptable to ONFEM SPV, or (ii) in the case of an increase in the registered capital of the Project Company, WODL is not able to provide shareholder's loan, as described in the preceding paragraphs, or (iii) WODL is not able to provide (or procure the provision of) the Additional Pledging Assets.

Since the amount of the Further Financing, if any, cannot be ascertained at the time of the execution of the Shareholders' Agreement, the Company will comply with the applicable disclosure and shareholders' approval requirements under the Listing Rules to the extent required when the amount of the Further Financing, if any, could be ascertained.

Conditions precedent

The Shareholders' Agreement is subject to the following conditions precedent:

- (1) the Company shall obtain the approval of its Shareholders in a general meeting or a shareholders' written approval acceptable to the Stock Exchange for the Transaction in accordance with the Listing Rules; and
- (2) WODL shall pledge or procure the pledge of certain unencumbered properties to ONFEM SPV as described under the paragraph entitled "Estimated initial investment amount and funding arrangements of the Joint Venture Company and the Project Company" above.

If condition precedent (1) is not fulfilled on or before 15th June 2006 or a later date to be agreed by ONFEM SPV and WODL, the Shareholders' Agreement shall terminate, and none of the parties to the Shareholders' Agreement shall be entitled to the rights or required to perform the obligations under the Shareholders' Agreement, save as rights and remedies which have accrued prior to the termination of the Shareholders' Agreement. If condition precedent (2) is not fulfilled or waived on or before 15th June 2006 or a later date to be agreed by ONFEM SPV and WODL, the Shareholders' Agreement shall terminate, and none of the parties to the Shareholders' Agreement shall be entitled to the rights or required to perform the obligations under the Shareholders' Agreement, save as rights and remedies which have accrued prior to the termination of the Shareholders' Agreement.

Completion

Completion of the Share Transfer will take place within 10 working days of ONFEM SPV giving a written notice to WODL of the satisfaction and/or waiver of the conditions precedent above or such later date as ONFEM SPV and WODL may agree. At completion of the Share Transfer, KIL will transfer to WODL 2,900 ordinary shares in ODCL, representing 29% of the issued share capital of ODCL (which is an investment holding company), at a consideration which equals to the par value of HK\$1 per share in ODCL. The Joint Venture Company has a paid-up capital of HK\$10,000. The consideration for such transfer of HK\$2,900 will be payable in cash by WODL at completion of the Share Transfer.

SOURCE OF FUNDING

The investment to be made by ONFEM SPV in the Joint Venture Company will be funded by the Group's internal resources and borrowings from financial institutions. No decision has yet been made as to the split between the funding of the total investment by ONFEM SPV in the Joint Venture Company by way of internal resources and external borrowings. As of the date of this announcement, through ONFEM SPV by way of shareholder's loans, the Group provided a total sum of financing of approximately HK\$103,183,000, of which approximately HK\$30,000,000 was funded by bank borrowings and approximately HK\$73,183,000 was funded by the internal resources of the Group, to the Joint Venture Company to finance the Initial Financing of the Project Company.

FURTHER INFORMATION OF THE LAND

The Land is a piece of raw land for residential use. The total area of the Land is approximately 310,295.5 square metres with an estimated total gross floor area of approximately 237,665.4 square metres.

FINANCIAL EFFECTS

The investment of ONFEM SPV in the Joint Venture Company (including the financing for the Initial Financing and the provision of the Excess Loan) will be funded by the Group's internal resources and borrowings from financial institutions, which will increase the gearing of the Group. The formation of the Joint Venture Company has no material impact on the net assets of the Group.

According to the unaudited management accounts of ODCL as at 31st December 2005, ODCL was in a net liability position of approximately HK\$13,000. Accordingly, the transfer of the 29% equity interest in ODCL to WODL for HK\$2,900 will give rise to a gain of approximately HK\$6,670 (subject to audit) for the Group based on the unaudited net liability of ODCL as at 31st December 2005. The Group intends to use such proceeds for general working capital purposes.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SHAREHOLDERS' AGREEMENT AND PROVIDING THE EXCESS LOAN

The Group is principally engaged in real estate development, property leasing, specialised construction and manufacturing and trading. As set out in the recent annual reports of the Company, the Group stated clearly that it would focus on property development as one of its principal businesses. The property development project on the Land is in line with the business objectives of the Group.

Mr. Tsui has extensive knowledge and experience in property development in the PRC and particularly in Nanjing. Mr. Tsui has managed and invested with his business partners in three residential property development projects in Nanjing, the PRC, of which one project was completed recently and the remaining two projects are in the selling phase. The Directors believe that Mr. Tsui is familiar with the local property market environment and has the business and personal network desirable for property development in Nanjing, the PRC, and that such attributes would be conducive to the property development on the Land.

As a result of the negotiations with respect to the cooperation between Mr. Tsui and Mr. Ser on the one part and the Group on the other part, ONFEM SPV (or through its specified company or companies) has agreed to provide the Excess Loan to the Joint Venture Company. The Excess Loan, like other shareholders' loans provided to the Joint Venture Company, will be subject to an interest rate equivalent to prevailing interest rate on a loan of similar amount, duration and terms in the PRC.

The Directors confirm that the terms of the Shareholders' Agreement were determined after arm's length negotiations and on normal commercial terms and that the terms thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

CONNECTED AND MAJOR TRANSACTION

Since Mr. Tsui was a director of the Project Company at the time the Shareholders' Agreement was entered into, he is a connected person of the Company by virtue of the fact that he is a director of a subsidiary of the Company. Furthermore, since Mr. Tsui and his associates are jointly the controlling shareholders of WODL, WODL is a connected person of the Company. As such, the joint venture arrangements between ONFEM SPV and WODL with respect to the Joint Venture Company including the provision of the Excess Loan constitutes a connected transaction for the Company under the Listing Rules. Save for the connection between Mr. Tsui and the Company and the relationships amongst Mr. Tsui and the remaining shareholders of WODL as mentioned above, the Directors, to the best of their knowledge, information and belief and having made all reasonable enquiries, confirm that the shareholders of WODL are independent third parties not connected with the Directors, chief executive and substantial shareholders of the Company and its subsidiaries and their respective associates. In addition, the Directors, to the best of their knowledge, information and belief and having made all reasonable enquiries, confirm that none of the shareholders of WODL holds any securities of the Company as of the date of this announcement.

Based on the applicable size tests regarding the total capital commitment (including equity and loans) of the Group with respect to the Transaction, the relevant percentage ratio under Rule 14.07 of the Listing Rules exceeds 25% but is less than 75%. Accordingly, the Transaction also constitutes a major transaction for the Company under the Listing Rules.

The Transaction will therefore be subject to the approval by the Independent Shareholders and in general meeting by poll under Chapter 14 and Chapter 14A of the Listing Rules.

June Glory is the controlling shareholder of the Company directly and indirectly holding 416,585,852 shares in the Company, representing approximately 53.95% of the issued share capital of the Company as at the date of this announcement. June Glory is not (i) a party to the Shareholders' Agreement or (ii) an associate of any party to the Shareholders' Agreement or any shareholder of any party to the Shareholders' Agreement (save for June Glory's interests held through the Company) and does not have any material interest in the Transaction pursuant to Rules 2.15 and 2.16 of the Listing Rules. As such, June Glory will not be required to abstain from voting at a general meeting of the Company to approve the Transaction. Furthermore, no Shareholder will be required to abstain from voting at a general meeting of the Company to approve the Transaction. The Company has obtained a shareholder's written approval from June Glory with respect to the resolution to approve the Transaction. In order to save time and costs in convening a general meeting, the Company has made an application to the Stock Exchange under Rules 14.44 and 14A.43 of the Listing Rules for a waiver from the requirement for the Transaction to be approved by the Shareholders in general meeting and the Stock Exchange has, on 4th April 2006, indicated to the Company that such waiver would be granted accordingly.

The Independent Board Committee has been formed by the Board to advise the Independent Shareholders in respect of the Transaction. An independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Transaction.

A circular containing information regarding, amongst other matters, the Shareholders' Agreement, a valuation report of the Land, the advice from the Independent Board Committee to the Independent Shareholders and the opinion of the independent financial adviser in connection with the Transaction will be despatched to the Shareholders as soon as practicable.

GENERAL

As at the date hereof, the Board comprises eight Directors, of which five are executive Directors, namely Mr. Zhou Zhongshu, 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

"associate(s)"	has the meaning given to it in the Listing Rules
"Board"	the board of Directors of the Company
"Company"	ONFEM Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
"connected person(s)"	has the meaning given to it in the Listing Rules
"controlling shareholder(s)"	has the meaning given to it in the Listing Rules
"Directors"	the directors (including the independent non-executive directors) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	the independent board committee of the Company comprising Mr. Lam Chun, Daniel, Mr. Selwyn Mar and Ms. Tam Wai Chu, Maria, all are independent non-executive Directors, which has been formed by the Board for the purpose of advising the Independent Shareholders in respect of the terms of the Transaction
“Independent Shareholders”	all Shareholders excluding any connected person with a material interest in the Transaction and any Shareholder with a material interest in the Transaction, and in this case, the Directors, to the best of their knowledge, information and belief and having made all reasonable enquiries, confirm that all Shareholders are independent from WODL and do not have a material interest in the Transaction
“June Glory”	June Glory International Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of China Minmetals H.K. (Holdings) Limited as well as the controlling shareholder (as defined in the Listing Rules) of the Company directly and indirectly interested in approximately 53.95% of the issued share capital of the Company as at the date of this announcement
“KIL”	Karman Industries Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Land”	the piece of land situated in Jiangning Science Park, Nanjing, the PRC (中國南京市江寧區科學園), and described as land No.2005G108 in the State Land Use Rights Transfer Contract (國有土地使用權出讓合同) entered into between ODCL and The Bureau of Land Resources, Jiangning Branch, Nanjing, Jiangsu Province, the PRC (中國江蘇省南京市國土資源局江寧分局) on 27th December 2005
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Ser”	Mr. Ser Kee Lee, elder brother of Mr. Tsui
“Mr. Tsui”	Mr. Tsui Ki Ting, younger brother of Mr. Ser
“ODCL” or “Joint Venture Company”	Oriental Dragon Construction Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company before completion of the transfer of a 29% equity interest in ODCL from KIL to WODL. ODCL is currently owned as to 99.8% and 0.2% by KIL and SL (in trust for KIL) respectively, and as to 70.8%, 0.2% and 29% by KIL, SL (in trust for KIL) and WODL respectively after completion of the transfer of a 29% equity interest in ODCL from KIL to WODL
“ONFEM SPV”	KIL and SL
“PRC”	the People’s Republic of China, and for the purpose of this announcement excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Project Company”	龍建(南京)置業有限公司 (Dragon Construction (Nanjing) Properties Company Limited), a company established on 5th January 2006 in the PRC and wholly-owned by ODCL
“Share Transfer”	the transfer of a 29% equity interest in ODCL from KIL to WODL pursuant to the terms and conditions of the Shareholders’ Agreement
“Shareholder(s)”	holder(s) of the Shares
“Shareholders’ Agreement”	the shareholders’ agreement of ODCL dated 11th April 2006 entered into amongst ONFEM SPV, WODL and ODCL
“Shares”	shares of par value of HK\$0.10 each in the issued share capital of the Company
“SL”	Stillpower Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the formation of the Joint Venture Company including the provision of the Excess Loan
“WODL”	World Ocean Development Limited, a company incorporated under the laws of Hong Kong with limited liability, which is owned as to: 26.67% by Mr. Tsui; 23.33% by Mr. Ser; 10% by Ms. Yau Man Chun, Mr. Tsui’s wife; 15% by Mr. Tsui Fung Jack, Mr. Tsui’s son; 15% by Mr. Tsui Ngai Stanley, Mr. Tsui’s son; and 10% by Ms. Tsui Dan Daphne, Mr. Ser’s daughter
“working days”	days on which banks in Hong Kong are generally open for businesses (excluding Saturdays)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	percentage

Unless otherwise stated, the conversion of RMB and US\$ into HK\$ is based on the exchange rate of HK\$1.00 = RMB1.04 and US\$1 = HK\$7.8 respectively. Such conversion should not be construed as a representation that the amount in question has been, could have been or could be converted at any particular rate or at all.

By order of the Board
ONFEM Holdings Limited
Wang Xingdong
Managing Director

Hong Kong, 11th April 2006

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