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ONFEM HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

The Board wishes to inform the shareholders and the potential investors of the Company that ZOBHP received a writ of summons dated 4th February, 2004 and issued by the PRC Court.

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

The board of directors of ONFEM Holdings Limited wishes to inform the shareholders and the potential investors of the Company that ZOBHP received a writ of summons dated 4th February, 2004 and issued by the PRC Court. The Company understands from ZOBHP that ZOBHP does not agree with the Claim (as defined below) and is currently seeking legal advice on the best approach to deal with the Claim.

According to the claim alleged by the Plaintiff, ZOBHP was in breach of a construction contract entered into with the Plaintiff in 1999 in relation to a property development project in which the Plaintiff was the main contractor ("Claim"). The court hearing is scheduled to be held on 22nd April, 2004 in the PRC.

The Claim is for an aggregate amount of approximately RMB23,113,000 (equivalent to approximately HK\$21,379,000) ("Claimed Amount") plus further interests, damages and costs. The Claimed Amount represents approximately 4.55% and 4.26% of the NTA 1 and the NTA 2 respectively.

The Board does not consider that the Claim 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.

DEFINITIONS

- "Board" the board of directors of the Company
- "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
- "NTA 1" approximately HK\$470,047,000, being the unaudited consolidated net tangible assets value of the Group as at 30th June, 2003 (being the date of the latest published unaudited consolidated accounts of the Group)
- "NTA 2" approximately HK\$502,434,000, being the unaudited pro forma adjusted consolidated net tangible assets value of the Group as at 3rd November, 2003 (being the latest practicable date prior to the printing of a composite offer document jointly issued by China Minmetals H.K. (Holdings) Limited, June Glory International Limited and the Company and dated 5th November, 2003)
- "Plaintiff" China Railway Nineteenth Bureau Group Corporation (中鐵十九局集團有限公司)
- "PRC" the People's Republic of China
- "PRC Court" the Intermediate People's Court of China in Zhuhai, the PRC
- "ZOBHP" Zhuhai (Oriental) Blue Horrison Properties Company Limited (珠海東方海天置業有限公司), a Sino-foreign equity joint venture established in the PRC and will become a wholly-owned subsidiary of the Company upon completion of the registration of the transfer of 20% equity interests in ZOBHP (as disclosed in the announcement of the Company dated 9th January, 2004 and a circular of the Company dated 31st January, 2004). ZOBHP was established in 1999 and is principally engaged in property development
- "HK\$" Hong Kong dollars, the lawful currency of Hong Kong from time to time
- "RMB" Renminbi, the lawful currency of the PRC from time to time

By order of the Board
Siu Tin Ho
Company Secretary

Hong Kong, 13th February, 2004

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 RMB1.0811.