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ONFEM HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

The Directors of the Company refer to the Article (as defined hereinbelow) in relation to an alleged injection of significant amounts of assets by Minmetals HK, the controlling shareholder of the Company, into the Company and wish to clarify that the Company is not aware of and has not been informed of any of the matters referred to in the Article.

The Directors have noted the recent increase in the trading volume of the shares of the Company and wish to state that the Directors are not aware of any reasons for such increase save as disclosed herebelow.

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

This announcement is made at the request of The Stock Exchange of Hong Kong Limited.

The directors ("**Directors**") of ONFEM Holdings Limited ("**Company**") refer to an article appearing in a newspaper published on 18th February, 2004 ("**Article**") in relation to an alleged injection of significant amounts of assets by China Minmetals H.K. (Holdings) Limited ("**Minmetals HK**"), the controlling shareholder of the Company and indirectly holding approximately 53.95% of the issued share capital of the Company, into the Company and wish to clarify that the Company is not aware of and has not been informed of any of the matters referred to in the Article.

The Company has received a letter from Minmetals HK today stating that there was currently no specific proposal which might affect the Company although Minmetals HK would review its business strategy from time to time. Minmetals HK also confirmed that currently, it has no plan to inject any of its existing assets or businesses into the Company and/or its subsidiaries.

The Directors have noted the recent increase in the trading volume of the shares of the Company and wish to state that the Directors are not aware of any reasons for such increase.

Save as disclosed in the announcement of the Company dated 13th February, 2004 in relation to the pending litigation against a subsidiary of the Company and the information disclosed herein, the Directors confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, neither are the Directors aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

The Directors individually and jointly accept responsibility for the accuracy of this announcement.

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

By order of the Board of
ONFEM Holdings Limited
Siu Tin Ho
Company Secretary

Hong Kong, 18th February, 2004