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ORIENTAL UNION HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

Trading of the Warrants (Stock Code 625) on the Stock Exchange has been suspended with effect from 9:30 a.m. on Wednesday, 21 August 2002 at the request of the Company.

Trading of the warrants (Stock Code 625) (the “Warrants”) of Oriental Union Holdings Limited (the “Company”) on the Stock Exchange has been suspended with effect from 9:30 a.m. on Wednesday, 21 August 2002 at the request of the Company pending an inquiry by the Securities and Futures Commission (“SFC”) as to the unusual trading activities in respect of the Warrants. The SFC has noted that whilst the price of the shares of HK\$0.10 each (the “Shares”) in the capital of the Company has dropped 26.42% from HK\$0.53 on 19 November 2001 to HK\$0.39 on 19 August 2002, the price of the Warrants has increased from HK\$0.54 on 19 November 2001 to close at HK\$3.00 on 19 August 2002, representing a premium of 797% over the Share price of the Company as at 19 August 2002. The SFC further noted that for the month of July 2002, a total of 50 million Shares were traded with a total value of HK\$23 million and the dollar turnover of the Warrants amounted to HK\$53.4 million with a total of 15.8 million Warrants traded. Accordingly, the SFC has expressed concern about the level of trading activities of the Warrants in July 2002 at aforementioned prices.

The Warrants carry the right to subscribe for Shares up to the aggregate amount of HK\$117,000,000 at the subscription price of HK\$0.50 (subject to adjustment) at any time up to and including 31 March 2004 and were issued by the Company on 18 October 2001 at the issue price of HK\$0.15 per unit. The new Shares falling to be issued upon full exercise of the subscription rights attaching to the Warrants represent approximately 15.38% of the existing issued share capital of 1,521,541,315 Shares and approximately 13.33% of the issued share capital of the Company as enlarged by the new Shares. Suspension of trading of the Warrants does not affect the exercise of the subscription rights of the Warrant holders should they wish to do so. Furthermore, the Warrants are currently out of money. In the premises, the directors of the Company are of the view that the suspension of trading of the Warrants will not materially adversely affect the operations of the Company.

Further announcement will be made by the Company as and when appropriate.

By Order of the Board
Oriental Union Holdings Limited
Hon Ming Kong
Chairman

Hong Kong SAR, 22 August 2002

The directors of the Company jointly and severally accept responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, the opinions expressed by them have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

Please also refer to the published version of this announcement in The Standard.