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ORIENTAL UNION HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

The inquiry by the Securities and Futures Commission as to the unusual trading activities in respect of the Warrants is still ongoing and that :

- **the outstanding Warrants were concentrated in the hands of a limited number of holders as at 20 August 2002;**
- **trading of the Warrants during the period from 24 October 2001 to 20 August 2002 were dominated by some of the limited number of holders of Warrants and an apparently related fund; and**
- **the unreasonably high prices of the Warrants was not justified by any standard.**

Application has been made to the Stock Exchange for the resumption of trading of the Warrants on the Stock Exchange with effect from 9:30 a.m. on Tuesday, 17 September 2002.

Holders of the Warrants and investors should exercise extreme caution in dealing in the Warrants.

Reference is made to the announcement by the Company dated 22 August 2002 (the “Announcement”). Unless otherwise defined, terms used herein shall have the same meaning as in the Announcement.

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 and an application has been made to the Stock Exchange for the resumption of trading of the Warrants on the Stock Exchange with effect from 9:30 a.m. on Tuesday, 17 September 2002.

The Company confirmed that the directors of the Company are not aware of any information which has to be brought to the attention of the Securities and Futures Commission (the “SFC”) in respect of the trading activities of the Warrants during the period from 24 October 2001 to 20 August 2002. The

inquiry by the SFC as to the unusual trading activities in respect of the Warrants is still ongoing. The SFC has presently found that:

- as at 20 August 2002, 233.8 million of the Warrants, representing **99.91%** of the issued Warrants were apparently held by four overseas funds and five parties, with only 200,000 Warrants, representing 0.09% of the issued Warrants in the hands of the other investors;
- three of the four funds were apparently managed by the same investment company;
- during the period from 24 October 2001 to 20 August 2002, purchases in the Warrants by the four funds and one of the five parties accounted for 72.01% of the total market purchases for the period while another fund, which is apparently related to one of the four funds accounted for 12.96% of the total market purchases. There were also various trading between these funds and the five parties;
- the price of the shares of HK\$0.10 each in the capital of the Company has dropped 7.14% from HK\$0.42 on 24 October 2001 to HK\$0.39 on 19 August 2002, whilst the price of the Warrants has increased by 971.43% from HK\$0.28 on 24 October 2001 to close at HK\$3.00 on 19 August 2002; and
- as at 19 August 2002, the price of the Warrants is HK\$3.00, representing a premium of 797% over the price of the shares which is HK\$0.39 on 19 August 2002. Considering that holders of the Warrants have to pay HK\$0.50 as subscription price upon the exercise of their subscription rights attaching to the Warrants the price of the Warrants is unreasonably high and not justified by any standard.
- **Holders of the Warrants and investors should exercise extreme caution in dealing in the Warrants.**

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

By Order of the Board
Oriental Union Holdings Limited
Tsai Bobby Sung-En
Chairman

Hong Kong SAR, 16 September 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.