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401 Holdings Limited
(上海華博控股有限公司) *

(Incorporated in Bermuda with limited liability)

**DELAY IN RELEASE OF ANNUAL RESULTS AND
DESPATCH OF ANNUAL REPORT FOR THE YEAR
ENDED 31ST MARCH 2003**

As a 46.67% held associated company of the Company incorporated in the People's Republic of China, which was acquired by a wholly-owned subsidiary of the Company on 27th January, 2003 and is mainly engaged in the design and sale of intelligent transport systems and technologies integrating the internet, GSM, GPS and FLEX platforms, has up to this date not provided the requisite financial information necessary for the Company to compile its unaudited annual results for the year ended 31st March, 2003 and the Company is in negotiation with its auditors regarding audit fees in light of its current financial position, the release of the annual results and despatch of annual report for the year ended 31st March 2003 will be delayed, resulting in a breach of the requirements of paragraphs 8(1), 8(2), 11(1) and 11(3)(i)(c) of the Listing Agreement. The Company expects to announce its annual results and despatch its annual report on or before 31st October, 2003 and 7th November, 2003 respectively. The Stock Exchange will reserve its rights to take appropriate action against the Company.

Trading in the shares of the Company was suspended from 9:30 a.m. on 28th March, 2003 and will remain suspended until further notice.

Under the Listing Agreement, 401 Holdings Limited (the "Company") is required to release its annual results and to despatch its annual report for the year ended 31st March, 2003 to its shareholders not later than four months after the financial year end, i.e. 31st July, 2003.

As a 46.67% held associated company of the Company incorporated in the People's Republic of China, which was acquired by a wholly-owned subsidiary of the Company on 27th January, 2003 and is mainly engaged in the design and sale of intelligent transport systems and technologies integrating the internet, GSM, GPS and FLEX platforms, has up to this date not provided the requisite financial information necessary for the Company to compile its unaudited annual results for the year ended 31st March, 2003 and the Company is in negotiation with its auditors regarding audit fees in light of its current financial position, the audit of the financial statements of the Company for the year ended 31st March 2003 has not commenced and the Company will not be able to release its annual results and despatch its annual report on or before 31st July 2003, resulting in a breach of the requirements of paragraphs 8(1), 8(2), 11(1) and 11(3)(i)(c) of the Listing Agreement. The Stock Exchange of Hong Kong Limited (the "Stock Exchange") will reserve its right to take appropriate action against the Company regarding the aforesaid breach. The directors of the Company confirm that the delay will not contravene the memorandum of association and bye-laws of the Company and The Companies Act 1981 of Bermuda.

The Company expects to reach an agreement on the audit fees arrangement with its auditors in or about early September, 2003 and the audit of the financial statements of the Company will commence thereafter. The Company also expects to announce its annual results and despatch its annual report to its shareholders on or before 31st October, 2003 and 7th November, 2003 respectively.

The directors of the Company confirm that they have not dealt in the shares of the Company since 5th September, 2002 and they have undertaken not to deal in the shares of the Company until the announcement of the annual results.

Trading in the shares of the Company was suspended from 9:30 a.m. on 28th March, 2003 and will remain suspended until further notice.

Shareholders of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
401 Holdings Limited
Leung Tze Hang, David
Managing Director

Hong Kong, 30th July, 2003

** For identification purposes only*

Please also refer to the published version of this announcement in China Daily dated on 31-07-2003.