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401 Holdings Limited

(Incorporated in Bermuda with limited liability)

FURTHER DELAY IN RELEASE OF ANNUAL RESULTS AND DESPATCH OF ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH, 2003 CHANGE IN DIRECTORATE

The directors of the Company announce that the Company has reached an agreement with its auditors on audit fees and the Company expects to announce its annual results and despatch its annual report on or before 12th December, 2003 and 22nd December, 2003 respectively. Such delay has resulted 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 will reserve its rights to take appropriate action against the Company and/or its directors regarding the aforesaid breach.

The Board of the Company also announces that Mr. Ha Kee Choy, Eugene ceased to be a non-executive director of the Company and became an executive director of the Company with effect from 11th November, 2003.

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.

Further to the announcement dated 30th July, 2003 issued by 401 Holdings Limited (the "Company") regarding the delay in the release of annual results and despatch of annual report for the year ended 31st March, 2003 to 31st October, 2003 and 7th November, 2003 respectively, the directors of the Company announce that the Company has reached an agreement with its

auditors on audit fees on 10th November, 2003 and the audit of the financial statements of the Company for the year ended 31st March, 2003 has commenced. There being no change in its auditors, the Company expects to release its annual results and despatch its annual report to its shareholders on or before 12th December, 2003 and 22nd December, 2003 respectively. Such delay has resulted 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 and/or its directors 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 directors of the Company (except Mr. Wong Chong Kwong, Derek) confirm that they have not dealt in the shares of the Company since 5th September, 2002. Mr. Wong Chong Kwong, Derek confirms that he has not dealt in the shares of the Company since 29th October, 2003, the date on which he was appointed as the Chairman and executive director of the Company. The directors of the Company have undertaken not to deal in the shares of the Company until the announcement of the annual results.

The board of the directors (the "Board") of the Company also announces that Mr. Ha Kee Choy, Eugene ceased to be a non-executive director of the Company and became an executive director of the Company with effect from 11th November, 2003. 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.

By Order of the Board
401 Holdings Limited
Wong Chong Kwong, Derek
Chairman

Hong Kong, 12th November, 2003

Please also refer to the published version of this announcement in China Daily.