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## **401 Holdings Limited**

*(Incorporated in Bermuda with limited liability)*

(Stock Code : 0401)

### **Announcement**

A winding-up petition and summons for the appointment of provisional liquidators were filed against the Company by China Units on 21st July 2004.

Trading of shares in the Company was suspended at the request of the Company with effect from 28th March 2003 and remains suspended until further notice.

**Shareholders and the public are advised to exercise caution when dealing in shares in the Company.**

On 21st July 2004, a winding-up petition (the “Petition”) and summons for the appointment of provisional liquidators were filed against 401 Holdings Limited (the “Company”) by China Units Enterprises Limited (“China Units”).

Pursuant to a judgment dated 2nd July 2004 (the “Judgment”), the Company has to pay to China Units (i) the principal amount of HK\$3 million under a convertible bond issued by the Company to China Units on 30th July 2002; (ii) the outstanding interest until payment in full and (iii) costs incurred by China Units in recovering money owed to it by the Company. As at the date of this announcement, the total sum due by the Company to China Units is approximately HK\$3.4 million. The Petition is scheduled to be heard on 18th August 2004. The Company is seeking legal advice in respect of the Petition and will oppose the Petition. Prior to the receipt of the Petition by the Company, the Company had filed a notice of appeal on 15th July 2004 against the Judgment and the hearing of the appeal is scheduled to be heard on 27th October 2004.

The summons for the appointment of provisional liquidators was heard in the afternoon of 22nd July 2004 and the judge ordered that the hearing be adjourned to 5th August 2004.

The Company will make further announcements to update shareholders on this matter as and when appropriate.

Trading of shares in the Company was suspended at the request of the Company with effect from 28th March 2003 and will remain suspended until the Company can demonstrate to the Stock Exchange of Hong Kong Limited (“Stock Exchange”) that the Company is in compliance with the requirements under Rule 13.24 of the Rules Governing the Listing of Securities on the Stock Exchange.

**Shareholders and the public are advised to exercise caution when dealing in shares in the Company.**

As at the date hereof, the executive directors of the Company are Mr. Wong Chong Kwong, Derek, Mr. Leung Tze Hang, David, Mr. Po Kam Hi, John, Mr. Lau Cheuk Hung, Terence, Mr. Au-Yeung Yok Cho, Mr. Ha Kee Choy, Eugene; the non-executive director is Mr. Wu Chi Lok and the independent non-executive directors are Mr. Wan Ngar Yin, David, Mr. Shiu Shu Ming and Mr. Yeung Kong Dominic.

By Order of the Board  
**401 Holdings Limited**  
**Keung Shu Hoi**  
*Company Secretary*

Hong Kong, 23rd July 2004

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