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401 Holdings Limited
(Provisional Liquidators Appointed)
(Incorporated in Bermuda with limited liability)
(Stock Code: 0401)

Appointment of Provisional Liquidators

At the court hearing held on 3 August 2004, the High Court appointed Mr. Cosimo Borrelli and Mr. Fan Wai Kuen, both of RSM Nelson Wheeler Corporate Advisory Services Limited, as joint and several provisional liquidators of the Company.

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

On 23 July 2004 the Company issued an announcement in relation to the winding up petition in respect of and the summons for the appointment of provisional liquidators to the Company filed by China Units Enterprises Limited (“Petitioner”).

Upon hearing the application of the Petitioner on 3 August 2004, the High Court of Hong Kong Special Administration Region (“High Court”) appointed Mr. Cosimo Borrelli and Mr. Fan Wai Kuen, both of RSM Nelson Wheeler Corporate Advisory Services Limited, as joint and several provisional liquidators of the Company (“Provisional Liquidators”) to, inter alia, carry on and stabilise the operations of the Company and its subsidiaries, including by facilitating a restructuring of the Company.

The winding up petition filed by the Petitioner is scheduled to be heard on 18 August 2004. The Provisional Liquidators, on behalf of the Company, will apply for an adjournment of the hearing to allow more time to explore and if possible, facilitate a restructuring of the Company. Further announcements in this regard will be made as and when appropriate.

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

As at the date hereof, the executive directors of the Company are Mr. Wong Chong Kwong, Derek, Mr. Po Kam Hi, John, Mr. Lau Cheuk Hung, Terence and Mr. Au-Yeung Yok Cho; the non-executive director is Mr. Wu Chi Lok.

For and on behalf of
401 Holdings Limited
(Provisional Liquidators Appointed)

Cosimo Borrelli
Fan Wai Kuen

Joint and Several Provisional Liquidators

Hong Kong, 4 August 2004

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