

**401 HOLDINGS LTD:
NOW, THE COMPANY IS SUED FOR MORE THAN \$HK6.16 MILLION**

Just 7 days after publicly listed 401 Holdings Ltd (Code: 401, Main Board, The Stock Exchange of Hongkong Ltd) got hit with a claim of about \$HK445,107.50 from its '*publicists*', Equity Financial Press Ltd and Central Language Services Ltd, it is back in the news once more, with a claim, laid against it, for about \$HK6.10 million.

According to **TOLFIN** (**TARGET's** Computerised Online Financial Intelligence Service and Credit-Checking Provider), 2 companies have sued 401 Holdings in respect of the purported issuance of 2 convertible bonds, said to have been executed on July 30, 2002.

The 2 companies, which have issued legal proceedings against 401 Holdings, are Merchant Partners Ltd and China Units Enterprises Ltd, neither of which is registered in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

High Court Action Numbers 1065 and 1067 follow nearly identical formats, with Merchant Partners, claiming \$HK3,108,051.38 in respect of a purported convertible bond, said to have been dated July 30, 2002 and bearing a coupon of 2 percent above the Prime Lending Rate of The Hongkong and Shanghai Banking Corporation Ltd.

Payment of the interest was said to have been due quarterly, in arrears, however, it is being claimed by Merchant Partners that no interest on the purported convertible bond has ever been forthcoming.

China Units claim is, also, for a purported convertible bond, which was, also, said to have been executed on the same day as that of Merchant Partners': July 30, 2002.

All other recitals in the Statement of Claim, attached to High Court Action Number 1067, is identical to that of the Statement of Claim, attached to High Court Action Number 1065.

These 2 Plaintiffs, in aggregate, are looking to recover about \$HK6,161,054.80 plus costs and continuing interest.

Thus far, these are the largest claims, laid against 401 Holdings, which, at the last look at the company, was engaged in freight forwarding and property investment.

It was on March 14, 2003 (Please see [TARGET Intelligence Report, Volume V, Number 50](#), headlined: **401 HOLDINGS LTD: HOW SICK IS THIS COMPANY ? OR, IS THAT ONLY TOO OBVIOUS ?**) that TARGET wrote about 401 Holdings, following Equity Financial Press and Central Language Services, hitting the company for about \$HK445,107.50 for bills, said to have been outstanding for more than one year.

In October 2002, The Stock Exchange of Hongkong Ltd sued 401 Holdings for about \$HK1.80 million in respect of alleged non-payment of Annual Listing Fees – dating back to the year 2000.

And so it goes on: One week; One writ. ... [CLICK TO ORDER FULL ARTICLE](#)

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