

**401 HOLDINGS LTD:
THIS IS NOT A BOND OF FRIENDSHIP, TO BE SURE**

Another claim has been laid at the feet of publicly listed [401 Holdings Ltd](#) (Code: 401, Main Board, The Stock Exchange of Hongkong Ltd) and, once again, it is in respect of a purported 2002 Convertible Bond Issue.

This is the third such claim, made against this freight-forwarding and property investment company, this year.

High Court Action Number 2420 is between SIIC Finance (Nominee) Company Ltd and 401 Holdings Ltd, with the Plaintiff, seeking \$HK5 million plus interest and costs.

Since March, this year, the claims, made against 401 Holdings, have reached not less than \$HK11.16 million.

In the latest attack on this company, SIIC Finance (Nominee) claims that 401 Holdings issued a Convertible Bond in favour of it, the bond, dated September 9, 2002 in the Principal Sum of \$HK5 million.

The maturity date of the Convertible Bond was September 9, 2005 *'or such earlier date as such sum may become payable together with all accrued interest in accordance with the terms and conditions thereto.'* (Paragraph One of the Statement of Claim, attached to the Writ of Summons)

The interest on the Convertible Bond was said to be 4 percent per annum, payable quarterly in arrears.

Paragraph 3 of the Statement of Claim alleges that 401 Holdings *'has defaulted in payment of interest payable under the Bond.'* (Paragraph 3)

As at March 9, 2003, the amount of interest, allegedly owed to SIIC Finance (Nominee), was \$HK49,315.07.

It is alleged, at Paragraph 4, that, on April 17, 2003, an Early Repayment Notice was issued by SIIC Finance (Nominee) to 401 Holdings, *'demanding the Defendant to repay all outstanding principal amount of the Bond in the sum of HK\$5,000,000.00 together with all interest thereon on 19th May 2003 ("the Repayment Date").'*

However, at Paragraph 5, it is alleged that 401 Holdings *'has failed to pay the said sum of HK\$5,000,000.00 and interest or any part thereof to the Plaintiff.'*

On March 26, 2003, in **TARGET** Intelligence Report, Volume V, Number 58, this medium reported that Merchant Partners Ltd and China Units Enterprises Ltd issued similar legal proceedings against 401 Holdings in the aggregate sum of \$HK6.10 million.

Neither of these 2 companies is registered in The Companies Registry of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

Both of these 2 litigants issued their respective Actions in the HKSAR High Court in respect of the purported issuance of 2 other Convertible Bonds, both said to have been issued on July 30, 2002.

The 2 Statements of Claim in respect of these litigants follow similar recitals as that which appears in the latest High Court Action against 401 Holdings, issued by SIIC Finance (Nominee).

In October, last year, The Stock Exchange of Hongkong Ltd sued 401 Holdings for non-payment of about \$HK1.80 million with regard to the Annual Listing Fees, dating back to the year 2001.

For the past 5 Financial Years, ended March 31, 2002, 401 Holdings has lost, in aggregate, \$HK1,003.61 million.

In 2002 Year, only, this company reported a Net Loss Attributable to Shareholders of about \$HK101.36 million. Shareholders' ... [CLICK TO ORDER FULL ARTICLE](#)

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