

**401 HOLDINGS LTD:
BOND HOLDER SEEKS TO WIND UP THE COMPANY**

It had to happen, of course, because, to many people, as well as the heads of large, respectable corporate entities, a broken promise spawns acrimony.

That appears to have been the situation in respect of China Units Enterprises Ltd, which, recently, petitioned the winding up of publicly listed [401 Holdings Ltd](#) (Code: 401, Main Board, The Stock Exchange of Hongkong Ltd).

401 Holdings is supposed to be a freight-forwarding and property investment company, but, during the past 8 Financial Years, at least, things have gone badly for this company, with the aggregate losses, to date, being not less than \$HK1.56 billion.

And The Stock Exchange of Hongkong Ltd has put the company on notice that it intends to delist it.

On May 19, 2004, The Stock Exchange of Hongkong Ltd informed the company that:

'... The Company will have a final six months for the submission of a valid resumption proposal. If the Company does not submit a valid resumption proposal by 18 November, 2004, the Exchange intends to cancel the listing of the Company.'

Trading in the shares of 401 Holdings has been suspended since March 28, 2003, due to the fact that Management has been unable to demonstrate to The Stock Exchange of Hongkong Ltd that it is able to comply, fully, with The Listing Rules.

But it is very clear that some people have become very tired of waiting any longer for something to happen in this company and are taking the bull by the horns, so to speak, determined to put an end to Management's procrastinations.

Such a company is China Units Enterprises Ltd, which sued 401 Holdings on March 21, 2003, and again on October 10, 2003, claiming, in aggregate, \$HK6 million, according to **TOLFIN** (The Computerised Online Financial Intelligence Service and Web-Based Credit-Checking Provider).

This matter was reported in the 2003 Annual Report of 401 Holdings, as follows:

'On 21 March 2003, China Units Enterprises Limited ("China Units") issued a writ against the Company for alleged failure to pay the sum of HK\$3,053,003.42, being the principal amount of HK\$3,000,000 and outstanding interest thereon of HK\$53,003.42 for the period from 1 November 2002 to 31 January 2003, under a convertible bond issued by the Company to China Units on 30 July 2002 ("China Units Bond"). On 10 October 2003, China Units issued another writ against the Company for alleged failure to pay the sum of HK\$3,197,989.74, being the same principal amount of HK\$3,000,000 under China Units Bond and outstanding interest thereon of HK\$197,989.74 for the period from 1 November 2002 to 10 October 2003. The relevant principal and interests up to 31 March 2003 of China Units Bond had been recorded in the accounts.'

This Case was first reported in ... [CLICK TO ORDER FULL ARTICLE](#)

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