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**401 Holdings Limited
(In Compulsory Liquidation)
(Incorporated in Bermuda with limited liability)**

ANNOUNCEMENT

CANCELLATION OF LISTING

**IN ACCORDANCE WITH PRACTICE NOTE 17 TO THE RULES GOVERNING THE LISTING OF
SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED ("LISTING RULES")**

The Provisional Liquidators hereby announce that with effect from 21 June 2005, the listing of the shares of 401 Holdings Limited (In Compulsory Liquidation) ("Company") will be cancelled in accordance with the delisting procedures stipulated in Practice Note 17 to the Listing Rules..

The Stock Exchange of Hong Kong Limited ("Exchange") has informed the Company that the listing of the Company's shares will be cancelled with effect from 9:30 a.m. on 21 June 2005 in accordance with the delisting procedures stipulated in Practice Note 17 to the Listing Rules ("Delisting Procedures"). Practice Note 17 to the Listing Rules formalises the procedures to be adopted to delist long-suspended companies.

Dealings in the Company's shares have been suspended since 28 March 2003. Since the suspension, the Company has submitted two resumption proposals, which were not considered by the Exchange as to be viable.

The Company was put into the third stage of the Delisting Procedures on 19 May 2004. Pursuant to the Delisting Procedures, at the end of the third stage on 18 November 2004 ("Deadline"), if no viable resumption proposal has been received, the listing of the Company's shares would be cancelled.

Prior to the Deadline, the Company entered into an agreement with a director of the Company under which a self restructuring of the Company would be conducted. A resumption proposal was submitted to the Exchange on 25 October 2004, however, the Listing Division decided that the resumption proposal was not viable. The Company disagreed with Listing Division's decision and subsequently sought a review from both Listing Committee and Listing (Review) Committee. Both Committees upheld the Listing Division's decision, and the Exchange will cancel the listing of the Company's shares as of 9:30 a.m. on 21 June 2005 in accordance with the Delisting Procedures.

In light of the Company's financial position and the Exchange's decision to cancel the listing of the Company's shares, on 13 June 2005 the High Court of Hong Kong SAR ordered that the Company be wound up.

If you are a shareholder of the Company and you have any queries about the implications of the delisting, you are advised to obtain appropriate professional advice.

As limited resources are available to the Company, this announcement will only be published on the Exchange's website.

For and on behalf of
401 Holdings Limited
(In Compulsory Liquidation)
Cosimo Borrelli
Fan Wai Kuen

Hong Kong, 20 June 2005