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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares and/or preference shares in RNA Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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## **RNA HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**PROPOSED ISSUE OF CONVERTIBLE BONDS  
PROPOSALS FOR APPROVAL OF THE NEW SHARE OPTION SCHEME  
OF TRASY GOLD EX LIMITED  
AND GENERAL MANDATES TO ISSUE SHARES  
AND TO REPURCHASE SHARES**

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A notice convening a special general meeting of RNA Holdings Limited to be held at 3rd Floor, East, Gold & Jewellery Building, Shayan Road, Yantian District, Shenzhen, China on Monday, 15th April, 2002 at 9:30 a.m is set out on pages 27 to 30 of this circular. Whether or not you intend to attend the meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to RNA Holdings Limited's branch share registrar in Hong Kong, Central Registration Hong Kong Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournments thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournments thereof should you so wish.

28th March, 2002

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## **RESPONSIBILITY STATEMENT**

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This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular concerning the Company and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained in this circular the omission of which would make any statement herein misleading.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“2% Convertible Bonds”	2% HK\$116,780,000 convertible bonds issued by the Company due on 6th January, 2005
“5% Convertible Notes”	5% US\$30,000,000 convertible notes issued by the Company due on 28th April, 2003
“Admiralty”	Admiralty Investment Company Limited, a company incorporated in the BVI with limited liability which is wholly and beneficially owned by Alexander Chan
“Alexander Chan”	Mr. Chan Fat Leung, Alexander, the deputy chairman and an executive Director of the Company
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors of the Company
“Bonus Share Scheme”	the bonus share scheme of Trasy adopted on 6th November, 2000 pursuant to which certain eligible persons entitled to subscribe for Trasy Shares at par value, payable in full upon allotment
“Bondholder(s)”	holder(s) of the Convertible Bonds from time to time
“Business Day”	a day (excluding Saturday) on which banks are open for business in Hong Kong
“BVI”	British Virgin Islands
“Bye-laws”	the bye-laws of the Company for the time being
“Company”	RNA Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Controlling Company”	the company/companies which holds or deemed to hold more than 30% equity interest in Trasy
“Conversion Right”	the right of holder(s) of the Convertible Bonds to convert the whole or part of the principal amount of the Convertible Bonds into Shares subject to the terms and conditions of the Convertible Bonds

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## DEFINITIONS

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“Conversion Shares”	new Shares fall to be allotted and issued upon conversion or in satisfaction of any redemption of the Convertible Bonds
“Convertible Bonds”	the convertible bonds in the aggregate principal amount of up to HK\$81,420,000 to be issued by the Company under the Subscription Agreements
“Directors”	directors of the Company
“Eligible Employee(s)”	any employees or proposed employees (whether full time or part time) or executives, including executive directors, of Trasy, the Controlling Company and their respective Subsidiaries
“Eligible Participant(s)”	any Eligible Employees, non-executive directors (including independent non-executive directors) of Trasy, any Controlling Company and their respective Subsidiaries; any suppliers, adviser, consultant, contractor, customers, person or entity that provides research, development or other technological support to the Trasy Group; or any shareholder or any member of the Trasy Group or any Invested Entity
“Existing Share Option Scheme”	the share option scheme of Trasy adopted on 6th November, 2000 pursuant to which options to subscribe for Trasy Shares may be granted to Eligible Employees
“Falcon”	Falcon Investment Company Limited, a company incorporated in the BVI with limited liability which is beneficially owned by Raymond Chan, Alexander Chan and their family members
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the listing sub-committee of the Stock Exchange with responsibility for GEM
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its Subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Initial Conversion Price”	HK\$0.10 per Conversion Share, subject to adjustment
“Invested Entity”	any entity in which any member of the Trasy Group holds any equity interest

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## DEFINITIONS

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“Issue Date”	the date of issue of the Convertible Bonds
“Latest Practicable Date”	21st March, 2002, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	a new share option scheme of Trasy to be adopted subject to fulfillment of certain conditions, including, among other matters, approval by the Shareholders at the SGM
“Pre-IPO Share Option Plan”	the share option plan adopted by Trasy on 6th November, 2000, pursuant to which certain options were granted to eligible persons to subscribe for Trasy Shares at HK\$0.21 each
“Preference Shares”	(a) 10,819,583 convertible preference shares with notional value of HK\$5.00 each in the capital of the Company at the initial conversion price of HK\$0.2418 each, subject to adjustment(s), and (b) 67,800,000 convertible preference shares of par value of HK\$1.00 each in the capital of the Company at the initial conversion price of HK\$0.10 each, subject to adjustment(s)
“Raymond Chan”	Mr. Chan Fat Chu, Raymond, the chairman and an executive Director of the Company
“Regent”	Regent Investment Company Limited, a company incorporated in the BVI with limited liability which is wholly and beneficially owned by Raymond Chan
“SGM”	the special general meeting of the Company to be held on 15th April, 2002, notice of which is set out on pages 27 to 30 of this circular, or any adjournments thereof
“Share(s)”	ordinary shares of HK\$0.10 par value each in the capital of the Company
“Shareholder(s)”	holder of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	subscribers of the Convertible Bonds, who are independent of, and not connected with the directors, chief executive and substantial shareholders of the Company or its subsidiaries or their respective associates

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## DEFINITIONS

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“Subscription Agreements”	the conditional subscription agreements entered into between the Company and the Subscribers dated 15th March, 2002 in respect of the subscription of the Convertible Bonds
“Subsidiary”	a subsidiary within the meaning of the Companies Ordinance (Cap.32 of the Laws of Hong Kong) for the time being of the Company whether incorporated in Hong Kong or elsewhere
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“Trasy”	Trasy Gold Ex Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on GEM and an approximately 58.46%-owned subsidiary of the Company
“Trasy Group”	Trasy and its Subsidiaries
“Trasy Shares”	ordinary shares of HK\$0.01 par value each in the capital of Trasy
“HK\$”	Hong Kong dollars
“US\$”	United States dollars
“%”	per cent.

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# LETTER FROM THE BOARD

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## RNA HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

*Directors:*

CHAN Fat Chu, Raymond (*Chairman*)  
CHAN Fat Leung, Alexander (*Deputy Chairman*)  
LO Chi Kin, Andie  
SIT Chun Sze  
TSUI Muk Ming, Danny  
MA Kwok Keung\*\*  
WONG Tak Wah, Daniel\*\*  
Ahmad Fuad HAJI MD ALI\*

\* *Non-executive director*

\*\* *Independent non-executive directors*

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Head office and principal  
place of business:*

16th Floor  
Cheung Fat Building  
7-9 Hill Road  
Western District  
Hong Kong

28th March, 2002

*To the Shareholders and for information only,  
holders of the 5% Convertible Notes and  
holders of the 2% Convertible Bonds*

Dear Sir or Madam,

**PROPOSED ISSUE OF CONVERTIBLE BONDS  
PROPOSALS FOR APPROVAL OF THE NEW SHARE OPTION SCHEME  
OF TRASY GOLD EX LIMITED AND  
GENERAL MANDATES TO ISSUE SHARES  
AND TO REPURCHASE SHARES**

### INTRODUCTION

The Directors announced on 15th March, 2002 that the Company has entered into the Subscription Agreements with the Subscribers on 15th March, 2002 pursuant to which the Company has conditionally agreed to issue the Convertible Bonds in the aggregate principal amount of up to HK\$81,420,000 to the respective Subscribers.

Completion of each of the Subscription Agreements is conditional upon fulfillment of the conditions listed in the section "Completion" below. None of the Subscription Agreements is conditional upon completion of the others.



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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with (a) further information on the Convertible Bonds, the New Share Option Scheme of Trasy, the general mandates to issue Shares and to repurchase Shares, and (b) the notice of the SGM at which the necessary resolutions will be proposed to consider and, if thought fit, approve the creation and issue of the Convertible Bonds, the approval of the New Share Option Scheme of Trasy and the granting of the general mandates to issue and repurchase Shares.

### **THE SUBSCRIPTION AGREEMENTS**

The Company has entered into the Subscription Agreements pursuant to which the Company has conditionally agreed to issue the Convertible Bonds in the aggregate principal amount of up to HK\$81,420,000 to the respective Subscribers.

The Subscribers are independent of, and not connected with, the directors, chief executive and substantial shareholders of the Company or its subsidiaries or their respective associates.

Completion of the Subscription Agreements will take place on or before the 3rd Business Day after satisfaction of the conditions listed in the section "Completion" below which is expected to be on or about 25th April, 2002. None of the Subscription Agreements is conditional upon completion of the others.

### **PRINCIPAL TERMS OF THE CONVERTIBLE BONDS**

The principal terms of the Convertible Bonds are summarized below:

#### **Amount of issue**

up to HK\$81,420,000 in principal amount

#### **Initial Conversion Price**

HK\$0.10 per Share, subject to adjustment

The Initial Conversion Price was determined on an arm's length basis between the Company and the Subscribers with reference to the par value of HK\$0.10 per Share. Such Initial Conversion Price represents a premium of 150% to the closing price of HK\$0.04 per Share as quoted on the Stock Exchange on 15th March, 2002, being the date of the Subscription Agreements. The Initial Conversion Price also represents a premium of approximately 129.36% to the average closing price of the Shares of HK\$0.0436 per Share for the 10 trading-day period ended on 15th March, 2002 (inclusive).

#### **Interest**

The Convertible Bonds are zero-coupon bonds.

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## LETTER FROM THE BOARD

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### **Maturity Date**

The maturity of the Convertible Bonds will be the date following 3 years from the Issue Date and it is expected to be in April 2005. Any unredeemed and unconverted Convertible Bonds will be redeemed at 103% of the outstanding principal amount in cash.

### **Conversion provisions**

The Convertible Bonds are convertible in whole or in part at any time after the Issue Date at the Initial Conversion Price, subject to adjustment. Any partial conversion shall be made in amounts of not less than a whole multiple of HK\$10,000 and no fraction of a Share shall be issued on conversion.

### **Redeemability**

The Bondholders can redeem the Convertible Bonds at any time after the Issue Date up to one week before the Maturity Date by giving the Company redemption request not less than 3 days' nor more than 30 days' notice at the following redemption amount:

- (1) if the redemption request is made within the period of the first 12 months from the Issue Date, the Company may, instead of redeeming the Convertible Bonds in cash, elect to satisfy the redemption by the issue of such number of new Shares as shall equal the quotient of the sum total of (1) the principal amount of the Convertible Bonds to be redeemed and (2) a redemption premium at 100% of such principal amount, divided by the conversion price in effect on the redemption date specified by the Bondholder in the redemption request; or
- (2) if the redemption request is made within the period of the next 12 months commencing from the 13th month and ending on the 24th month from the Issue Date, the Company may, instead of redeeming the Convertible Bonds in cash, elect to satisfy the redemption by the issue of such number of new Shares as shall equal the quotient of the sum total of (1) the principal amount of the Convertible Bonds to be redeemed and (2) a redemption premium at 50% of such principal amount, divided by the conversion price in effect on the redemption date specified by the Bondholder in the redemption request; or
- (3) if the redemption request is made within the period of the next 12 months commencing from the 25th month and ending on the 36th month from the Issue Date, the Company may, instead of redeeming the Convertible Bonds in cash, elect to satisfy the redemption by the issue of such number of new Shares as shall equal the quotient of the principal amount of the Convertible Bonds to be redeemed divided by the conversion price in effect on the redemption date specified by the Bondholder in the redemption request.

The Company shall also have the right (subject to any applicable restrictions in favour of the Bondholders who are the parties to the Subscription Agreements) at any time to redeem the whole or any relevant part of the outstanding Convertible Bonds at the redemption amount which is 100% of the principal amount of the Convertible Bonds by giving to the Bondholders 30 days' notice of its intention to make such redemption if the closing price published in the Stock Exchange's daily quotations sheet for one Share for each of the 20 consecutive dealing days ending on the dealing day immediately preceding

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## LETTER FROM THE BOARD

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the issue date of the redemption notice shall be equal to or greater than 150% of the conversion price then in effect.

### Shares issued upon conversion or redemption

Based on an Initial Conversion Price of HK\$0.10 per Conversion Share, the number of Conversion Shares to be issued upon full conversion or in satisfaction of the redemption of all the Convertible Bonds will be as follows:

	<b>Redemption Premium</b>	<b>No. of Conversion Shares to be issued</b>	<b>% to existing ordinary share capital</b>	<b>% to enlarged ordinary share capital</b>
Within the first 12 months	100%	1,628,400,000	31.26%	23.81%
From the 13th month ending on the 24th month	50%	1,221,300,000	23.44%	18.99%
From the 25th month ending on the 36th month	0%	814,200,000	15.63%	13.52%

The Conversion Shares, when issued, will rank pari passu with the Shares then in issue.

### Voting

Bondholders will not be entitled to receive notice of, attend or vote at any general meeting of the Company.

### Transferability

The Convertible Bonds will be freely assignable or transferable from the Issue Date to any party. A Bondholder shall notify the Company for any transfer of the Convertible Bonds.

The Company has undertaken to the Stock Exchange that it will disclose to the Stock Exchange any dealings in the Convertible Bonds by any connected persons or their associates.

### COMPLETION

Completion of the Subscription Agreements is conditional on the following conditions being satisfied:

- (1) the passing by the Shareholders of an ordinary resolution at the SGM approving the creation and issue of the Convertible Bonds and authorising the Board to allot and issue the Shares to be issued pursuant to the exercise of Conversion Rights attaching to the Convertible Bonds or in satisfaction of any redemption of the Convertible Bonds pursuant to the conditions;

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## LETTER FROM THE BOARD

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- (2) the Listing Committee of the Stock Exchange having granted listing of and permission to deal in the Shares to be issued upon the exercise of Conversion Rights attaching to the Convertible Bonds or in satisfaction of any redemption of the Convertible Bonds pursuant to the conditions;
- (3) none of the Warranties having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect; and
- (4) all requisite consents or confirmations of no objection (if necessary) or filings at, any governmental or competent authorities for the transactions contemplated hereunder having been obtained by the Company from any third parties or effected by the Company.

Completion of the Subscription Agreements will take place on or before the 3rd Business Day after satisfaction of all the conditions listed above, which are expected to be fulfilled on or about 25th April, 2002 (or such later date(s) as may be agreed between the parties to the Subscription Agreements in writing). If any of the above conditions has not been satisfied or waived on or before such date, the Subscription Agreements shall lapse.

### **REASONS FOR THE ISSUE OF THE CONVERTIBLE BONDS**

The Convertible Bonds are to be issued for reducing certain existing debts of the Group so as to reduce interest burden, thereby strengthening the Company's financial position. Accordingly, the Board considers that the issue of the Convertible Bonds is in the best interests of the Shareholders.

### **SHARE CAPITAL**

As at the Latest Practicable Date, the issued ordinary share capital of the Company is HK\$520,983,236.8 comprising 5,209,832,368 Shares. In addition, there are in issue (a) 10,819,583 convertible preference shares with notional value HK\$5.00 each convertible at the initial conversion price of HK\$0.2418 each (as announced by the Company on 4th April, 2001, 17th April, 2001 and 19th September, 2001) and (b) 67,800,000 convertible preference shares of par value HK\$1.00 each convertible at the initial conversion price of HK\$0.10 each (as announced by the Company on 19th September, 2001).

## LETTER FROM THE BOARD

### IMPACT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The effect on the shareholding structure of the Company upon full conversion of the Convertible Bonds are as follows:

#### Scenario 1 (Assume full conversion of the Convertible Bonds from the Issue Date to 12th months with redemption premium of 100%)

	Existing shareholding		Assume full conversion or redemption of the Convertible Bonds		Assume full conversion or redemption of the Convertible Bonds, 5% Notes, 2% Bonds and Preference Shares	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Falcon	1,017,500	0.02	1,017,500	0.02	1,017,500	0.01
Regent	1,912,500	0.04	1,912,500	0.03	1,912,500	0.02
Admiralty	1,912,500	0.04	1,912,500	0.03	1,912,500	0.02
Raymond Chan	123,270,000	2.37	123,270,000	1.80	123,270,000	1.34
Alexander Chan	123,270,000	2.37	123,270,000	1.80	123,270,000	1.34
Subscribers	–	–	1,628,400,000	23.81	1,628,400,000	17.75
Public	4,958,449,868	95.16	4,958,449,868	72.51	7,294,647,341	79.52
	<u>5,209,832,368</u>	<u>100.00</u>	<u>6,838,232,368</u>	<u>100.00</u>	<u>9,174,429,841</u>	<u>100.00</u>

#### Scenario 2 (Assume full conversion of the Convertible Bonds from the 13th month to 24th month after the Issue Date with redemption premium of 50%)

	Existing shareholding		Assume full conversion or redemption of the Convertible Bonds		Assume full conversion or redemption of the Convertible Bonds, 5% Notes, 2% Bonds and Preference Shares	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Falcon	1,017,500	0.02	1,017,500	0.02	1,017,500	0.01
Regent	1,912,500	0.04	1,912,500	0.03	1,912,500	0.02
Admiralty	1,912,500	0.04	1,912,500	0.03	1,912,500	0.02
Raymond Chan	123,270,000	2.37	123,270,000	1.92	123,270,000	1.41
Alexander Chan	123,270,000	2.37	123,270,000	1.92	123,270,000	1.41
Subscribers	–	–	1,221,300,000	18.99	1,221,300,000	13.93
Public	4,958,449,868	95.16	4,958,449,868	77.09	7,294,647,341	83.20
	<u>5,209,832,368</u>	<u>100.00</u>	<u>6,431,132,368</u>	<u>100.00</u>	<u>8,767,329,841</u>	<u>100.00</u>

## LETTER FROM THE BOARD

### Scenario 3 (Assume full conversion of the Convertible Bonds from the 25th month to 36th month after the Issue Date with no redemption premium)

	Existing shareholding		Assume full conversion or redemption of the Convertible Bonds		Assume full conversion or redemption of the Convertible Bonds, 5% Notes, 2% Bonds and Preference Shares	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Falcon	1,017,500	0.02	1,017,500	0.02	1,017,500	0.01
Regent	1,912,500	0.04	1,912,500	0.03	1,912,500	0.02
Admiralty	1,912,500	0.04	1,912,500	0.03	1,912,500	0.02
Raymond Chan	123,270,000	2.37	123,270,000	2.05	123,270,000	1.47
Alexander Chan	123,270,000	2.37	123,270,000	2.05	123,270,000	1.47
Subscribers	–	–	814,200,000	13.52	814,200,000	9.74
Public	4,958,449,868	95.16	4,958,449,868	82.30	7,294,647,341	87.27
	<u>5,209,832,368</u>	<u>100.00</u>	<u>6,024,032,368</u>	<u>100.00</u>	<u>8,360,229,841</u>	<u>100.00</u>

To the best knowledge of the Directors, none of the Subscribers will become a substantial shareholder of the Company assuming the Convertible Bonds are converted in full with redemption premium of 100% based on the Company's issued capital as at the date of the Subscription Agreements.

### APPLICATION FOR LISTING

No application will be made for the listing of, or permission to deal in, the Convertible Bonds on the Stock Exchange or any other stock exchange. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares which may fall to be issued pursuant to the Convertible Bonds.

### PROPOSED NEW SHARE OPTION SCHEME OF TRASY

As the Stock Exchange has recently amended Chapter 23 of the GEM Listing Rules which came into effect on 1st September, 2001. Accordingly, the Board proposes to adopt the New Share Option Scheme of Trasy, pursuant to which, the board of directors of Trasy will be authorised to grant options to eligible participants to subscribe for Trasy Shares upon the terms and conditions of the New Share Option Scheme which comply with the amended Chapter 23 of the GEM Listing Rules.

As at the Latest Practicable Date, Trasy has adopted the Existing Share Option Scheme, the Bonus Share Scheme and the Pre-IPO Share Option Plan. The board of directors of Trasy had granted options under the Pre-IPO Share Option Plan entitling holders thereof to subscribe for up to 234,872,000 Trasy Shares, out of which options for 108,820,000 Trasy Shares have been cancelled. As at the Latest Practicable Date, the issued share capital of Trasy comprised 2,380,000,000 Trasy Shares and 126,052,000 Trasy Shares may fall to be issued upon exercise of options under the Pre-IPO Share Option Plan representing 5.03% of the issued share capital of Trasy as enlarged by the allotment and issue of such Trasy Shares.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date:-

- (1) no options have been granted under the Existing Share Option Scheme, and the Existing Share Option Scheme will be terminated upon the adoption of the New Share Option Scheme of Trasy; and
- (2) there is no outstanding rights for the eligible persons to subscribe for Trasy Shares under the Bonus Share Scheme.

Assuming that no further Trasy Shares will be issued before the adoption of the New Share Option Scheme, and on the basis that the New Share Option Scheme will be approved by Shareholders and the shareholders of Trasy, options entitling holders thereof to subscribe for up to 238,000,000 Trasy Shares can be granted under the New Share Option Scheme in accordance with Rule 23.03(3) of the GEM Listing Rules.

The New Share Option Scheme of Trasy is conditional upon:

- (1) the passing of the necessary resolution by the shareholders of Trasy at a general meeting to approve and adopt the New Share Option Scheme;
- (2) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Trasy Shares falling to be issued upon the exercise of options granted under the New Share Option Scheme; and
- (3) the Shareholders approving the New Share Option Scheme of Trasy at the SGM.

The New Share Option Scheme of Trasy constitutes a share scheme governed by Chapter 17 of the Listing Rules and the adoption of such scheme is subject to the approval by the Shareholders at the SGM.

### **Value of the options**

The Directors consider that it is not appropriate or helpful to Shareholders to state the value of all options that can be granted pursuant to the New Share Option Scheme of Trasy as if they had been granted as at the Latest Practicable Date. The Directors believe that any statement regarding the value of the options as at the Latest Practicable Date will not be meaningful to the Shareholders, since the options to be granted shall not be assignable, and no holder of the option shall in any way sell, transfer, charge, mortgage or create any interest (legal or beneficial) in favour of any third party over or in relation to any of such option.

In addition, the calculation of the value of the options is based on a number of variables such as the exercise price, the exercise period, interest rate, expected volatility and other relevant variables. The Directors believe that any calculation of the value of the options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

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## LETTER FROM THE BOARD

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### GENERAL MANDATE TO ISSUE SHARES

At the SGM, an ordinary resolution will be proposed to grant a general mandate to the Directors to allot, issue and otherwise deal with new Shares of the Company with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the relevant resolution and extension of the aforesaid mandate by addition thereto the then number of Shares repurchased pursuant to the proposed general mandate to repurchase Shares as described below. The Directors do not have any present intention to issue any new Shares under the general mandate to be sought at the SGM.

### GENERAL MANDATE TO REPURCHASE SHARES

An ordinary resolution will also be proposed at the SGM to grant to the Directors a general mandate to repurchase Shares up to 10% of the total fully paid-up nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution. The Directors have no present intention to repurchase any Shares under the repurchase mandate to be sought at the SGM.

The mandate for repurchase and issue of Shares will remain effective until the conclusion of the Company's next annual general meeting or the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Bye-laws to be held or until revoked or varied by an ordinary resolution of the Shareholders, whichever occurs first.

### SGM

Set out on pages 27 to 30 is a notice convening the SGM to be held at 9:30 a.m. on 15th April, 2001 at 3rd Floor, East, Gold & Jewellery Building, Shayan Road, Yantian District, Shenzhen, China at which ordinary resolutions will be proposed to approve the creation and issue of the Convertible Bonds, the adoption of the New Share Option Scheme of Trasy and the granting of general mandates to issue and repurchase Shares.

A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM in person, you are requested to complete and return the form of proxy to the Company's branch registrar in Hong Kong, Central Registration Hong Kong Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the SGM or any adjournments thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjourned meetings should you so wish.

### RECOMMENDATION

The Board is of the opinion that the proposed resolutions for the creation and issue of the Convertible Bonds, the adoption of the New Share Option Scheme of Trasy and the granting of general mandates to issue Shares and to repurchase Shares are in the interest of the Company. Accordingly, the Board recommends the Shareholders to vote in favour of all the resolutions set out in the notice of the SGM.



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## LETTER FROM THE BOARD

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### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information as set out in the appendices to this circular.

### MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully  
By Order of the Board of  
**RNA HOLDINGS LIMITED**  
**Chan Fat Chu, Raymond**  
*Chairman*

**THE NEW SHARE OPTION SCHEME OF TRASY****Summary of terms**

The following is a summary of the principal terms of the New Share Option Scheme of Trasy to be approved at the SGM:

**1. Purpose**

The purpose of the New Share Option Scheme of Trasy is a share incentive scheme to enable Trasy to grant options to selected participants as incentives or rewards for their contribution to the Trasy Group.

**2. Who may join**

- (a) The board of directors of Trasy may, at its discretion, offer to Eligible Participants (as defined in (b) below) options to subscribe for such number of new Trasy Shares as the board of directors of Trasy may determine at an exercise price to be determined in accordance with paragraph 5 below. Upon acceptance of the option, the grantee shall pay HK\$1.00 to Trasy by way of consideration for the grant. The eligibility of any of the Eligible Participants shall be determined by the directors of Trasy on the basis of their contribution to the development and growth of the Trasy Group.
- (b) “Eligible Participant” means:
  - (i) any employees or proposed employees (whether full time or part time) or executives, including executive directors of Trasy, the Controlling Company and their respective Subsidiaries or any Invested Entity;
  - (ii) any non-executive director (including independent non-executive directors) of Trasy, any subsidiary of Trasy and any Controlling Company (including its Subsidiaries);
  - (iii) any supplier, adviser, consultant or contractor for the provision of goods or services to any member of the Trasy Group and any customer of the Trasy Group;
  - (iv) any person or entity that provides research, development or other technology support to the Trasy Group; and
  - (v) any shareholder of any member of the Trasy Group or any Invested Entity or any holder of any securities issued by any member of the Trasy Group or any Invested Entity.

**3. Maximum number of Trasy Shares**

- (i) The maximum number of Trasy Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Trasy Group shall not in aggregate exceed 30% of the Trasy Shares in issue from time to time. No options may be granted under any share option scheme of the Trasy Group (including the New Share Option Scheme) if this will result in the said 30% limit being exceeded.
- (ii) The total number of Trasy Shares may be issued upon exercise of all options to be granted under the New Share Option Scheme must not, in aggregate, exceed 10% of the issued share capital of Trasy as at the date of approval of the New Share Option Scheme by the shareholders of Trasy unless approval by the shareholders of Trasy has been obtained pursuant to sub-paragraph (iii) below. Options lapsed in accordance with the New Share Option Scheme will not be counted for the purpose of calculating the 10% limit.
- (iii) Subject to the issue of a circular by Trasy and the approval of the shareholders of Trasy in general meeting and, where appropriate, the approval of the shareholders of any holding company which is listed on the Stock Exchange and/or such other requirements prescribed under the GEM Listing Rules from time to time, the board of directors of Trasy may:
  - (a) renew this limit at any time to 10% of the Trasy Shares in issue as at the date of the approval by the shareholders of Trasy in general meeting. However, the total number of Trasy Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and under any other share option scheme of the Trasy Group under the limit must not in aggregate exceed 10% of the Trasy Shares in issue as at the date of approval of the renewed limit. Options previously granted under the schemes (including those outstanding, cancelled, lapsed in accordance with the scheme or exercised options) will not be counted for the purpose of calculating the limit as “refreshed”. Trasy must send a circular to its shareholders containing the information required under Rule 23.02(2)(d) and the disclaimer required under Rule 23.02(4) of the GEM Listing Rules; and/or
  - (b) grant options beyond the 10% limit to Eligible Participants specifically identified by the board of directors of Trasy whereupon Trasy shall send a circular to its shareholders containing, among others, a generic description of the specified participants who may be granted such options, the number and terms of the options to be granted and the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose.

#### **4. Maximum number of options to any one Eligible Participant**

The total number of Trasy Shares issued and which may fall to be issued upon exercise of the options granted under the New Share Option Scheme and any other share option schemes of Trasy (including both cancelled, exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of Trasy Shares in issue as at the date of grant.

Any further grant of options to a participant which would result in the Trasy Shares issued and to be issued upon the exercise of all options granted and to be granted to such participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate in excess of this 1% limit shall be subject to the issue of a circular by Trasy and the approval of the shareholders of Trasy in general meeting and, where appropriate, the approval of the shareholders of any holding company which is listed on the Stock Exchange with such Eligible Participant and his associates (as defined in the GEM Listing Rules) abstaining from voting and/or other requirements prescribed under the GEM Listing Rules from time to time. The circular to be issued to the shareholders of Trasy must comply with Rules 23.02(c), 23.02(d) and 23.04 of the GEM Listing Rules and contain the identity of the participant and the number and terms of the options to be granted (and options previously granted to such participant). The number and terms (including the exercise price) of the options to be granted to such participant must be fixed before shareholders' approval and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 23.03(9) of the GEM Listing Rules.

#### **5. Price of Trasy Shares**

The subscription price of a Trasy Share in respect of any particular option granted under the New Share Option Scheme of Trasy shall be such price as the board of directors of Trasy in its absolute discretion shall determine, save that such price will not be less than the highest of (a) the closing prices of the Trasy Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (b) the average of the closing prices of the Trasy Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; and (c) the nominal value of a Trasy Share.

#### **6. Granting options to connected persons**

Any grant of options under the New Share Option Scheme of Trasy to a director, chief executive or substantial shareholder of Trasy or any of their respective associates is required to be approved by the independent non-executive directors of Trasy (excluding any independent non-executive director who is the proposed grantee of the options) and, where appropriate, the independent non-executive directors of any holding company which is listed on the Stock Exchange.

If Trasy proposes to grant options under the New Share Option Scheme of Trasy to a substantial shareholder (as defined in the GEM Listing Rules) or any independent non-executive director of Trasy or their respective associates (as defined in the GEM Listing Rules) which will result in the

number of Trasy Shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the Trasy Shares in issue; and
- (b) having an aggregate value in excess of HK\$5 million, based on the closing price of the Trasy Shares at the offer date of each offer

such further grant of options will be subject to the issue of a circular by Trasy and the approval of the shareholders of Trasy in general meeting and, where appropriate, the approval of the shareholders of any holding company which is listed on the Stock Exchange on a poll at which all connected persons (as defined in the GEM Listing Rules) of Trasy shall abstain from voting, and/or such other requirements prescribed under the GEM Listing Rules from time to time. A connected person (as defined in the GEM Listing Rules) of Trasy will be permitted to vote against the grant only if his intention to do so has been stated in the circular. Any change in the terms of options granted to a substantial shareholder or an independent non-executive director of Trasy or any of their respective associates must approved by the shareholders of Trasy in general meeting and, where appropriate, approved by the shareholders of any holding company which is listed on the Stock Exchange.

#### **7. Restrictions on the time of grant of options**

A grant of options may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been announced pursuant to the relevant requirements of the GEM Listing Rules. In particular, no options may be granted during the period of one month immediately preceding the earlier of (a) the date of the board meeting for the approval of Trasy's annual results, interim results or quarterly results; and (b) the deadline for Trasy to publish announcement for its annual results, interim results or quarterly results and announcement under Rule 18.49 or Rule 18.53 of the GEM Listing Rules and ending on the date of actual publication of the results announcement.

#### **8. Rights are personal to grantee**

An option is personal to the respective grantees and may be exercised or treated as exercised, as the case may be, in whole or in part, and shall not be transferable or assignable.

#### **9. Time of acceptance and exercise of option**

An option may be accepted by a proposed grantee within 7 days from the date of the offer of grant of the option.

There is no minimum period for which an option must be held before it can be exercised. An option may be exercised in accordance with the terms of the New Share Option Scheme of Trasy at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of ten years from that date. The period during which an option may be exercised will be

determined by the board of directors of Trasy in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted.

#### **10. Performance target**

Unless otherwise determined by the board of directors of Trasy, the grantee is not required to achieve any performance targets before any option granted under the New Share Option Scheme of Trasy can be exercised.

#### **11. Rights on ceasing employment/death**

- (a) If the Eligible Participant of an option is under employment with Trasy, the Controlling Company and/or any of their respective Subsidiaries, in the event the grantee ceases to be an Eligible Employee by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the option in full, his personal representative(s) or, as appropriate, the Eligible Participant may exercise the option up to his or her entitlement at such date of cessation (to the extent not already exercised) within the period of one month following the date of such cessation, which date shall be the last actual working day on which the Eligible Participant was at working with Trasy, the Controlling Company or the relevant Subsidiary of Trasy or the Controlling Company on which salary is paid in lieu of notice or not, or such longer period as the board of directors of Trasy may determine.
- (b) If the Eligible Participant of an option is under employment with Trasy, the Controlling Company and/or any of their respective Subsidiaries, in the event the Eligible Participant ceases to be an Eligible Employee by any reason other than his death, ill-health or retirement in accordance with his contract of employment and none of the events which would be a ground for termination of his employment arises, the option shall lapse on the date of cessation or termination and shall not be exercisable unless the board of directors of Trasy otherwise determine.

#### **12. Rights on dismissal**

If the holder of an option ceases to be an Eligible Participant by reason of being dismissed as an employee of Trasy or the Controlling Company or any of their respective Subsidiaries on the grounds that he has been guilty of serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence, his option will lapse and not be exercisable after the date of termination of his employment.

#### **13. Rights on breach of contract**

If the board of directors of Trasy shall at its absolute discretion determines that (i) the Eligible Participant of any option (other than an Eligible Employee) or his associate has committed any breach of any contract entered into between the grantee or his associate on the one part and the

Trasy Group or any Invested Entity on the other part or that the Eligible Participant has committed any act of bankruptcy or has become insolvent or is subject to any liquidation or analogous proceedings or has made any arrangement of composition with his creditors generally; and (ii) the option granted to the Eligible Participant under the New Share Option Scheme of Trasy shall lapse, his option will lapse automatically and will not in any event be exercisable on or after the date on which the board of directors of Trasy has so determined.

#### **14. Rights on a general offer, compromise or arrangement**

If a general offer is made to all the holders of Trasy Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or in concert with the offeror) and such offer becomes or is declared unconditional during the period in which an option is exercisable according to the terms of the New Share Option Scheme of Trasy, the Eligible Participant (or his or her legal personal representatives) shall be entitled to exercise the option in full (to the extent not already exercised) at any time within 1 month after the date on which the offer becomes or is declared unconditional.

In the event of a compromise or arrangement between Trasy and its members or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of Trasy, Trasy shall give notice thereof to all grantees on the same day as it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement and any grantees (or his or her legal representatives) may by notice in writing to Trasy accompanied by a remittance of the full amount of the price of the Trasy Shares as determined according to paragraph 5 in respect of which the notice is given (such notice to be received by Trasy not later than 2 business days prior to the proposed meeting) exercise the option (to the extent not already exercised) either to its full extent or to the extent specified in such notice and Trasy shall as soon as possible and in any event no later than the day immediately prior to the date of the proposed meeting, allot and issue such number of Trasy Shares to the grantee which fall to be issued on such exercise credited as fully paid and register the grantee as holder thereof.

#### **15. Rights of winding-up**

In the event a notice is given by Trasy to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up Trasy, Trasy shall on the same date as or soon after it despatches such notice to each member of Trasy give notice thereof to all grantees and thereupon, each grantee (or his or her legal personal representatives) shall be entitled to exercise all or any of his options (to the extent not already exercised) at any time not later than two business days prior to the proposed general meeting of Trasy referred to above by giving notice in writing to Trasy, accompanied by a remittance for the full amount of the aggregate subscription price for the Trasy Shares in respect of which the notice is given, whereupon Trasy shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting, allot the relevant Trasy Shares to the grantee credited as fully paid.

**16. Ranking of Trasy Shares**

The Trasy Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the grantee (or any other person) as the holder thereof. Subject to the aforesaid, Trasy Shares allotted and issued on the exercise of options will rank pari passu with and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of Trasy as attached to the other fully-paid Trasy Shares in issue on the relevant exercise date, save that they will not rank for any dividend or other distribution declared or recommended or resolved to be paid or made by reference to a record date falling on or before the relevant date of registration of the grantee as the holder of the Trasy Shares.

**17. Effect of alterations to capital**

In the event of a capitalisation issue, rights issue, consolidation, sub-division or consolidation of shares or reduction of capital, such corresponding alterations (if any) shall be made to the number of Trasy Shares subject to any options granted so far as unexercised, the exercise prices, the number of Trasy Shares comprised in an option, the method of exercise of any option or the maximum number of Trasy Shares subject to the New Share Option Scheme. Any such alterations shall be certified by the auditors of Trasy in writing to the board of directors of Trasy to be in their opinion fair and reasonable. Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of Trasy for which any grantee of an option is entitled to subscribe pursuant to the options held by him before such alteration and the aggregate subscription price payable on the full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Trasy Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

**18. Alterations of the New Share Option Scheme**

- (a) The terms and conditions of the New Share Option Scheme of Trasy relating to the matters set out in Chapter 23 of the GEM Listing Rules shall not be altered to the advantage of grantees of the options except with the approval of the shareholders of Trasy at general meeting and, where appropriate, the approval of the shareholders of any holding company which is listed on the Stock Exchange.
- (b) Any alterations to the terms and conditions of the New Share Option Scheme of Trasy which are of a material nature or any change to the terms of options granted shall be approved by the shareholders of Trasy at general meeting and, where appropriate, approved by the shareholders of any holding company which is listed on the Stock Exchange, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme of Trasy.
- (c) Amended terms of the New Share Option Scheme of Trasy or the options shall comply with the relevant requirements of Chapter 23 of the GEM Listing Rules and Chapter 17 of the Listing Rules.



- (d) Any change to the authority of the board of directors of Trasy or the scheme administrators in relation to any alterations to the terms of the New Share Option Scheme of Trasy shall be approved by the shareholders of Trasy at general meeting and, where appropriate, approved by the shareholders of any holding company which is listed on the Stock Exchange.

#### **19. Cancellation of options**

The board of directors of Trasy shall have the absolute discretion to cancel any options granted but not exercised. New options may be issued to an option holder in place of his cancelled options only if there are available with unissued options (excluding the cancelled options) within the limit approved by the shareholders of Trasy.

#### **20. Lapse of option**

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the expiry of the period referred to in paragraph 9; and
- (ii) the expiry of the periods or dates referred to in paragraphs 11, 12, 13, 14 and 15.

#### **21. Period of the New Share Option Scheme**

The New Share Option Scheme of Trasy will remain valid for a period of 10 years commencing on the date of which this scheme adopted upon fulfilment of all the conditions. Trasy may by resolution in general meeting and, where appropriate, the approval of the shareholders of any holding company which is listed on the Stock Exchange at any time terminate the New Share Option Scheme of Trasy and in such event no further option shall be offered but the provisions of the New Share Option Scheme of Trasy shall remain in force to the extent necessary to give effect to the exercise of any options granted prior thereto.

The following serves as an explanatory statement, as required by the Listing Rules, containing all information reasonably necessary to enable the Shareholders to make an informed decision in relation to the proposal of the general mandate to repurchase Shares.

**Share Capital**

It is proposed that up to 10% of the Shares in issue at the date of passing of the necessary ordinary resolution to approve the general mandate for the Shares may be repurchased. As at the Latest Practicable Date, 5,209,832,368 Shares were in issue.

Subject to the passing of the necessary ordinary resolution and on the basis that no further Shares are issued or repurchased prior to the SGM, the Company would be allowed under the repurchase resolution to repurchase a maximum of 520,983,236 Shares.

**Reason for repurchase**

The Directors believe that the new repurchase mandate is in the interests of the Company and the Shareholders. Repurchase may, depending on market conditions and funding arrangements at the time, result in an increase of net assets and/or earnings per Share. The Directors are seeking the grant of a general mandate to repurchase Shares to give the Company the flexibility to do so if and when appropriate. The prices at which Shares may be repurchased will depend on relevant factors and circumstances at the time of repurchase.

**Funding of repurchase**

It is envisaged that the repurchases would be funded entirely from the Company's available cash flow or working capital facilities, which will be funds legally available in accordance with the provisions of the Bye-laws and the applicable laws of Bermuda for the purposes.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 30th April, 2000 in the event that the 10% of Shares repurchase were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the repurchase mandate to such an extent as would, in the circumstances, have an adverse effect on the working capital requirements or gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company. The Directors do not have immediate plans to exercise the general mandate unless they consider the repurchases are in the best interests of the Company.

**Share prices**

In each of the previous twelve months, the highest and lowest prices at which Shares have been traded on the Stock Exchange were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2001</b>		
March	0.310	0.135
April	0.249	0.143
May	0.162	0.090
June	0.126	0.097
July	0.101	0.048
August	0.065	0.034
September	0.050	0.028
October	0.090	0.047
November	0.086	0.053
December	0.077	0.057
<b>2002</b>		
January	0.070	0.044
February	0.054	0.044

**General**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention, in the event that the general mandate is granted by the Shareholders, to sell any Shares to the Company.

The Directors have undertaken to the Stock Exchange to exercise the power of the company to make repurchase pursuant to the general mandate in accordance with the Listing Rules and the Bermuda laws.

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Company's exercise of the power to repurchase Shares pursuant to the proposed general mandate to repurchase Shares, such increase will be treated as an acquisition of voting rights for the purpose of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company or become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

If this repurchase general mandate has been fully exercised, to the best of the knowledge of the Directors, they are not aware of any Shareholder, or group of Shareholders acting in concert who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the power to repurchase Shares to the extent that it would affect the public float of the Shares.

No purchase has been made by the Company of Shares whether on the Stock Exchange or otherwise in the six months preceding the Latest Practicable Date.

No connected persons (as defined in the Listing Rules) of the Company have notified the Company of any intention to sell Shares to the Company and no such persons have undertaken not to sell Shares to the Company in the event that the general mandate is granted by the Shareholders.

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# NOTICE OF THE SPECIAL GENERAL MEETING

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## RNA HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

NOTICE IS HEREBY GIVEN that a special general meeting of RNA Holdings Limited (the “Company”) will be held at 3rd Floor, East, Gold & Jewellery Building, Shayan Road, Yantian District, Shenzhen, China on 15th April, 2002 at 9:30 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following ordinary resolutions:

1. **“THAT:**

- (i) the creation and issue of up to HK\$81,420,000 zero coupon convertible bonds (the “Convertible Bonds”) due around April 2005 by the Company to the 9 subscribers of the Convertible Bonds (together, the “Subscribers”) subject to the terms and conditions of the 9 conditional subscription agreements (the “Subscription Agreements”) all dated 15th March, 2002 and made between the Company and each of the Subscribers for the creation and issue of the Convertible Bonds (copies of the Subscription Agreements marked “A”, “B”, “C”, “D”, “E”, “F”, “G”, “H” and “I” have been produced to the meeting and signed by the chairman of the meeting for the purpose of identification) and subject further to the terms and conditions set out in the instrument (the “Instrument”) (a copy of a draft of the Instrument marked “J” has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification) be and are hereby approved;
- (ii) the directors (the “Directors”) of the Company be and are hereby authorised to allot and issue the ordinary shares of HK\$0.10 each in the capital of the Company upon the exercise of the conversion right or in satisfaction of the redemption of the Convertible Bonds; and
- (iii) the Directors be and are hereby authorised to do all such acts and things and to execute all such further documents and to take all such steps as they consider necessary, appropriate, desirable or expedient in connection with the transactions or any of the matters contemplated in sub-paragraph (i) and (ii) above and to agree to any variation, amendments or waiver of matters relating thereto.”

2. **“THAT** conditional upon (a) the Listing Committee of the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in any shares of Trasy Gold Ex Limited (“Trasy”) which may be issued pursuant to the exercise of options granted under the Share Option Scheme of Trasy (the “Share Option Scheme”), (b) the shareholders of Trasy approve and adopt the Share Option Scheme at a general meeting, the Share Option Scheme (a copy of which has been produced to the meeting and marked “K” and signed by the Chairman of the meeting for the purpose of identification) proposed to be

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## NOTICE OF THE SPECIAL GENERAL MEETING

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adopted by the Company be and is hereby approved and adopted and that the Directors be and are hereby authorised to take such steps as they may consider necessary or desirable to implement to Share Option Scheme.”

3. **“THAT:**

(i) subject to paragraph (ii) of this Resolution, the exercise by the Directors during the Relevant Period of all the powers of the Company to repurchase ordinary shares in the capital of the Company in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as amended from time to time, be and is hereby generally and unconditionally approved;

(ii) the aggregate nominal amount of share capital to be repurchased by the Directors pursuant to the approval in paragraph (i) shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of this Resolution; and

(iii) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

(a) the conclusion of the next annual general meeting of the Company;

(b) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and

(c) the date upon which the authority set out in this Resolution is revoked or varied by way of ordinary resolution in general meeting.”

4. **“THAT:**

(i) subject to paragraph (iii) of this Resolution, the exercise by the Directors during the Relevant Period of all the powers of the Company to issue and allot additional ordinary shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;

(ii) the approval in paragraph (i) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;

(iii) the aggregate nominal amount of share capital allotted or issued or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (i) of this Resolution, otherwise

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## NOTICE OF THE SPECIAL GENERAL MEETING

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than pursuant to a Rights Issue; shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of this Resolution; and

(iv) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (c) the date upon which the authority set out in this Resolution is revoked or varied by way of ordinary resolution in general meeting.”

“Right Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register whose names appear in the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange).”

5. **“THAT** the authority granted to the Directors pursuant to Resolution 4 as set out in the notice of special general meeting dated 28th March, 2002, if approved, be extended to cover such amount representing the aggregate nominal amount of share capital of the Company repurchased by the Company pursuant to the authority granted under Resolution 3 as set out in the notice of special general meeting dated 28th March, 2002, if approved.”

By Order of the Board  
**RNA HOLDINGS LIMITED**  
**Chan Fat Chu, Raymond**  
*Chairman*

Date: 28th March, 2002

*Head office and principal place of business:*

16th Floor, Cheung Fat Building

7-9 Hill Road

Western District

Hong Kong

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## NOTICE OF THE SPECIAL GENERAL MEETING

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*Notes:*

1. A member who is entitled to attend and vote at a meeting of the Company is entitled to appoint more than one proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. The instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. The instrument appointing the proxy or proxies and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of attorney must be deposited at the office of the Company's Registrar, Central Registration Hong Kong Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting.