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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**  
**(慶豐金集團有限公司)**

*(Incorporated in Bermuda with limited liability)*

**PROPOSED ISSUE OF CONVERTIBLE BONDS**  
**AND**  
**GENERAL MANDATE TO ISSUE SHARES**

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A notice convening a special general meeting of RNA Holdings Limited (the "Company") to be held at 3rd Floor, East, Gold Jewellery Building, Shayan Road, Yantian District, Shenzhen, China on Monday, 17 June 2002 at 10:00 a.m is set out on pages 14 to 16 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 the Company'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 14 to 16 any event not less than 48 hours before the time appointed for holding 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.

**Transportation means will be provided by the Company for those shareholders who intend to attend the Special General Meeting, a coach will be available at 8:30 a.m. on Monday, 17 June 2002 outside the main entrance of General Post Office at Connaught Place, Central, Hong Kong and 10:45 a.m. outside the main entrance of Gold Jewellery Building.**

1 June 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 6 January 2005
“5% Convertible Notes”	5% US\$30,000,000 convertible notes issued by the Company due on 28 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 of the Company
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors of the Company
“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
“Company”	RNA Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“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
“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\$88,000,000 and HK\$60,000,000 to be issued by the Company under the Subscription Agreements
“Directors”	directors of the Company

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## DEFINITIONS

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“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
“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
“Issue Date”	the date of issue of the Convertible Bonds
“Latest Practicable Date”	29 May 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
“Maturity Date”	the date falling 3 years after the Issue Date
“Preference Shares”	(a) 10,819,583 convertible preference shares of par value of HK\$1.00 each 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 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 17 June 2002, notice of which is set out on pages 14 to 16 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

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## DEFINITIONS

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“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	fifteen 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
“Subscription Agreements”	the fifteen conditional subscription agreements entered into between the Company and eight of the Subscribers dated 14 May 2002 and seven of the Subscribers dated 23 May 2002 respectively for the subscription by the Subscribers of the Convertible Bonds
“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 (慶豐金集團有限公司)

*(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 in Hong Kong:*

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

1 June 2002

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

Dear Sir or Madam

## **PROPOSED ISSUE OF CONVERTIBLE BONDS AND GENERAL MANDATES TO ISSUE SHARES**

### **INTRODUCTION**

The Directors announced on 14 May 2002 and 23 May 2002 that the Company has entered into the Subscription Agreements with the Subscribers on 14 May 2002 and 23 May 2002 respectively pursuant to which the Company has conditionally agreed to issue the Convertible Bonds in the aggregate principal amount of up to HK\$88,000,000 and HK\$60,000,000 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 and the general mandate to issue 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 and the granting of the general mandate to issue 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\$88,000,000 and HK\$60,000,000 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 (as defined in the Listing Rules).

Completion of the Subscription Agreements will take place on or before the 7th Business Day after satisfaction of the conditions listed in the section "Completion" below which is expected to be on or about 13 July 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 respective of HK\$88,000,000 and HK\$60,000,000 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 approximately 63.93% and approximately 69.49% to the closing price of HK\$0.061 and HK\$0.059 per Share as quoted on the Stock Exchange on 14 May 2002 and 23 May 2002 respectively, being the respective date of the Subscription Agreements. The Initial Conversion Price also represents a premium of approximately 78.57% and approximately 70.36% to the average closing price of the Shares of HK\$0.056 and HK\$0.0587 per Share for the 10 trading-day period ended on 14 May 2002 and 23 May 2002 (inclusive) respectively. It also represents a premium of approximately 56.25% to the closing price of HK\$0.064 per share as quoted on the Stock Exchange as at the Lastest Practicable Date.

#### **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 June 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\$1,000 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 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.

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## LETTER FROM THE BOARD

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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 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:

	Redemption premium	No. of Conversion Shares to be issued	Approximate % to existing ordinary share capital	Approximate % to enlarged ordinary share capital
Within the first 12 months	100%	2,960,000,000	36.59%	26.79%
From the 13th month ending on the 24th month	50%	2,220,000,000	27.44%	21.53%
From the 25th month ending on the 36th month	0%	1,480,000,000	18.30%	15.47%

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.

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## LETTER FROM THE BOARD

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### 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;
- (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 7th Business Day after satisfaction of all the conditions listed above, which are expected to be fulfilled on or about 13 July 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 net proceeds of the Convertible Bonds of approximately HK\$147,900,000 are to be issued for reducing certain existing debts of the Group of approximately HK\$102,900,000 so as to reduce interest burden, thereby strengthening the Company's financial position and for general working capital of the Company of approximately HK\$45,000,000. 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\$808,911,236.80 comprising 8,089,112,368 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 4 April 2001, 17 April 2001 and 19 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 19 September 2001).

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## LETTER FROM THE BOARD

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### CONVERTIBLE DEBTS OF THE COMPANY

As at the Latest Practicable Date, the Company has the following outstanding convertible debts:-

	Coupon rate	Maturity date	Original principal amount	Outstanding principal amount	Date of announcement
5% Notes	5%	28 April 2003	US\$30,000,000	US\$19,300,000	27 March 1998, 14 April 1998 and 22 April 1998
2% Bonds	2%	6 January 2005	HK\$116,780,000	HK\$56,900,000	30 November 2001

The HK\$50,044,000 zero coupon convertible bonds of the Company due on 7 May 2005 issued by the Company (as announced by the Company on 24 April 2002) has been fully redeemed as of the Latest Practicable Date.

### 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	0.01	1,017,500	0.01	1,017,500	0.01
Regent	1,912,500	0.02	1,912,500	0.01	1,912,500	0.01
Admiralty	1,912,500	0.02	1,912,500	0.02	1,912,500	0.01
Raymond Chan	123,270,000	1.52	123,270,000	1.12	123,270,000	0.94
Alexander Chan	123,270,000	1.52	123,270,000	1.12	123,270,000	0.94
Subscribers	–	–	2,960,000,000	26.79	2,960,000,000	22.53
Public	7,837,729,868	96.91	7,837,729,868	70.92	9,923,927,341	75.56
	<u>8,089,112,368</u>	<u>100.00</u>	<u>11,049,112,368</u>	<u>100.00</u>	<u>13,135,309,841</u>	<u>100.00</u>

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## LETTER FROM THE BOARD

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### 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	
	<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	0.01	1,017,500	0.01	1,017,500	0.01
Regent	1,912,500	0.02	1,912,500	0.02	1,912,500	0.02
Admiralty	1,912,500	0.02	1,912,500	0.02	1,912,500	0.02
Raymond Chan	123,270,000	1.52	123,270,000	1.20	123,270,000	0.99
Alexander Chan	123,270,000	1.52	123,270,000	1.20	123,270,000	0.99
Subscribers	–	–	2,220,000,000	21.53	2,220,000,000	17.91
Public	7,837,729,868	96.91	7,837,729,868	76.02	9,923,927,341	80.06
	<u>8,089,112,368</u>	<u>100.00</u>	<u>10,309,112,368</u>	<u>100.00</u>	<u>12,395,309,841</u>	<u>100.00</u>

### 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	0.01	1,017,500	0.01	1,017,500	0.01
Regent	1,912,500	0.02	1,912,500	0.02	1,912,500	0.02
Admiralty	1,912,500	0.02	1,912,500	0.02	1,912,500	0.02
Raymond Chan	123,270,000	1.52	123,270,000	1.29	123,270,000	1.06
Alexander Chan	123,270,000	1.52	123,270,000	1.29	123,270,000	1.06
Subscribers	–	–	1,480,000,000	15.47	1,480,000,000	12.70
Public	7,837,729,868	96.91	7,837,729,868	81.90	9,923,927,341	85.13
	<u>8,089,112,368</u>	<u>100.00</u>	<u>9,569,112,368</u>	<u>100.00</u>	<u>11,655,309,841</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 Subscription Agreements.

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## LETTER FROM THE BOARD

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### 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.

### GENERAL MANDATE TO ISSUE SHARES

At the special general meeting of the Company held on 15 April 2002, general mandate was given to the Directors to exercise the powers of the Company to issue Shares at any time until the next annual general meeting or such earlier period as stated in the ordinary resolution, Shares up to a maximum of 20% of the issued share capital at the date of passing such resolution. An ordinary resolution will be proposed at the SGM to revoke the existing general mandate to allot, issue and otherwise deal with new Shares (to the extent not being fully exercised by the Directors) and to give the Directors a new general unconditional mandate to allot, issue and deal with new Shares 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. The Directors do not have any present intention to issue any new Shares under the general mandate to be sought at the SGM.

### SGM

Set out on pages 14 to 16 is a notice convening the SGM to be held at 3rd Floor, East, Gold Jewellery Building, Shayan Road, Yantian District, Shenzhen, China on 17 June 2002 at 10:00 a.m. at which ordinary resolutions will be proposed to approve the creation and issue of the Convertible Bonds and the grant of general mandate to issue 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 meeting should you so wish.

**Transportation means will be provided by the Company for those Shareholders who intend to attend the SGM, a coach will be available at 8:30 a.m. on Monday, 17 June 2002 outside the main entrance of General Post Office at Connaught Place, Central, Hong Kong and 10:45 a.m. outside the main entrance of Gold Jewellery Building.**

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Board is of the opinion that the proposed resolutions for the creation and issue of the Convertible Bonds and the grant of general mandate to issue 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.

### 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*

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## NOTICE OF THE SPECIAL GENERAL MEETING

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### RNA HOLDINGS LIMITED (慶豐金集團有限公司)

*(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 Monday, 17 June 2002 at 10:00 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\$88,000,000 and HK\$60,000,000 zero coupon convertible bonds (the “**Convertible Bonds**”) due around June 2005 by the Company to the fifteen subscribers of the Convertible Bonds (together, the “**Subscribers**”) subject to the terms and conditions of (a) the eight conditional subscription agreements all dated 14 May 2002 made between the Company and eight of the Subscribers and (b) the seven conditional subscription agreements all dated 23 May 2002 made between the Company and seven of the Subscribers (all together the “**Subscription Agreements**”) (copies of the Subscription Agreements marked “A”, “B”, “C”, “D”, “E”, “F”, “G”, “H”, “I”, “J”, “K”, “L”, “M”, “N” and “O” 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 “P” 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.”



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## NOTICE OF THE SPECIAL GENERAL MEETING

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2. **“THAT:**

- (i) the general mandate granted to the Directors to exercise the power of the Company to allot shares of the Company pursuant to ordinary resolution no.4 passed by the shareholders of the Company at the special general meeting of the Company held on 15 April 2002 be and is hereby revoked (but without prejudice to any exercise of such mandate prior to the date on which this resolution becomes effective);
- (ii) subject to paragraph (iv) 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;
- (iii) the approval in paragraph (ii) 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;
- (iv) 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 (ii) of this Resolution, otherwise 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
- (v) 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.

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## NOTICE OF THE SPECIAL GENERAL MEETING

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“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).”

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

Date: 1 June 2002

*Head office and principal place of  
business in Hong Kong:*

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

*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.