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RNA HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

The Company noted the recent decrease in the price and increase in the trading volume of the shares of the Company.

Save for the share consolidation exercise as referred to in the Company's circular of 7 January 2003 and that the Group has recently commenced preliminary negotiation with certain of its creditors for the restructuring of its debts, the directors of the Company are not aware of any matter that might have resulted in such movement.

At the request of the Company, trading in the shares in the Company was suspended with effect from 9:30 a.m. on 24 January 2003 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the shares with effect from 9:30 a.m. on 27 January 2003.

This statement is made at the request of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

We have noted the recent decrease in the price and increase in the trading volume of the shares of RNA Holdings Limited (the "Company") and wish to state that we are not aware of any reasons for such movement other than the matters referred to below.

At the special general meeting of the Company held on 22 January 2003, the shareholders of the Company approved the share consolidation exercise as referred to in the Company's circular of 7 January 2003.

Moreover, the Company and certain of its subsidiaries (the "Group") have recently commenced preliminary negotiations with certain of its creditors including bullion houses and holders of existing convertible securities for the restructuring of its debts due to such creditors amounting to approximately HK\$770 million. The preliminary restructuring proposal has been sent out by post / by fax to such creditors for review in mid January 2003. The details of the restructuring proposal mainly set out the Company's proposal to reduce the outstanding debts of the Group by the issue of convertible notes and / or new shares to the existing creditors. On 24 January 2003, certain of such creditors with total outstanding debts of approximately HK\$469 million have given their indications either verbally or in writing to participate into the restructuring proposal. The discussion on the restructuring proposal with the creditors is still at a preliminary stage as there is no concrete terms including, among others, the amount and

number of convertible notes and/or shares to be issued by the Company and waiver of partial debts by the creditors has yet been agreed between the Company and any of these creditors. No agreement has been reached between the parties. Further announcement(s) will be made by the Company as and when appropriate.

Save as disclosed above, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, neither is the Board aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price sensitive nature.

Made by the order of the Board of the Company, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

At the request of the Company, trading in the shares in the Company was suspended with effect from 9:30 a.m. on 24 January 2003 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the shares with effect from 9:30 a.m. on 27 January 2003.

Shareholders of the Company and public investors are advised to exercise caution in dealing in the securities of the Company.

By Order of the Board
RNA Holdings Limited
Chan Fat Chu, Raymond
Chairman

Hong Kong, 24 January 2003

Please also refer to the published version of this announcement in The Standard.