



RNA HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

COMPLETION OF DISCLOSEABLE TRANSACTIONS ADJUSTMENT OF CONVERSION PRICE OF US\$30,000,000 5% CONVERTIBLE NOTES DUE APRIL 28, 2003 DISCLOSEABLE TRANSACTIONS CONNECTED TRANSACTION FURTHER DELAY IN PUBLICATION OF FINAL RESULTS

Further to the Announcements in relation to the Transactions contemplated under the Final Agreements, the Board of the Company is pleased to announce that subsequent to the special general meeting of the Company held on 4th July, 2001, the RNA Subscription Agreements of the Final Agreements in relation to the subscription by the relevant group/related companies of Cheung Kong of 69,900,000 ordinary shares of the Company and 10,819,583 convertible preference shares of the Company convertible into 223,730,000 ordinary shares of the Company was completed on 18th September, 2001.

The Board of the Company is also pleased to announce that on 18th September, 2001, the relevant group/related companies of Cheung Kong have agreed to further subscribe for 322,000,000 new ordinary shares of the Company at a subscription price of HK\$0.10 per new ordinary share and 67,800,000 new convertible preference shares of the Company at an initial conversion price of HK\$0.10 each convertible into 678,000,000 ordinary shares of the Company (subject to adjustment), for HK\$100,000,000 in consideration of the transfer by the relevant group/related companies of Cheung Kong of 400,000,000 'A' Preference Shares of Can Do to the Company.

The relevant group/related companies of Cheung Kong will hold an approximately 26.19% interests of the enlarged issued share capital of the Company and will become the single largest shareholder of the Company upon exercise of the conversion right attached to the Alternative RNA Preference Shares and RNA Convertible Preference Shares. The existing single largest shareholder of the Company is Tem Fat and upon completion of the relevant subscription agreements and full conversion of the convertible preference shares, the interest will be diluted to approximately 7.85%. The New RNA Subscription Agreements do not have any provisions regulating the composition of the Board of the Company after completion. The parties to the New RNA Subscription Agreements have no present intention to change the composition of the Board of the Company after completion of the New RNA Subscription Agreements.

On 18th September, 2001, the Company entered into four several conditional Subscription Agreements with each of Mr. Raymond Chan and Mr. Alexander Chan, both are directors of the Company and are connected person to the Company under the Listing Rules, Lucky Strike Investment Limited and Classic Charter Limited, both are independent third parties not connected with any of the directors, chief executive and substantial shareholders of the Company and any Associates of them, for the subscriptions of 85,000,000 new RNA Shares, 85,000,000 new RNA Shares, 250,000,000 new RNA Shares and 50,000,000 new RNA Shares respectively at a subscription price of HK\$0.10 per RNA Share. The proceeds of approximately HK\$47 million will be used by the Company for debt reduction.

Special general meeting of the shareholders of the Company will be convened to approve the issue of the RNA Shares and the RNA Convertible Preference Shares pursuant to the New RNA Subscription Agreements and RNA Shares pursuant to the Subscription Agreements as required by the Listing Rules.

Reference is also made to the announcements of the Company dated 19th February, 2001 and 24th May, 2001, the Board of the Company also announces that the Conversion Price of the Notes has been adjusted from HK\$1.27 to HK\$0.243 following the completion of the Final Agreements on 18th September, 2001.

Further to the announcement dated 31st August, 2001, the Board of the Company announces that, as the newly appointed auditors require more time for independent audit of the financial statements of the Group for the year ended 30th April, 2001 including inventory movement audit and system review and audit, the publication of the audited final results will be further delayed to around 18th October, 2001.

The further delay in publication of the audited Final Results constitutes a breach of paragraphs 8(1) and 11(1) of the Listing Agreement. The Stock Exchange has reserved its rights to take appropriate action against the Company and/or its directors.

Shareholders and investing public are advised to exercise extreme cautions when dealing in the shares of the Company.

Trading in the RNA Shares was suspended at the request of the Company with effect from 10:00 a.m. on 19th September, 2001 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the RNA Shares with effect from 10:00 a.m. on 20th September, 2001.

Unless otherwise stated, terms used in this announcement shall have the same meanings as those defined in the joint announcement of Tem Fat Hing Fung (Holdings) Limited ("Tem Fat"), RNA Holdings Limited (the "Company"), together with its subsidiaries, the "Group") and Can Do Holdings Limited ("Can Do") dated 4th April, 2001 and 17th April, 2001 and the announcement of the Company dated 25th May, 2001 (the "Announcements").

COMPLETION OF DISCLOSEABLE TRANSACTIONS

Further to the Announcements in relation to the Transactions contemplated under the Final Agreements, the Board of the Company is pleased to announce that subsequent to the special general meeting of the Company held on 4th July, 2001, the RNA Subscription Agreements of the Final Agreements in relation to the subscription by the relevant group/related companies of Cheung Kong of 69,900,000 Alternative RNA Shares of the Company and 10,819,583 Alternative RNA Preference Shares of the Company was completed on 18th September, 2001.

The 69,900,000 Alternative RNA Shares and 10,819,583 Alternative RNA Preference Shares of the Company have been duly issued and allotted to the relevant group/related companies of Cheung Kong on 18th September, 2001.

ADJUSTMENT OF CONVERSION PRICE OF US\$30,000,000 5% CONVERTIBLE NOTES DUE APRIL 28, 2003

Reference is also made to the announcements of the Company dated 19th February, 2001 and 24th May, 2001. The Board of the Company also announces that the Conversion Price of the Notes has been adjusted from HK\$1.27 to HK\$0.243 following the completion of the Final Agreements on 18th September, 2001.

NEW RNA SUBSCRIPTION AGREEMENTS

The Board of the Company also announces that the Company has entered into two conditional subscription agreements (the "New RNA Subscription Agreements") with two of the relevant group/related companies of Cheung Kong on 18th September, 2001 for the subscription by each of the relevant group/related companies of Cheung Kong of 161,000,000 new RNA Shares at a subscription price of HK\$0.10 per new RNA Shares and 33,900,000 new redeemable convertible preference shares of par value HK\$1.00 each in the capital of the Company at an initial conversion price of HK\$0.10 each (subject to adjustment), totalling an aggregate of 322,000,000 new RNA Shares (the "RNA Subscription Shares") and 67,800,000 new redeemable convertible preference shares of par value HK\$1.00 each in the capital of the Company (the "RNA Convertible Preference Shares"), for HK\$100,000,000 in consideration of the transfer by the relevant group/related companies of Cheung Kong of 400,000,000 'A' Preference Shares of Can Do to the Company (the "New RNA Shares Subscription").

The relevant group/related companies of Cheung Kong will hold an approximately 26.19% interests of the enlarged issued share capital of the Company and will become the single largest shareholder of the Company upon exercise of the conversion right attached to the Alternative RNA Preference Shares and RNA Convertible Preference Shares. The existing single largest shareholder of the Company is Tem Fat and upon completion of the relevant subscription agreements and full conversion of the convertible preference shares, the interest will be diluted to approximately 7.85%. The New RNA Subscription Agreements do not have any provisions regulating the composition of the Board of the Company after completion. The parties to the New RNA Subscription Agreements have no present intention to change the composition of the Board of the Company after completion of the New RNA Subscription Agreements.

Upon completion of the New RNA Subscription Agreements and assuming full exercise of the conversion right attached to the 'A' Preference Shares of Can Do by the Company, the Company will have an approximately 8.78% interest (based on the then enlarged issued share capital of Can Do) in Can Do.

The terms of the RNA Convertible Preference Shares are the same as the Alternative RNA Preference Shares save and except that the initial conversion price is HK\$0.10 (subject to adjustment).

Date: 18th September, 2001

Parties: the relevant group/related companies of Cheung Kong and the Company

No. of shares to be acquired by the relevant group/related companies of Cheung Kong

322,000,000 RNA Subscription Shares and 67,800,000 RNA Convertible Preference Shares (collectively the "New RNA Subscription Shares")

The 322,000,000 RNA Subscription Shares and 678,000,000 RNA Shares fall to be issued upon full conversion of the 67,800,000 RNA Convertible Preference Shares represent an aggregate of 1,000,000,000 RNA Shares. The 1,000,000,000 RNA Shares represent approximately 30.59% of the existing issued share capital of 3,269,032,368 RNA Shares and approximately 23.42% of the Company's issued share capital as enlarged by such issue.

The principal terms and conditions of the 'A' Preference Shares of Can Do

The principal terms and conditions of the 'A' Preference Shares of Can Do are as follows:

Nominal value: HK\$0.25 per 'A' Preference Share

Conversion period: the holders of 'A' Preference Shares are convertible at the option of the holders of 'A' Preference Shares at any time during the periods set out below:

- Conversion Period I
Not more than HK\$33,333,327 equivalent nominal value shall become convertible within a period of 12 months after the date of issue
- Conversion Period II
Not more than another HK\$33,333,333 equivalent nominal value shall become convertible within a period commencing from the beginning of the 13th month up to the end of the 24th month after the date of issue
- Conversion Period III
Balance of HK\$33,333,340 equivalent nominal value shall become convertible within a period commencing from the beginning of the 25th month up to the end of the 36th month after the date of issue

Conversion price: HK\$0.90, HK\$1.50 and HK\$2.50 for Conversion Periods I, II and III respectively

The conversion price will be subject to adjustment for consolidation or sub-division of ordinary shares of Can Do

Dividend: No dividend distribution is committed to the holders of the 'A' Preference Shares

Conversion: The right to convert into ordinary shares of Can Do may be exercised within the relevant conversion period

Redemption: Redeemable by the holders of the 'A' Preference Share at any time 50 years after the date of issue at the redemption value of HK\$1.00 per 'A' Preference Share; also redeemable at HK\$1.00 per 'A' Preference Share by Can Do at any time 50 years after the date of issue or at any time 30 days after the date of issue if the average closing price of the ordinary shares of Can Do for 30 consecutive dealing days ending on the seventh day prior to the date upon which notice of redemption is given is not less than 150% of the conversion price in effect

Ranking: The 'A' Preference Shares do not confer any right to participate in the assets of Can Do save on a return of capital on liquidation (but not on conversion or redemption) the 'A' Preference Shares shall confer on the holders of 'A' Preference Shares a right to be paid, in priority to the ordinary shares of Can Do and any other shares of Can Do, *pari passu* as between themselves an amount equal to HK\$1.00 per 'A' Preference Share

Listing: the 'A' Preference Shares will not be listed on any stock exchange

Voting: The 'A' Preference Shares carry no voting rights unless a resolution is proposed to wind up Can Do or to vary or abrogate the rights or privileges of the holders of 'A' Preference Shares, in which event the 'A' Preference Shares shall confer on the holder thereof the right to receive notice of, and to vote at such resolution

Transferability: Transferable

Consideration

HK\$100,000,000 for the New RNA Shares Subscription is to be satisfied by the transfer of 400,000,000 'A' Preference Shares of Can Do by the relevant group/related companies of Cheung Kong to the Company.

Conditions

Completion of the New RNA Shares Subscription is conditional upon the fulfillment (or waiver by the relevant group/related companies of Cheung Kong) of the following conditions on or before 30th November, 2001 (the "Long Stop Date"):

- the passing of ordinary resolutions by the shareholders of the Company (where required, independent shareholders of the Company) at a special general meeting of the Company to be held approving:
 - the New RNA Subscription Agreements and the issue and allotment of the New RNA Subscription Shares pursuant thereto and the acquisition by the Company of the 'A' Preference Shares of Can Do;
 - the terms of the RNA Convertible Preference Shares and creation and issue of RNA Convertible Preference Shares and, if necessary, the amendment of the memorandum and bye-laws of the Company to give effect to it, and the issue of the RNA Shares upon the exercise of conversion rights under the RNA Convertible Preference Shares; and
 - if necessary, the re-designation and re-classification of the share capital of the Company for the purpose of creating the RNA Convertible Preference Shares;
- the Listing Committee of the Stock Exchange having granted:
 - if required, the transfer of the 'A' Preference Shares of Can Do by the relevant group/related companies of Cheung Kong to the Company;
 - listing of and permission to deal in the New RNA Subscription Shares to be issued pursuant to the New RNA Subscription Agreements (including those to be issued upon exercise of the conversion rights under the RNA Convertible Preference Shares); and
 - if required, approval for the issue of the RNA Convertible Preference Shares to be created and issued pursuant to the New RNA Subscription Agreements;
- if required, the Bermuda Monetary Authority having approved the issue of the RNA Subscription Shares and the RNA Convertible Preference Shares and, if required, their respective subsequent transfers;
- Cheung Kong or any of its Concert Parties not being required by the Takeovers Code to make any general offer in respect of the Company or Trasy Gold Ex Limited ("Trasy"), or if a general offer is required, a relevant whitewash waiver being granted by the Executive in writing;

(In this connection, application may be made if necessary, to the Executive for an application for a whitewash waiver or for seeking the confirmation that there will be no obligation incurred by the relevant group/related companies of Cheung Kong and their Concert Parties, if any, under the Takeovers Code to make any general offer in respect of the shares of the Company or Trasy, not already owned by the relevant group/related companies of Cheung Kong in connection with the completion of the New RNA Subscription Agreements).
- the obtaining of all necessary consents, approvals or waivers which are required or appropriate for the entering and implementation of the New RNA Subscription Agreements;
- the obtaining by the Company of all necessary consents, approvals or waivers from the holders or otherwise of the 5% US\$30,000,000 convertible notes issued by the Company due on 28th April, 2003;
- no breach of representation, warranty (including but not limited to the absence of litigation or proceedings) or undertaking by the Company under the New RNA Subscription Agreements;
- the conduct of a legal and financial due diligence to the satisfaction of the relevant group/related companies of Cheung Kong in their sole and absolute discretion over the business and assets of the Company on or before completion of the New RNA Subscription Agreements; and
- the delivery to the relevant group/related companies of Cheung Kong of all relevant legal opinions (including but not limited to the legal opinions from BVI lawyers and Bermuda lawyers) in forms and substance to the reasonable satisfaction of the relevant group/related companies of Cheung Kong confirming the legal validity, enforceability and priority of the transactions contemplated under the New RNA Subscription Agreements.

The obligation for each of the relevant group/related company of Cheung Kong to complete the New RNA Subscription Agreements is further conditional upon the simultaneous completion of the two New RNA Subscription Agreements. The relevant group/related companies of Cheung Kong shall have the discretion to waive this further condition so that either one of the New RNA Subscription Agreements is to be completed.

Completion

Completion of the New RNA Subscription Agreements is conditional upon the conditions mentioned above being fulfilled or being waived by the relevant group/related companies of Cheung Kong at or before 5:00 p.m. on the Long Stop Date.

Listing

No listing of the RNA Convertible Preference Shares will be sought on the Stock Exchange or any other stock exchanges. Application will be made to the Listing Committee for the listing of, and permission to deal in, the RNA Subscription Shares to be issued pursuant to the New RNA Subscription Agreements and RNA Shares upon exercise of the conversion rights attached to the RNA Convertible Preference Shares.

Assets and Profits information of Can Do

The audited net asset value of Can Do made up to 31st March, 2000 is HK\$688,298,000.

The audited loss before tax of Can Do for the two years ended 31st March, 2000 is as follows:

| | Year ended on 31st March, 1999 | Year ended on 31st March, 2000 |
|---------------------|-----------------------------------|-----------------------------------|
| Net loss before tax | HK\$8,440,000 | HK\$51,758,000 |

SUBSCRIPTION AGREEMENTS

On 18th September, 2001, the Company has entered into four several conditional subscription agreements ("Subscription Agreements") with each of Mr. Chan Fat Chu, Raymond ("Mr. Raymond Chan") and Mr. Chan Fat Leung, Alexander ("Mr. Alexander Chan"), both are directors of the Company, and Lucky Strike Investment Limited ("Lucky Strike") and Classic Charter Limited ("Classic Charter"). Pursuant to these agreements, Mr. Raymond Chan, Mr. Alexander Chan, Lucky Strike and Classic Charter agreed to subscribe for 85,000,000 new RNA Shares, 85,000,000 new RNA Shares, 250,000,000 new RNA Shares and 50,000,000 new RNA Shares ("Subscription Shares") respectively at a subscription price of HK\$0.10 per Subscription Share (the "Subscription").

Date: 18th September, 2001

Issuer: the Company

Subscribers: (1) Mr. Raymond Chan

(2) Mr. Alexander Chan

(3) Lucky Strike

(4) Classic Charter

both are independent third parties not connected with any of the directors, chief executive and substantial shareholders of the Company, Cheung Kong and any Associates of them (as defined under the Listing Rules)

Number of Subscription Shares: 470,000,000 new RNA Shares, representing approximately 14.38% of the existing issued share capital of 3,269,032,368 RNA Shares and approximately 12.57% of its issued share capital as enlarged by the Subscription.