

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, 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 announcement.



RNA HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS FOR THE YEAR ENDED 30TH APRIL 2002 AND DELAY IN PUBLICATION OF AUDITED FINAL RESULTS FOR THE YEAR ENDED 30TH APRIL 2002

The board of directors of the Company announces the unaudited consolidated results for the year ended 30th April 2002. The audited final results of the Group for the year ended 30th April 2002 is expected to be released on or before 30th November 2002.

Shareholders of the Company and potential investors are advised to exercise caution in (i) interpreting the unaudited consolidated results because such results have not yet been audited and may be different from the audited final results and (ii) dealing in the securities of the Company.

Reference is made to the announcement of RNA Holdings Limited (the “Company”) dated 30th August 2002 in respect of the delay in publication of final results from 31st August 2002 to on or before 30th November 2002. The reasons for the delay are due to the delay in publication of the audited consolidated results for the year ended 30th April 2001 and interim results for the six months ended 31st October 2001, which resulted in the late commencement of the preparation work for the Group’s consolidated final results for the year ended 30th April 2002. The board of directors of the Company is pleased to set out below the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 30th April 2002.

The Group recorded a turnover of HK\$8,500,095,000 for the year ended 30th April 2002 (2001: HK\$5,864,737,000). During the year under review, the gold market saw an increased volatility in gold prices, which increased from the low end of HK\$2,447 per tael in early May 2001 to the high end of HK\$2,893 per tael in late April 2002. This attracted investors' attention back to the gold market and institutional trading in gold increased substantially as compared to the previous year.

The unaudited profit from operating activities of the Group for the year ended 30th April 2002 was HK\$45,694,000 (2001: loss of HK\$2,046,000) and share of results of associates was HK\$17,576,000 (2001: share of profits of HK\$17,000). The unaudited consolidated loss attributable to shareholders for the year ended 30th April 2002 was HK\$885,146,000 (2001: profit of HK\$12,818,000). Such decrease was mainly attributable to an impairment loss recognised by the Group in respect of associates of HK\$700,000,000, diminution in value of investments in convertible preference shares of a listed company of HK\$102,810,000 and provision for loss on disposal of investment properties in the People's Republic of China (the "PRC") of HK\$49,200,000 respectively.

In the preparation of the Group's final results for the year ended 30th April 2002, the Group has adopted for the first time, among other Hong Kong Statements of Standard Accounting Practice ("SSAP"), SSAP 31 "Impairment of assets", issued by the Hong Kong Society of Accountants. Accordingly, the Group has performed an impairment review on the Company's investments including investments in certain associated companies (the "Associates"), which currently hold indirect profit-sharing interests in a network of over 150 gold ornaments and jewellery retail outlets located in various cities in the PRC and had already made an approximately HK\$90 million revenue distribution to the Group generated from their jewellery retail businesses in the first eleven months of the current year. Following the entry of various branded jewellery retailers into the gold ornaments and jewellery market in the PRC, the competitive environment of the jewellery retail market in the PRC has become more intensive. The Associates took a conservative approach and decided to defer their business expansion plan by slowing down the opening of new PRC gold ornaments and jewellery retail outlets so as to preserve their existing resources to consolidate their existing businesses and maintain the market shares of their gold and jewellery retail outlets. The Group has therefore determined the value in use of the Associates by reference to an estimation by independent professional valuers of approximately HK\$727,000,000 based on the prevailing market condition. An impairment loss of HK\$700,000,000 arising therefrom in respect of the Associates was charged to the profit and loss account for the year ended 30th April 2002.

	<i>Notes</i>	2002 Unaudited HK\$'000	2001 Audited HK\$'000
TURNOVER		8,500,095	5,864,737
Cost of sales		(8,292,596)	(5,693,561)
Gross profit		207,499	171,176
Other revenue		22,066	18,748
General and administrative expenses		(109,670)	(94,728)
Selling and distribution expenses		(9,161)	(14,718)
Other operating expenses		(7,600)	(9,187)
Finance costs		(57,440)	(73,337)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES		45,694	(2,046)
Gain on deemed partial disposal of a subsidiary		–	85,170
Provision for interest in a jointly controlled entity		–	(41,928)
Provision for doubtful debts		(80,000)	(19,083)
Provision for loss on disposal of investment properties		(49,200)	–
Diminution in value of investments in convertible preference shares of a listed company		(102,810)	–
Impairment loss in respect of the Associates	1	(700,000)	–
Share of profits less losses of associates, including the Associates		17,576	17
PROFIT/(LOSS) BEFORE TAX		(868,740)	22,130
Tax	2	(18,654)	(11,485)
PROFIT/(LOSS) BEFORE MINORITY INTERESTS		(887,394)	10,645
Minority interests		2,248	2,173
NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		(885,146)	12,818
DIVIDEND	3	–	(1,270)
		<i>HK cents</i>	<i>HK cents</i>
EARNINGS/(LOSS) PER SHARE	4		
Basic		(24.54)	0.87
Diluted		–	0.82

Notes:

1. IMPAIRMENT LOSS IN RESPECT OF THE ASSOCIATES

The amount represents an impairment loss arising from the Associates which hold indirect profit sharing interests in jewellery retail business in the PRC determined by independent professional valuers based on the prevailing market condition.

2. TAX

Hong Kong profits tax has been provided at the rate of 16% (2001: 16%) on the estimated assessable profits arising in Hong Kong during the year. Tax on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates based on existing legislation, interpretations and practices in respect thereof.

	For the year ended 30th April	
	2002	2001
	Unaudited	Audited
	HK\$'000	HK\$'000
Current:		
Hong Kong	7,554	7,720
PRC, excluding Hong Kong	13,004	994
	<u>20,558</u>	<u>8,714</u>
Prior year under/(over)provisions:		
Hong Kong	(1,345)	2,766
PRC, excluding Hong Kong	(564)	–
	<u>(1,909)</u>	<u>2,766</u>
Share of tax attributable to associates	<u>5</u>	<u>5</u>
Tax charge for the year	<u>18,654</u>	<u>11,485</u>

No provision for deferred tax has been made as the net effect of all timing differences is insignificant.

3. DIVIDEND

	For the year ended 30th April	
	2002	2001
	Unaudited	Audited
	HK\$'000	HK\$'000
Preference shares, paid, of Nil (2001: HK\$0.05) per share	<u> -</u>	<u> 1,270</u>

4. EARNINGS/(LOSS) PER SHARE

The calculation of basic (loss)/earnings per share is based on the unaudited net loss attributable to shareholders for the year of HK\$885,146,000 (2001: audited profit of HK\$12,818,000 less preference dividend of HK\$1,270,000), and on the weighted average number of 3,606,811,513 (2001: 1,329,626,198) ordinary shares in issue during the year.

The diluted loss per share for the year is not shown as the ordinary shares deemed to be issued if the outstanding share options had been exercised, the convertible notes, the convertible bonds and convertible redeemable preference shares had been converted would decrease the loss per share of the Group for the year ended 30th April 2002 and is regarded as anti-dilutive.

The calculation of diluted earnings per share for the year ended 30th April 2001 was based on the net profit attributable to shareholders of HK\$12,818,000 less preference dividend of HK\$1,270,000 and the weighted average number of 1,329,626,198 ordinary shares in issue during the year plus 86,507,275 ordinary shares deemed to be issued if the share options had been exercised. The calculation of the weighted average number of shares for diluted earnings per share for the year ended 30th April 2001 has not taken into account the ordinary shares deemed to be issued if convertible notes had been converted as the effect is anti-dilutive.

The delay in the publication of the final results for the year ended 30th April 2002 from 31st August 2002 to on or before 30th November 2002 constitutes a breach of paragraphs 8(1) and 11(1) of the Listing Agreement. The Stock Exchange of Hong Kong Limited (the "Stock Exchange") has reserved its rights to take appropriate actions against the Company and/or its directors.

The 2002 annual report of the Company will be despatched to the shareholders of the Company on or before 10th December 2002. The directors, after consultation with the auditors, confirmed that the postponed date of 30th November 2002 is realistic and achievable.

Each director of the Company is aware of and will comply with Rule A3 of Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange. The directors of the Company have confirmed that they have not dealt in any shares of the Company since 31st July 2002 and have undertaken to the Stock Exchange that they will not deal in the shares of the Company until the audited final results of the Group for the year ended 30th April 2002 are released and published, which is expected to be on or before 30th November 2002.

Shareholders of the Company and potential investors are advised to exercise caution in (i) interpreting the unaudited consolidated results because such results have not yet been audited and may be different from the audited final results and (ii) dealing in the securities of the Company.

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

Hong Kong, 19th September 2002

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