

**RNA HOLDINGS LTD:
THE CHAIRMAN AND DEPUTY CHAIRMAN ARE SUED
FOR NEARLY \$HK28 MILLION**

The Chairman and Deputy Chairman of publicly listed [RNA Holdings Ltd](#) (Code: 501, Main Board, The Stock Exchange of Hongkong Ltd) have just been sued for \$HK27,726,534.51.

AFH Credit Ltd, a wholly owned subsidiary of Asia Financial Holdings Ltd (Code: 662, Main Board, The Stock Exchange of Hongkong Ltd), has issued Action Number 2395 in the High Court of The Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), naming Mr Alexander Chan Fat Leung, Deputy Chairman of RNA, as the First Defendant, and his brother, Mr Raymond Chan Fat Chu, the Chairman of RNA, as the Second Defendant.

AFH Credit has only issued an Indorsement of Claim, attached to its Writ of Summons.

This is what this Indorsement of Claim states:

'The Plaintiff (AFH Credit) claims against the 1st and 2nd Defendants (Messrs Alexander Chan Fat Leung and Raymond Chan Fat Chu, respectively) for breach of the two Continuing Guarantees both dated 29th June 1999 signed by the 1st and 2nd Defendants respectively and for breach of two Memoranda of Deposit and Charge of Stocks and Shares and Other Marketable Securities by One or More than One Depositor to Secure the Obligations of a Third Party to AFH Credit Limited signed by the 1st and 2nd Defendants respectively all in favour of the Plaintiff jointly and severally for :-

- 1. the sum of HK\$27,726,534.51;*
- 2. interest and overdue interest calculated from 7th October 2004 to the date of payment;*
- 3. costs on a full indemnity basis; and*
- 4. further and/or other relief.'*

Trading in the shares of RNA has been suspended since June 2, 2003.

The company has yet to release its results for the Financial Year, ended April 30, 2003, or the Interim Results for the 6 months, ended October 31, 2003.

On August 16, 2004, Chairman Raymond Chan Fat Chu, in an official notice to shareholders, said that the company had sacked Messrs Ernst and Young as the company's auditors and appointed Messrs Ting Ho Kwan and Chan as the new auditors.

The reason for the removal of Ernst and Young was due to a disagreement over audit fees.

RNA is supposed to be undergoing financial restructuring.

As at October 31, 2002, RNA was enjoying Net Current Liabilities of about \$HK362.77 million.

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