

*The Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## **RAINBOW BROTHERS HOLDINGS LIMITED**

### **十友控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

(Stock code: 33)

#### **HIGH CONCENTRATION OF SHAREHOLDINGS**

This announcement is made at the request of the Stock Exchange in respect of the concentration of the shareholding of the Company in the hands of a limited number of Shareholders as at 22 April 2010.

**In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.**

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the high concentration of the shareholding of Rainbow Brothers Holdings Limited (the “**Company**”) in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 22 April 2010.

The Company noted that an announcement (the “**SFC Announcement**”) has been published by the Securities and Futures Commission (the “**SFC**”) on 5 May 2010. The following paragraphs are extracts from the SFC Announcement:

The SFC has recently completed an enquiry into the shareholdings of the Company. The findings of the SFC suggested that, as at 22 April 2010, 18 Shareholders held an aggregate of 41,244,000 shares of the Company (the “**Shares**”), representing approximately 20.62% of the issued Shares. Such shareholding, together with 144,566,000 Shares held aggregately by a substantial shareholder, namely, Direct Value Limited, and an executive director of the Company, Mr. Wong Sai Ming (in aggregate representing 72.28% of the issued Shares), represented 92.90% of the issued Shares as at 22 April 2010. Thus, only 7.10% of the issued Shares were held by other investors.

Based on the SFC Announcement, as at 22 April 2010, the shareholding structure of the Company is as follows:

	<b>Number of Shares held</b> <i>(Shares)</i>	<b>% of total number of issued Shares</b> <i>(%)</i>
Direct Value Limited ( <i>Note 1</i> )	133,700,000	66.85
Mr. Wong Sai Ming ( <i>Note 2</i> )	10,866,000	5.43
A group of 18 shareholders	41,244,000	20.62
Other shareholders	14,190,000	7.10
Total	<u>200,000,000</u>	<u>100.00</u>

*Note 1: Direct Value Limited is owned as to 70.0% by Mr. Hui Kwan Wah, Hugo (the Chairman and executive director of the Company) and as to 30.0% by Mr. Ng Chi Man (an executive director of the Company).*

*Note 2: Mr. Wong Sai Ming is an executive director of the Company.*

It is noted that the closing share price of the Company increased from \$1.20 on 29 January 2010 to \$1.68 on 5 February 2010. During this period, the Company issued a positive profit alert and announced that there were several investment projects under discussion.

Subsequently, trading in the shares was suspended on 8 February 2010 and resumed on 22 April 2010. During the suspension period, further announcements in relation to two discloseable transactions and a very substantial acquisition and connected transaction were made by the Company (*Note 3*). In addition, the Company also announced on 12 March 2010 its final results for the year ended 31 December 2009, reporting a net profit of \$32.535 million against a net profit of \$10.981 million for the nine months ended 31 December 2008.

Upon resumption of trading on 22 April 2010, the closing share price increased considerably to \$2.92. As at 4 May 2010, the share price of the Company closed at \$3.30, representing an increase of 175% from the closing price of \$1.20 on 29 January 2010.

*Note 3: On 5 February 2010 announced the updated development on project investments;  
On 9 February 2010 announced two discloseable transactions in relation to the investment of 12.4% to 14.4% equity interest in a joint venture company and the investment in a hotel project in Shenzhen; and  
On 21 April 2010 announced a very substantial acquisition and connected transaction in relation to the acquisition of a 90% beneficial interest in Harmonic Strait Credit Guarantee Co., Ltd.*

***Ending of Extract from SFC Announcement***

The Board is not in a position to comment on the accuracy of the information above except the shareholding of the shareholders, namely Direct Value Limited and Mr. Wong Sai Ming. To the best knowledge of the Board, none of those 18 Shareholders as at 22 April 2010 or as at the date of this announcement are (a) connected persons of the Company; or (b) related to/connected with each other and/or any of the connected persons of the Company.

## **PUBLIC FLOAT**

Based on the information available and to the best knowledge of the Board, as at 22 April 2010 and as at the date of this announcement, Direct Value Limited and Mr. Wong Sai Ming held and hold 144,566,000 Shares in total, representing 72.28% of the issued Shares.

The Board believes that to the best of its knowledge and belief based on the information available to it, not less than 25% of the issued share capital of the Company is held in public hands and the Company is able to comply with the public float requirement under the Rules Governing the Listing of Securities on the Stock Exchange.

**In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.**

By Order of the Board  
**Rainbow Brothers Holdings Limited**  
**Hui Kwan Wah, Hugo**  
*Chairman*

Hong Kong, 6 May 2010

*As at the date of this announcement, the Board comprises four Executive Directors, namely Mr. Hui Kwan Wah, Hugo, Mr. Ng Chi Man, Mr. Wong Sai Ming and Mr. Wong Tat Tung; one Non-executive Director, namely Mr. Chan Cheuk Ming and three Independent Non-executive Directors, namely Mr. Cheung Wah Keung, Mr. Anthony Espina and Mr. Wong Che Keung.*

*\* For identification purposes only*