



5 May 2010

**High Concentration of Shareholding
in
Rainbow Brothers Holdings Limited (Stock Code: 33)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of Rainbow Brothers Holdings Limited (“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 of the Company (“Shares”) could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that, as at 22 April 2010, 18 shareholders held an aggregate of 41,244,000 Shares, representing 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.

As at 22 April 2010, the shareholding structure of the Company is as follows:

	Number of Shares held (Shares)	% of total number of issued Shares (%)
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	200,000,000	100.00

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.

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.

End

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.