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Rainbow Brothers Holdings Limited

十友控股有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 33)

PROFIT WARNING – NOTIONAL INTEREST EXPENSE

This announcement is made by Rainbow Brothers Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited.

The Board of Directors of the Company (the “Board”) would like to inform shareholders that the expected results of the Group for the year ended December 31, 2010 may show a loss. Such loss was mainly due to a notional, or imputed, interest expense of approximately HK\$66 million for the year in respect of the convertible bond issued by the Company on August 27, 2010. The Company does not have to pay any interest over the life of this convertible bond under the terms of its issuance. As a result, the notional interest expense has no real impact on the operating results and cash flow of the Group. Nevertheless, this notional interest expense is required to be treated as an expense in the profit and loss account according to the prevailing Hong Kong Financial Reporting Standards, and thus may put the results of the Group for the year ended December 31, 2010 into a loss.

This announcement is only based on a preliminary assessment of the consolidated management accounts of the Group as at December 31, 2010, which will be subject to the final review procedures of the Company and its auditor. The detailed financial information will be published in the forthcoming annual results announcement and annual report of the Company.

Investors and shareholders of the Company are urged to exercise caution when dealing in the shares of the Company.

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

Hong Kong, January 21, 2011

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Hui Kwan Wah, Hugo, Mr. An Yu Xin, Mr. Wong Sai Ming and Ms. Sun Pei Ying; one non-executive director, 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 purpose only*