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Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the prospectus (the “Prospectus”) dated 28 September, 2001 issued by Rainbow International Holdings Limited (the “Company”).



RAINBOW INTERNATIONAL HOLDINGS LIMITED
彩虹國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

**LISTING ON THE GROWTH ENTERPRISE MARKET
OF THE STOCK EXCHANGE OF HONG KONG LIMITED**

**BY WAY OF
PLACING AND PUBLIC OFFER**

Number of Offer Shares	:	60,000,000 New Shares and 20,000,000 Sale Shares, subject to Over-allotment Option
Number of Public Offer Shares	:	6,000,000 New Shares and 2,000,000 Sale Shares
Number of Placing Shares	:	54,000,000 New Shares and 18,000,000 Sale Shares, subject to Over-allotment Option
Offer Price	:	HK\$0.50 per Offer Share, payable in full on application
Nominal value	:	HK\$0.01 each
GEM stock code	:	8079

Sponsor and Lead Manager



DBS ASIA CAPITAL LIMITED

Financial Adviser and Co-Lead Manager



International Capital Network Limited

Manager



LUEN FAT SECURITIES CO. LTD.

Co-Managers



EVER-LONG SECURITIES CO., LTD.



Coin Fall Limited

Underwriters

Liu Chong Hing Bank Limited
International Capital Network Limited
Ong Asia Securities (HK) Limited
Kim Eng Securities (Hong Kong) Limited
Shenyin Wanguo Capital (H.K.) Limited

DBS Asia Capital Limited
SPS Securities Limited
First Securities (HK) Limited
Emperor Securities Limited
Sino Grade Securities Ltd.

SUMMARY

- At the close of the application lists of the Share Offer at 12:00 noon on Friday, 5 October, 2001, a total of 147 valid applications were received under the Public Offer on **WHITE** and **YELLOW** application forms for a total of 48,756,000 Public Offer Shares, representing approximately six times over the total number of the Public Offer Shares initially available for subscription under the Public Offer.
- 72,000,000 Placing Shares initially available to professional, institutional and private investors in Hong Kong for subscription under the Placing were fully subscribed and have been conditionally allocated in full. There was no reallocation of the Offer Shares between the Placing and the Public Offer.
- The Company has granted the Over-allotment Option, exercisable by DBS Asia and ICN pursuant to the terms of the Underwriting Agreement, on behalf of the Placing Underwriters, at any time and from time to time within 30 days from the date of the Prospectus. Pursuant to the Over-allotment Option, the Company may be required to issue and allot, at the Offer Price, up to an aggregate of 12,000,000 additional Shares, representing 15 per cent. of the number of the Offer Shares initially available under the Share Offer, to cover over-allocations in the Placing, if any. As at the date of this announcement, the Over-allotment Option is not exercised. Should the Over-allotment Option is exercised, the Company will make a separate announcement.
- Share certificates of the Public Offer Shares allotted to applicants using **WHITE** application forms who have applied for less than 1,000,000 Public Offer Shares or those who have applied for 1,000,000 Public Offer Shares or more and have not indicated on the application forms that they wish to collect their Share certificates (where applicable) and/or refund cheques (if any) in person will be posted to those entitled by ordinary post at their own risk on Thursday, 11 October, 2001.
- Share certificates of the Public Offer Shares allotted to applicants using **WHITE** application forms who have applied for 1,000,000 Public Offer Shares or more and have indicated on the application forms that they wish to collect their Share certificates (where applicable) and/or refund cheque(s) (if any) in person will be available for collection from 9:00 a.m. to 1:00 p.m. on Thursday, 11 October, 2001 from the Company's Hong Kong branch share registrar and transfer office, Standard Registrars Limited at 5th Floor, Wing On Centre, 111 Connaught Road, Central, Hong Kong. Any Share certificates not collected within such time will be despatched shortly after 1:00 p.m. on Thursday, 11 October, 2001 by ordinary post at the own risk of the successful applicants.

- Share certificates of the Public Offer Shares allocated to applicants using **YELLOW** application forms will be issued in the name of HKSCC Nominees Limited and are expected to be deposited directly into CCASS for credit to the applicants' CCASS investor participant stock accounts or their designated CCASS participants' stock accounts (as instructed by the applicants) at the close of business on Thursday, 11 October, 2001.
- Refund cheques to applicants using **WHITE** or **YELLOW** application forms who have applied for less than 1,000,000 Public Offer Shares or those who have applied for 1,000,000 Public Offer Shares or more but have not indicated on the application forms that they wish to collect their refund cheques in person or in the case of invalid applications will be sent to those entitled by ordinary post at their own risk on Thursday, 11 October, 2001.
- Refund cheques to applicants using **WHITE** or **YELLOW** application forms who have applied for 1,000,000 Public Offer Shares or more and have indicated on the application forms that they wish to collect their Share certificates (where applicable) and/or refund cheque(s) (if any) in person will be available for collection from 9:00 a.m. to 1:00 p.m. on Thursday, 11 October, 2001 from the Company's Hong Kong branch share registrar and transfer office, Standard Registrars Limited at 5th Floor, Wing On Centre, 111 Connaught Road, Central, Hong Kong. Any refund cheques not collected within such time will be despatched shortly after 1:00 p.m. on Thursday, 11 October, 2001 by ordinary post at the own risk of the applicants.
- 7,200,000 Placing Shares have been allocated to a director and shareholder of ICN, being the financial adviser to the Company, the co-lead manager of the Share Offer and one of the Underwriters, representing approximately 2.06 per cent. of the issued share capital of the Company immediately after completion of the Pre-IPO Issue, the Capitalisation Issue and the Share Offer (taking no account of any Shares that may be issued pursuant to the exercise of the Over-allotment Option and the options granted or may be granted under the Pre-IPO Share Option Scheme or the Share Option Scheme).
- Dealings in the Shares on GEM are expected to first commence at 10:00 a.m. on Monday, 15 October, 2001.

APPLICATIONS RECEIVED UNDER THE SHARE OFFER

The Directors are pleased to announce that at the close of the application lists of the Share Offer at 12:00 noon on Friday, 5 October, 2001, a total of 147 valid applications were received under the Public Offer on **WHITE** and **YELLOW** application forms for a total of 48,756,000 Public Offer Shares, representing approximately six times over the total number of the Public Offer Shares initially available for subscription under the Public Offer.

All multiple applications or applications not made in accordance with the **WHITE** and **YELLOW** application forms have been rejected.

ALLOCATION OF SHARES UNDER THE PLACING

72,000,000 Placing Shares initially available to professional, institutional and private investors in Hong Kong for subscription under the Placing were fully subscribed and have been conditionally allocated in full. There was no reallocation of the Offer Shares between the Placing and the Public Offer.

The Company has granted the Over-allotment Option, exercisable by DBS Asia and ICN pursuant to the terms of the Underwriting Agreement, on behalf of the Placing Underwriters, at any time and from time to time within 30 days from the date of the Prospectus. Pursuant to the Over-allotment Option, the Company may be required to issue and allot, at the Offer Price, up to an aggregate of 12,000,000 additional Shares, representing 15 per cent. of the number of Offer Shares initially available under the Share Offer, to cover over-allocations in the Placing, if any. As at the date of this announcement, the Over-allotment Option is not exercised. Should the Over-allotment Option is exercised, the Company will make a separate announcement.

7,200,000 Placing Shares have been allocated to a director and shareholder of ICN, being the financial adviser to the Company, the co-lead manager of the Share Offer and one of the Underwriters, representing approximately 2.06 per cent. of the issued share capital of the Company immediately after completion of the Pre-IPO Issue, the Capitalisation Issue and the Share Offer (taking no account of any Shares that may be issued pursuant to the exercise of the Over-allotment Option and the options granted or may be granted under the Pre-IPO Share Option Scheme or the Share Option Scheme). Save as aforesaid and to the best knowledge of the Directors, the placees of the Placing are Independent Third Parties and are independent of and not connected with any parties specified under Rule 10.12(4) of the GEM Listing Rules.

The following also sets forth the concentration of the 72,000,000 Placing Shares:-

	Aggregate number of Placing Shares held	Approximate percentage of the Placing Shares	Approximate percentage of shareholding immediately after completion of the Pre-IPO Issue, the Capitalisation Issue and the Share Offer
Top placee	10,000,000	13.89%	2.86%
Top 5 placees	44,100,000	61.25%	12.60%
Top 10 placees	55,500,000	77.08%	15.86%
Top 25 placees	65,170,000	90.51%	18.62%

The 72,000,000 Placing Shares were allocated to a total of 122 places as follows:–

Number of Placing Shares	Number of places
4,000 – 20,000	43
20,001 – 60,000	22
60,001 – 100,000	9
100,001 – 200,000	15
200,001 – 600,000	16
600,001 – 1,000,000	8
1,000,001 – 2,000,000	2
2,000,001 – 6,000,000	2
6,000,001 – 10,000,000	5
10,000,001 or above	Nil
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Total	<u>122</u>

Investors should be aware that the concentration of shareholders might affect the liquidity of the Shares in the secondary market. Consequently, the shareholders and potential investors are advised to exercise extreme caution in the dealing with the Shares.

BASIS OF ALLOCATION OF THE PUBLIC OFFER SHARES

A total of 8,000,000 Public Offer Shares have been conditionally allocated to 147 applicants. Subject to fulfilment of the conditions of the Share Offer set forth under “Conditions of the Share Offer” in the section headed “Structure of the Share Offer” in the Prospectus, valid applications made by the public on **WHITE** and **YELLOW** application forms will be conditionally allocated on the following basis:–

Number of Public Offer Shares applied for	Number of valid applications	Basis of allocation/ballot	Approximate percentage of the Public Offer Shares to be allocated under the Public Offer based on the total number of the Public Offer Shares applied for
4,000	61	4,000 Public Offer Shares	100.00%
8,000	9	4,000 Public Offer Shares plus 7 out of 9 applicants to receive additional 4,000 Public Offer Shares	88.89%

Number of Public Offer Shares applied for	Number of valid applications	Basis of allocation/ballot	Approximate percentage of the Public Offer Shares to be allocated under the Public Offer based on the total number of the Public Offer Shares applied for
12,000	20	8,000 Public Offer Shares plus 8 out of 20 applicants to receive additional 4,000 Public Offer Shares	80.00%
16,000	2	12,000 Public Offer Shares	75.00%
20,000	7	12,000 Public Offer Shares plus 3 out of 7 applicants to receive additional 4,000 Public Offer Shares	68.57%
24,000	3	12,000 Public Offer Shares plus 2 out of 3 applicants to receive additional 4,000 Public Offer Shares	61.11%
28,000	1	16,000 Public Offer Shares	57.14%
40,000	5	20,000 Public Offer Shares	50.00%
48,000	1	20,000 Public Offer Shares	41.67%
80,000	1	28,000 Public Offer Shares	35.00%
100,000	11	28,000 Public Offer Shares plus 7 out of 11 applicants to receive additional 4,000 Public Offer Shares	30.55%
200,000	8	52,000 Public Offer Shares	26.00%
300,000	5	60,000 Public Offer Shares	20.00%
400,000	1	68,000 Public Offer Shares	17.00%
500,000	2	76,000 Public Offer Shares	15.20%
800,000	1	120,000 Public Offer Shares	15.00%
1,200,000	1	180,000 Public Offer Shares	15.00%
4,000,000	6	560,000 Public Offer Shares	14.00%
8,000,000	2	1,120,000 Public Offer Shares	14.00%

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RESULTS OF APPLICATIONS MADE ON WHITE APPLICATION FORMS

The followings are the identification document numbers (where supplied) of successful applicants using **WHITE** application forms and the corresponding number of the Public Offer Shares allocated to them:–

Identification document number	Number of Public Offer Shares to be allocated	Identification document number	Number of Public Offer Shares to be allocated
3314331	52,000	E7431396	16,000
3314349	52,000	E8192441	32,000
A296607A	32,000	G2468211	8,000
A4940264	28,000	G4759884	4,000
A6887948	4,000	G5249707	4,000
A7270332	20,000	G6356701	4,000
A7490715	4,000	G6481182	12,000
A9037295	4,000	G6836320	8,000
A9107685	4,000	G6944417	4,000
B9354080	4,000	K0227676	8,000
B9755026	16,000	K0284246	16,000
C3158851	12,000	K1888749	12,000
C4861726	20,000	K2187647	4,000
D0029956	4,000	K3306933	4,000
D0155552	4,000	K3846067	20,000
D0511685	4,000	K3993604	4,000
D1092740	4,000	K405749A	4,000
D123264A	4,000	K4181387	4,000
D2101158	4,000	K4281470	8,000
D2122384	4,000	K4701054	32,000
D2217474	4,000	K4882741	4,000
D2438470	12,000	K525289A	4,000
D3763669	16,000	K5911850	4,000
D3909906	4,000	K6301193	4,000
D4613172	12,000	K6508014	28,000
D4897391	4,000	K6672779	8,000
D4926715	4,000	K6958184	4,000
D5060452	12,000	K7572050	4,000
D5142939	20,000	K8006938	4,000
D5155577	8,000	K8187479	4,000
D5700761	4,000	K8735239	4,000
D6331913	4,000	K9152504	4,000
D6331921	4,000	K9164421	4,000
E0480588	4,000	K9698876	4,000
E2718220	4,000	P023045A	4,000
E3622596	4,000	V0391336	4,000
E5378536	4,000	Y2470835	4,000
E623435A	28,000	Z019129A	4,000

Identification document number	Number of Public Offer Shares to be allocated	Identification document number	Number of Public Offer Shares to be allocated
Z050428A	4,000	Z4280688	4,000
Z1681320	8,000	Z4361289	4,000
Z3105661	8,000	Z4609841	4,000
Z3651879	4,000	Z5428727	4,000
Z3651887	4,000		

A total of 784,000 Public Offer Shares have been conditionally allocated to 85 applicants using **WHITE** application forms.

RESULTS OF CCASS PARTICIPANTS' APPLICATIONS USING YELLOW APPLICATION FORMS

No Public Offer Shares are wholly or partially allocated to applicants as CCASS investor participants using **YELLOW** application forms.

A total of 7,216,000 Public Offer Shares have been conditionally allocated to 62 applicants using **YELLOW** application forms through designated CCASS participants (other than CCASS investor participants).

DESPATCH/COLLECTION OF SHARE CERTIFICATES AND/OR REFUND CHEQUES

For those applicants who have applied on **WHITE** application forms for less than 1,000,000 Public Offer Shares or for 1,000,000 Public Offer Shares or more but have not elected to collect Share certificates (where applicable) and/or refund cheques (if any) in person, the Share certificates (where applicable) and/or refund cheque(s) (if any) are expected to be despatched by ordinary post to those entitled at their own risk on Thursday, 11 October, 2001. In addition, for those applicants who have applied on **YELLOW** application forms for less than 1,000,000 Public Offer Shares or for 1,000,000 Public Offer Shares or more but have not elected to collect their refund cheques (if any) in person, refund cheques (if any) are expected to be despatched by ordinary post to those entitled at their own risk on Thursday, 11 October, 2001.

Applicants who have applied on **WHITE** application forms for 1,000,000 Public Offer Shares or more and have indicated on their application forms their wish to collect their Share certificates (where applicable) and/or refund cheques (if any) in person may collect their Share certificates (where applicable) and/or refund cheques (if any) from the Company's Hong Kong branch share registrar and transfer office, Standard Registrars Limited at 5th Floor, Wing On Centre, 111 Connaught Road, Central, Hong Kong. Applicants who have applied on **YELLOW** application forms for 1,000,000 Public Offer Shares or more and have indicated in their application forms their wish to collect refund cheques (if any) in person may collect their refund cheques (if any) from the Company's Hong Kong branch share registrar and transfer office, Standard Registrars Limited at the above address. The time and date for collection of Share certificates and/or refund cheques are between 9:00 a.m. to 1:00 p.m. on Thursday, 11 October, 2001.

Applicants being individuals who opt for collection in person must not authorise any other person to make their collection on their behalf. Applicants being corporations who opt for personal collection must attend by their authorised representatives bearing letters of authorisation from their corporations stamped with the corporations' chops. Both individuals and authorised representatives (if applicable) must produce at the time of collection evidence of identification and authorisation letters acceptable to Standard Registrars Limited. Any Share certificates and refund cheques not collected within the above time and date will be despatched by ordinary post at the applicants' own risk to the address shown on the relevant application forms shortly after 1:00 p.m. on Thursday, 11 October, 2001.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

For wholly or partially successful applicants using the **YELLOW** application forms who are allocated with the Public Offer Shares in the name of HKSCC Nominees Limited, the allocated Public Offer Shares will be deposited directly into CCASS for credit to their investor participant stock accounts or their designated CCASS participants' stock accounts (as instructed by the applicants) at the close of business on Thursday, 11 October, 2001 or, in the event of unexpected contingencies, on any other date as shall be determined by Hongkong Clearing or HKSCC Nominees Limited. Such applicants can check the number of Public Offer Shares allocated to them with their designated CCASS participants if they are applying through designated CCASS participants, or via the CCASS Phone System or the CCASS Internet System (under the procedures contained in Hongkong Clearing's "An Operating Guide for Investor Participants" in effect from time to time), if they are applying as CCASS investor participants. Hongkong Clearing will also mail to applicants applying as CCASS investor participants activity statements showing the number of the Public Offer Shares credited to their investor participant stock accounts.

MINIMUM PUBLIC FLOAT REQUIREMENT

According to the GEM Listing Rules, the Company is required to maintain a public float of not less than 25 per cent. of its issued share capital from time to time. Immediately after completion of the Pre-IPO Issue, the Capitalisation Issue and the Share Offer (taking no account of any Shares that may be issued pursuant to the exercise of the Over-allotment Option and the options granted or may be granted under the Pre-IPO Share Option Scheme or the Share Option Scheme), the Company has a public float (excluding employees of the Company and their associates) of 25.79 per cent. of its enlarged issued share capital.

COMMENCEMENT OF DEALINGS ON GEM

Dealings in the Shares on GEM are expected to first commence at 10:00 a.m. on Monday, 15 October, 2001.

By order of the Board
Rainbow International Holdings Limited
Li Ngar Kwan, Aldy
Chairperson

Hong Kong, 9 October, 2001

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and is not misleading; there are no other matters the omission of which would make any statement in this announcement misleading; and all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will appear on the GEM website with the domain name of www.hkgem.com for 7 days from the day of its posting.