

**RAINBOW INTERNATIONAL HOLDINGS LTD :
TALK ABOUT GAMBLES
AND YOU MUST TALK OF RAINBOW INTERNATIONAL**

If the lady of your life, or your boyfriend/husband, has never heard of Rainbow International beauty products, it is quite understandable, considering that Rainbow International has only been in existence since 1994 when the founder and her lady friend opened a small shop in Admiralty Centre, Central Hongkong.

From these humble beginnings, today, Rainbow International has established 8 retail outlets, 4 outlets on Hongkong Island and 4 outlets in Kowloon.

In addition, Rainbow International has 3 beauty centres, one centre in Kowloon and 2 centres on Hongkong Island.

Armed with this array of formidable outlets, Rainbow International Holdings Ltd has come to The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd in order to raise \$HK30 million, gross, by Offering 6 million New, one-cent Shares at a Premium of 49 cents per share, and Placing another 54 million New, one-cent Shares, also at a Premium of 49 cents per share.

Taking everything into account, this Company is very heavily in debt, relative to its size, since its Net Assets, as at February 28, 2001, stood at \$HK786,000 (Page 175 of the Prospectus), with cash at banks and in hand, amounting to just \$HK233,000.

Page 131 of the Prospectus states that, as at July 31, 2001:

'Rainbow International had outstanding bank borrowings of approximately HK\$43.04 million. The bank borrowings comprised bank overdrafts of approximately HK\$13.80 million, trust receipts and import loans of approximately \$HK14.84 million and bank loans of approximately \$HK14.39 million.'

The above-stated borrowings are all secured by assets of Ms Aldy Li Ngar Kwan, the 44-year-old Founder of Rainbow International, who is, of course, the Chairperson, holding about 51.87 percent of the Issued and Fully Paid-Up Share Capital of the Company.

In addition, Mr Elbert Lee, a 27-year-old nephew of Ms Aldy Li, has executed a personal guarantee, along with his aunt, in order to secure the Company's borrowings.

In short, all, including the kitchen sink, has been used to secure the borrowings of this Company, which claims to cater for customers of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) from the ages of 20 years to 50 years.

The reason that Rainbow International is going public is that it wants ... [CLICK TO ORDER FULL ARTICLE](#)

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