

**RAINBOW INTERNATIONAL HOLDINGS LTD :
GOING, GOING ... GONE !**

The business of Rainbow International Holdings Ltd is no more.

The company, which is listed on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd (Code: 8079), has closed down its last remaining shop in Causeway Bay, the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

Thus ends the one-year saga of this purveyor of cosmetics to middle-income ladies of the HKSAR (the company never catered for the tourist trade).

Rainbow, at one time, had 8 shops in the territory, but, since going public in October 2001, one by one, its shops have been shut down.

The company has been inundated with writs, issued in nearly every court of the HKSAR, from the High Court, right down to the Labour Tribunal.

It was only on November 6, 2002, that TARGET reported that Rainbow was advertising its intention to move its Causeway Bay shop – the last of the bunch – but, since its closure, there has been no statement to anybody, officially, as to where the company intends to move – if at all.

When TARGET visited the shop space, today, it was clear that it had just been vacated with no consideration, at all, for the security of the premises or any of the contents therein (if at all) since there were no padlocks on the shutters, meaning that anybody could just lift them and peek inside the shop if one were a-mind so to do.



There is a sign on the shop, obviously placed there by the owner, stating that it is for rent.

When TARGET looked at the website of Rainbow International, today, it showed that the company was still operating 4 shops in the HKSAR.

In TARGET's first report on this company, published on October 5, 2001, this analyst's conclusion about this company was that it was financially strapped.

It took the work of 12 Placing Underwriters and 13 Public Offer Underwriters to pull off the flotation, which only raised \$HK22.50 million.

At the time of its float, it owed bankers about \$HK43 million.

The Chairlady of this company, Ms Aldy Li Ngar Kwan, was, personally, guaranteeing all the bank loans, and her 27-year-old, Canadian nephew, Mr Elbert Lee, had executed a personal guarantee in favour of the bankers in order to assist his aunt in obtaining finance.

TARGET commented, at the time of the flotation of this company, that it was top-heavy in debt and that it was lumbered with *'more debt than it should be carrying'*.

TARGET asked this question, at the time of the flotation: *'What will it do when that "money well" runs dry?'*

Well, the money *'well'* is a duster, now. That is for certain.

Styland Holdings Ltd ... [CLICK TO ORDER FULL ARTICLE](#)

For More About Rainbow International, Please See:
[TARGET Intelligence Report, Volume III, Number 186, Published On October 5, 2001](#)
[TARGET Intelligence Report, Volume IV, Number 210, Published On November 6, 2002](#)

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