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21 Holdings Limited

21 控股有限公司*

(incorporated in Bermuda with limited liability)

(stock code: 1003)

**1. PROPOSED RIGHTS ISSUE
ON THE BASIS OF FOUR RIGHTS SHARES
FOR EVERY SHARE HELD
ON THE RECORD DATE
AND
2. RESUMPTION OF TRADING**

Financial Adviser



結好融資有限公司
GET NICE CAPITAL LIMITED

Underwriters of the Rights Issue



結好證券有限公司
GET NICE SECURITIES LIMITED



英皇證券(香港)有限公司
Emperor Securities Limited

RIGHTS ISSUE

The Company proposes to raise approximately HK\$144.55 million before expenses by way of the Rights Issue of issuing 1,445,529,192 Rights Shares at a price of HK\$0.10 per Rights Share payable in full on acceptance.

The Company will provisionally allot four Rights Shares in nil-paid form for every Share in issue and held on the Record Date. The Rights Issue is not available to the Non-Qualifying Shareholders.

The estimated net proceeds of the Rights Issue will be approximately HK\$140.20 million. The Company intends to utilize the entire net proceeds as the general working capital (including but not limited to repayment of the Promissory Note and other indebtedness of the Group).

** for identification purpose only*

The Rights Issue is conditional, inter alia, upon the fulfillment of the conditions set out below under the section headed “Conditions of the Rights Issue”. In particular, the Rights Issue is subject to, among other things, the Underwriters not terminating the Underwriting Agreement in accordance with the terms set out therein. Accordingly, the Rights Issue may or may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue could not become unconditional and may not proceed.

Pursuant to the requirements of the Listing Rules, the Rights Issue is conditional on the approval by the Shareholders by way of a poll at the SGM, where the controlling Shareholder, or in the case that the Company has no controlling Shareholder, the Directors (excluding independent non-executive Directors), the chief executive of the Company and their respective associates are required to abstain from voting in favour of the Rights Issue. As at the date of this announcement, the Company has no controlling Shareholder and none of the Directors, the chief executive of the Company and their respective associates holds any Share. Accordingly, no Shareholder is required to abstain from voting in favour of the Rights Issue at the SGM.

An independent board committee of the Company comprising all the independent non-executive Directors will be appointed to make recommendations to the Independent Shareholders in respect of the Rights Issue. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in this regard.

GENERAL

A circular containing, among other things, (i) further details about the Rights Issue; (ii) a letter of recommendation from the independent board committee of the Company to the Independent Shareholders in respects of the Rights Issue; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders on the Rights Issue; and (iv) the notice convening the SGM, will be despatched to the Shareholders as soon as practicable.

Upon the approval of the Rights Issue by the Shareholders (or where appropriate, the Independent Shareholders) at the SGM, the Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on the Posting Date and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 12 October 2009 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on 13 October 2009.

PROPOSED RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	four Rights Shares for every Share held on the Record Date
Number of Shares in issue as at the date of this announcement	:	361,382,298 Shares
Number of Rights Shares	:	1,445,529,192 Rights Shares (<i>Note 1</i>)
Subscription price per Rights Share	:	HK\$0.10 per Rights Share with nominal value of HK\$0.01 each

Note 1

As at the date of this announcement, Mr. Ng is holding the Convertible Note with an aggregate principal amount of HK\$130,000,000 convertible into 134,436,401 Shares at the conversion price of HK\$0.967 per Share (subject to adjustments). Mr. Ng has given an irrevocable undertaking, inter alia, not to transfer or deal with the Convertible Note and not to exercise the conversion rights attaching to the Convertible Note until the close of business on the Record Date pursuant to and subject to the terms of the Undertaking Letter.

Save for the above outstanding Convertible Note, the Company has no other outstanding convertible securities, options or warrants in issue or other similar rights which confer any right to subscribe for, convert or exchange into Shares as at the date of this announcement.

The 1,445,529,192 nil-paid Rights Shares proposed to be provisionally allotted represent 400% of the Company's issued share capital as at the date of this announcement and 80% of the Company's issued share capital as enlarged by the issue of the Rights Shares.

Qualifying Shareholders

The Company will send the Prospectus Documents to Qualifying Shareholders only.

To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company at the close of business on the Record Date; and
2. be a Qualifying Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, owners of Shares must lodge any transfers of Shares (together with the relevant share certificates) with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 17 November 2009.

Closure of register of members

The register of members of the Company will be closed from 18 November 2009 to 23 November 2009, both dates inclusive. No transfers of Shares will be registered during this period.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong and Bermuda.

The Company will make enquiries pursuant to Rule 13.36(2) of the Listing Rules regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to such Overseas Shareholders. Further information in this connection will be set out in the Prospectus Documents containing, among other things, details of the Rights Issue, to be despatched to the Qualifying Shareholders as soon as practicable. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send any PAL and EAF to them.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid pro rata to the Non-Qualifying Shareholders. The Company will retain individual amounts of HK\$100 or less for the benefits of the Company. Any unsold entitlement of Non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be made available for excess application on EAFs by Qualifying Shareholders.

Subscription price

The subscription price for the Rights Shares is HK\$0.10 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The subscription price for the Rights Shares represents:

- (a) a discount of about 71.01% to the closing price of HK\$0.345 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of about 32.89% to the theoretical ex-rights price of approximately HK\$0.149 based on the closing price of HK\$0.345 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (c) a discount of about 69.70% to the average closing price of approximately HK\$0.33 per Share for the five trading days ended on the Last Trading Day.

The subscription price for the Rights Shares was determined after arm's length negotiations between the Company and the Underwriters with reference to the market price of the Share prior to the Last Trading Day. The Directors (excluding the independent non-executive Directors who will give their view on the Rights Issue after taking into account the advice of the independent financial adviser) consider the terms of the Rights Issue, including the subscription price, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.097.

Basis of provisional allotment

The basis of the provisional allotment shall be four Rights Shares for every Share in issue and held as at the close of business on the Record Date, being 1,445,529,192 Rights Shares at a price of HK\$0.10 per Rights Share. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

Fractions of Rights Shares

The Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market, if a premium (net of expenses) can be achieved, and the Company will retain the proceeds from such sale(s) for its benefit. Any unsold fractions of Rights Shares will be made available for excess application.

Status of the Rights Shares

The Rights Shares, when allotted and fully paid, will rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares.

Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders and for any Rights Shares provisionally allotted but not accepted.

Applications for excess Rights Shares may be made by completing the EAFs and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (1) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with intention to abuse this mechanism; and
- (2) subject to availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied by them (i.e. Qualifying Shareholders applying for smaller number of Rights Shares are allocated with a higher percentage of successful application but will receive a lesser number of Rights Shares; whereas Qualifying Shareholders applying for a larger number of Rights Shares are allocated with a smaller percentage of successful application but will receive a higher number of Rights Shares) and with board lot allocations to be made on a best effort basis.

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

Investors whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company, must lodge all necessary documents with the Registrar for completion of the relevant registration by 4:30 p.m. on 17 November 2009.

Share certificates and refund cheques for Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before 21 December 2009. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before 21 December 2009 by ordinary post to the applicants at their own risk.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms (both in board lots of 20,000), which are registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty in Hong Kong.

Undertaking by Mr. Ng

As at the date of this announcement, Mr. Ng is holding the Convertible Note with an aggregate principal amount of HK\$130,000,000 convertible into 134,436,401 Shares at the conversion price of HK\$0.967 per Share (subject to adjustments).

Mr. Ng has given an irrevocable undertaking, inter alia, not to transfer or deal with the Convertible Note and not to exercise the conversion rights attaching to the Convertible Note until the close of business on the Record Date pursuant to and subject to the terms of the Undertaking Letter.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions being fulfilled or waived (as appropriate):

- (i) the Company despatching the Circular to the Shareholders containing, among other matters, details of the Rights Issue together with proxy form and notice of SGM;

- (ii) the passing by the Shareholders (or, where appropriate, Independent Shareholders) at the SGM of ordinary resolutions to approve the Underwriting Agreement and the Rights Issue (including, but not limited to, the exclusion of the offer of the Rights Issue to the Non-Qualifying Shareholders) and the transactions contemplated thereby by no later than the Posting Date;
- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms) by no later than the Posting Date;
- (iv) the Bermuda Monetary Authority granting consent to (if required) the issue of the Rights Shares by no later than the Posting Date;
- (v) compliance with and performance of all the undertakings and obligations of the Company under the terms of this Agreement;
- (vi) the filing and registration of all relevant documents with the Registrar of Companies in Hong Kong; and
- (vii) there being no breach of the Undertaking Letter by Mr. Ng.

Neither the Company nor the Underwriters may waive the above conditions (i) to (iv) (both inclusive), (vi) and (vii). The Underwriters may waive the condition (v) in whole or in part by written notice to the Company. In the event that the above conditions have not been satisfied and/or waived in whole or in part by the Underwriters on or before 4.00 p.m. on 9 January 2010 (or such later date as the Underwriters and the Company may agree), the Underwriting Agreement shall terminate and no party shall have any claim against the other party for costs, damages, compensation or otherwise and the Rights Issue will not proceed.

The Underwriting Agreement

Date	:	9 October 2009
Underwriters	:	Get Nice and Emperor. To the best of the Directors' knowledge and information, Get Nice and Emperor and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons
Total number of Rights Shares being underwritten by the Underwriters	:	The Underwriters have conditionally agreed pursuant to the Underwriting Agreement to underwrite the Rights Shares not subscribed by the Shareholders on a fully underwritten basis, being 1,445,529,192 Rights Shares (to be shared equally between Get Nice and Emperor), subject to the terms and conditions of the Underwriting Agreement
Commission	:	The commission payable by the Company in respect of the Rights Issue is 2% of the aggregate subscription price in respect of the Underwritten Shares as determined on the Record Date

The Board considers the terms of the Underwriting Agreement including the commission rate accord with the market practice and are fair and reasonable so far as the Company and the Shareholders are concerned.

Termination of the Underwriting Agreement

The Underwriters may terminate the arrangements set out in the Underwriting Agreement by notice in writing issued to the Company by Emperor (on behalf of the Underwriters) at any time prior to 4:00 p.m. on the Settlement Date if there occurs:—

- (a) in the absolute opinion of the Underwriters, the success of the Rights Issue would be materially and adversely affected by:—
1. the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 2. the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, financial, economic or currency, market, or other nature (whether or not ejusdem generis with any of the foregoing) or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market which may, in the absolute opinion of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 3. any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
 4. any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the absolute opinion of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole;
 5. there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
 6. the commencement by any third party of any litigation or claim against any member of the Group which is or might be material to the Group taken as a whole; or
- (b) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the PRC or other jurisdiction relevant to the Group or any member of the Group and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the absolute opinion of the Underwriters makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (c) the Circular or the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which in the absolute opinion of the Underwriters is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it.

If, at or prior to 4:00 p.m. on the Settlement Date:

- (i) any material breach of any of the warranties or undertakings of the Company contained under the Underwriting Agreement comes to the knowledge of the Underwriters; or
- (ii) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Settlement Date which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties of the Company contained under the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriters,

the Underwriters shall be entitled by joint notice in writing issued by the Underwriters to the Company prior to 4:00 p.m. on the Settlement Date to elect to rescind the Underwriting Agreement.

Upon the giving of such notice, all obligations of the Underwriters under the Underwriting Agreement shall cease and determine and the Company shall not be liable to pay to the Underwriters any fees under the Underwriting Agreement. Rescission or termination of the Underwriting Agreement shall be without prejudice to any rights of any party in respect of any breach by the other prior to such rescission or termination of the Underwriting Agreement. If the Underwriters exercise such right, the Rights Issue will not proceed.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

The Shares will be dealt in on an ex-rights basis from 16 November 2009. Dealings in the Rights Shares in the nil-paid form will take place from 26 November 2009 to 4 December 2009 (both dates inclusive). If the conditions of the Underwriting Agreement are not fulfilled or the Underwriting Agreement is terminated by the Underwriters, the Rights Issue will not proceed.

Any Shareholders or other persons contemplating selling or purchasing Rights Shares in their nil-paid form during the period from 26 November 2009 to 4 December 2009 (both dates inclusive) who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in the Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriters' right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the above period will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Expected timetable

The expected timetable for the Rights Issue is set out below:

Despatch of circular and proxy form of the SGM	Wednesday, 4 November 2009
Last day of dealings in Shares on a cum-rights basis	Friday, 13 November 2009
First day of dealings in Shares on an ex-rights basis	Monday, 16 November 2009
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue	4:30 p.m. on Tuesday, 17 November 2009
Register of members to be closed	Wednesday, 18 November 2009 to Monday, 23 November 2009 (both dates inclusive)
Latest time for return of proxy form of SGM..... (not less than 48 hours)	10:00 a.m., Saturday, 21 November 2009
Record Date	Monday, 23 November 2009
Expected date and time of the SGM	10:00 a.m., Monday, 23 November 2009
Announcement of results of the SGM	Monday, 23 November 2009
Register of members to be re-opened	Tuesday, 24 November 2009
Prospectus Documents to be posted	Tuesday, 24 November 2009
First day of dealings in nil-paid Rights Shares	Thursday, 26 November 2009
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. on Tuesday, 1 December 2009
Last day of dealings in nil-paid Rights Shares	Friday, 4 December 2009
Latest time for acceptance of and payment	4:00 p.m. on Wednesday, 9 December 2009 for Rights Shares and for application and payment for excess Rights Shares
Rights Issue expected to become unconditional.....	after 4:00 p.m. on Monday, 14 December 2009
Announcement of results of acceptance	Friday, 18 December 2009 and excess application of the Rights Issue
Refund cheques for wholly	Monday, 21 December 2009 and partially unsuccessful applications for excess Rights Shares expected to be posted on or before
Certificates for fully-paid Rights Shares expected.....	Monday, 21 December 2009 to be despatched on or before
First day of dealings in the fully-paid Rights Shares	Wednesday, 23 December 2009

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

Shareholding in the Company

Assuming that there is no change in the shareholding structure of the Company from the date of this announcement to immediately before completion of the Rights Issue:

Shareholders	As at the date of this announcement		Immediately after completion of the Rights Issue assuming all Qualifying Shareholders take up their respective allotment of Rights Shares in full		Immediately after completion of the Rights Issue assuming no Qualifying Shareholders takes up any of the Rights Shares and the Underwriters take up the Rights Shares to the maximum extent	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Underwriters (<i>Note 1</i>)	—	—	—	—	1,445,529,192	80.00
Public (<i>Note 2</i>)	361,382,298	100.00	1,806,911,490	100.00	361,382,298	20.00
Total	<u>361,382,298</u>	<u>100.00</u>	<u>1,806,911,490</u>	<u>100.00</u>	<u>1,806,911,490</u>	<u>100.00</u>

Notes:

1. The Underwriters have sub-underwritten their underwriting obligations under the Underwriting Agreement to sub-underwriters such that each of the Underwriters and the sub-underwriters together with their respective parties acting in concert (as defined in the Takeovers Code) with any of them will not own 29.9% or more of the issued share capital of the Company immediately after completion of the Rights Issue. Each of the Underwriters and the sub-underwriters (and their respective ultimate beneficial owners) is not a party acting in concert with each other. Each of the Underwriters and the sub-underwriters and their respective ultimate beneficial owners do not have any shareholding in the Company and are not connected persons of the Company.
2. The Underwriters shall and shall cause the sub-underwriters to procure independent places to take up such number of Rights Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with.

Reasons for the Rights Issue and use of proceeds

The Group is principally engaged in the provision of property agency and related services, trading of toys, gifts and premium products and securities trading and investments.

The gross proceeds from the Rights Issue will be approximately HK\$144.55 million and the estimated net proceeds of the Rights Issue will be approximately HK\$140.20 million. The Company intends to utilize the entire net proceeds as the general working capital (including but not limited to repayment of the Promissory Note and other indebtedness of the Group).

The Board considers that the Rights Issue will enable the Group to strengthen its capital base and to enhance its financial position for future strategic investments as and when opportunities arise. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and, hence the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

Fund raising exercise of the Company

Date of announcement	Capital raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
22 December 2008	Placing of 220,000,000 new Shares and issue of the convertible notes with aggregate principal amount of up to HK\$120,000,000 on best effort basis	HK\$40.32 million	To be used for repayment of the Promissory Note; and the remaining of the net proceeds to be used for general working capital	(i) approximately HK\$30 million was used to repay the Promissory Note; and (ii) approximately HK\$10.32 million was used as general working capital
21 September 2009	Placing of 43,500,000 new Shares	HK\$17.7 million	To be used for general working capital (including but not limited to repayment of the Promissory Note and other indebtedness of the Group)	HK\$16.0 million has been used for repayment of the Promissory Note and the balance of approximately HK\$1.7 million remain unused

Save as abovementioned, the Company had not conducted any fund raising exercise in the past 12 months from the date of this announcement.

Adjustments in relation to the Convertible Note

The Rights Issue may lead to adjustments to the conversion price and/or the number of Shares to be issued upon conversion of the Convertible Note. The Company will notify the holders thereof by the way of announcement regarding adjustments to be made (if any) pursuant to the terms of the Convertible Note (as and when appropriate).

GENERAL

In accordance with the Listing Rules, the Rights Issue must be made conditional on the approval by the Shareholders by way of a poll at the SGM where the controlling Shareholders or, in the case that the Company has no controlling Shareholders, the Directors (excluding independent non-executive Directors), the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue at the SGM. As at the date of this announcement, the Company has no controlling Shareholder and none of the Directors, the chief executive of the Company and their respective associates holds any Share. Accordingly, no Shareholder is required to abstain from voting in favour of the Rights Issue at the SGM.

An independent board committee of the Company comprising all the independent non-executive Directors will be appointed to make recommendations to the Independent Shareholders in respect of the Rights Issue. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details about the Rights Issue; (ii) a letter of recommendation from the independent board committee of the Company to the Independent Shareholders in respects of the Rights Issue; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders on the Rights Issue; and (iv) the notice convening the SGM, will be despatched to the Shareholders as soon as practicable.

Upon the approval of the Rights Issue by the Shareholders (or where appropriate, the Independent Shareholders) at the SGM, the Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on the Posting Date and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 12 October 2009 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on 13 October 2009.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acceptance Date”	9 December 2009 (or such other date as the Underwriters may agree in writing with the Company as the latest date for acceptance of, and payment of, Rights Shares)
“associate”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which banks are generally open for business (other than a Saturday and Sunday) in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular to be despatched to the Shareholders in relation to the Rights Issue together with the notice of the SGM to approve the relevant resolution
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	21 Holdings Limited, a company incorporated under the laws of Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange

“connected person”	has the meaning ascribed thereto under the Listing Rules
“Convertible Note”	the 2% coupon convertible note due July 2011 in the aggregate principal amount of HK\$130,000,000 issued by the Company on 23 July 2008, all of which remains outstanding as at the date of this announcement
“Director(s)”	director(s) of the Company
“EAF”	the excess application form to be issued in connection with the Rights Issue
“Emperor”	Emperor Securities Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under SFO
“Get Nice”	Get Nice Securities Limited, a corporation licensed to carry out business in type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance), and type 9 (asset management) regulated activities under the SFO
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholder(s)”	any Shareholder other than controlling Shareholders of the Company and their associates or, where there are no controlling Shareholders, any Shareholder other than Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Last Trading Day”	9 October 2009, being the last trading day before the suspension of the trading of the Shares, pending the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Ng”	Mr. Ng Kai Man, the Chairman of the Company and an executive Director
“Non-Qualifying Shareholders”	those Overseas Shareholders whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Issue to such shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholders”	Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date and whose addresses as shown on such register are outside Hong Kong

“PAL”	the provisional allotment letter in respect of the Rights Issue proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Posting Date”	24 November 2009 or such other date as the Underwriters may agree in writing with the Company, as the date of despatch of the Prospectus Documents
“PRC”	the People’s Republic of China
“Promissory Note”	the promissory note issued by Kingbox Investments Limited, a wholly-owned subsidiary of the Company, to Mr. Ng as part of the consideration for the acquisition of the property agency business in July 2008, details of which are set out in the circular of the Company dated 28 June 2008
“Prospectus”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, PAL and EAF
“Qualifying Shareholders”	Shareholders, other than the Non-Qualifying Shareholders
“Record Date”	23 November 2009 or such other date as the Underwriters may agree in writing with the Company as the date by reference to which entitlements to the Rights Issue are expected to be determined
“Registrar”	the branch share registrar of the Company in Hong Kong, being Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the proposed issue by way of rights of four Rights Shares for every one Share in issue and held on the Record Date at a price of HK\$0.10 per Rights Share
“Rights Shares”	Shares to be issued and allotted under the Rights Issue, being 1,445,529,192 Shares
“Settlement Date”	14 December 2009, being the third Business Day following the Acceptance Date (or such other time or date as the Underwriters and the Company may agree in writing)
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the Rights Issue
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Undertaking Letter”	the irrevocable undertaking given by Mr. Ng in favour of the Company and the Underwriters on 9 October 2009, as more particularly set out in the subparagraph headed “Undertaking by Mr. Ng” in this announcement
“Underwriters”	Get Nice and Emperor
“Underwriting Agreement”	the underwriting agreement dated 9 October 2009 entered into between the Company and the Underwriters in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	1,445,529,192 Rights Shares underwritten by the Underwriters pursuant to the terms of the Underwriting Agreement
“%” or “per cent.”	percentage or per centum

By order of the Board
21 Holdings Limited
Ng Kai Man
Chairman

Hong Kong, 12 October 2009

As at the date of this announcement, the Board comprises Mr. Ng Kai Man (Chairman), Mr. Ha Kee Choy, Eugene and Ms. Ma Wai Man, Catherine as executive directors and Mr. Cheng Yuk Wo, Mr. Chui Chi Yun, Robert and Mr. Lui Siu Tsuen, Richard as independent non-executive directors.