
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this prospectus or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in 21 Holdings Limited (the “Company”), you should at once hand this prospectus and the accompanying PAL and EAF to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Dealings in the securities of the Company and the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS and you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

A copy of each of the Prospectus Documents, having attached thereto the written consent referred to under the paragraph headed “Expert” in Appendix III to this prospectus, has been registered by the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies Ordinance and a copy of this Prospectus has been or will as soon as reasonably practicable be filed with the Registrar of Companies in Bermuda pursuant to the Companies Act 1981 of Bermuda (as amended). The Securities and Futures Commission of Hong Kong, the Registrar of Companies in Hong Kong and the Registrar of Companies in Bermuda take no responsibility as to the contents of any of the documents referred to above.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.



21 Holdings Limited

21 控股有限公司*

(incorporated in Bermuda with limited liability)

(stock code: 1003)

RIGHTS ISSUE OF 1,190,041,048 RIGHTS SHARES ON THE BASIS OF EIGHT RIGHTS SHARES FOR EVERY ONE SHARE HELD ON THE RECORD DATE

Financial adviser to 21 Holdings Limited



英皇融資有限公司
Emperor Capital Limited

Underwriters of the Rights Issue



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

It should be noted that dealings in the Rights Shares in the nil-paid form will take place from Tuesday, 5 July 2011 to Tuesday, 12 July 2011 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or waived (as applicable) or the Underwriting Agreement is terminated by the Underwriters, the Rights Issue will not proceed. Any dealing in the nil-paid Rights Shares during the period from Tuesday, 5 July 2011 to Tuesday, 12 July 2011 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

It should be noted that the Underwriting Agreement in respect of the Rights Issue contains provisions entitling the Underwriters by notice in writing to the Company at any time prior to 4:00 p.m. on the Latest Time for Termination to terminate the obligations of the Underwriters thereunder on the occurrence of certain events including force majeure. These events are set out under the paragraph headed “Termination of the Underwriting Agreement” on pages 17 to 18 of this prospectus. If the Underwriters terminate the Underwriting Agreement in accordance with the terms thereof, the Rights Issue will not proceed. In addition, the Rights Issue is conditional on all conditions set out on page 18 of this prospectus being fulfilled or waived (as applicable). 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 Wednesday, 20 July 2011 (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.

30 June 2011

* for identification purpose only

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EXPECTED TIMETABLE

Set out below is an indicative timetable for the implementation of the Rights Issue:

Despatch of the Prospectus Documents	Thursday, 30 June 2011
Register of members re-opens	Thursday, 30 June 2011
First day of dealings in nil-paid Rights Shares	Tuesday, 5 July 2011
Latest time for splitting in nil-paid Rights Shares	4:30 p.m. on Thursday, 7 July 2011
Last day of dealing in nil-paid Rights Shares	Tuesday, 12 July 2011
Latest time for acceptance of, and payment for, the Rights Shares and application for excess Rights Shares	4:00 p.m. on Friday, 15 July 2011
Latest time for termination of the Underwriting Agreement	4:00 p.m. on Wednesday, 20 July 2011
Announcement of results of the Rights Issue	Thursday, 21 July 2011
Refund cheques for wholly and partially unsuccessful applications for excess Rights Shares expected to be posted on or before	Friday, 22 July 2011
Certificates for the Rights Shares expected to be despatched on or before	Friday, 22 July 2011
Dealings in fully-paid Rights Shares and commence	9:00 a.m. on Tuesday, 26 July 2011

Note: All references to time in this prospectus are references to Hong Kong time.

Dates or deadlines specified in this prospectus are indicative only and may be extended or varied by agreement between the Company and the Underwriters, and subject to the approval by the Stock Exchange of such amendments. Any consequential changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

EXPECTED TIMETABLE

Effect of bad weather on the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares

If there is:

- a tropical cyclone warning signal number 8 or above, or
 - a “black” rainstorm warning
- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Friday, 15 July 2011, the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Right Shares will not take place at 4:00 p.m. on Friday, 15 July 2011, but will be extended to 5:00 p.m. on the same day instead; and
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Friday, 15 July 2011, the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Right Shares will not take place on Friday, 15 July 2011, but will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Right Shares does not take place on Friday, 15 July 2011, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

DEFINITIONS

The following terms have the following meanings in this prospectus unless the context otherwise requires:

“Announcement”	the announcement of the Company dated 6 May 2011 in relation to, among other things, the Capital Reorganisation, the Change in Board Lot Size and the Rights Issue
“associates”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than Saturday, Sunday and public holiday and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which the banks are open for business in Hong Kong
“Bye-Laws”	the bye-laws of the Company from time to time
“Capital Reorganisation”	the reorganisation of the capital of the Company as set out in the Circular
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company dated 30 May 2011 in relation to, among other things, the Capital Reorganisation, the change in board lot size and the Rights Issue
“Companies Act”	The Companies Act 1981 of Bermuda, as amended, modified or supplemented from time to time
“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(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company
“Emperor”	Emperor Securities Limited, a licensed corporation to carry out business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO

DEFINITIONS

“Excess Application Form(s)” or “EAF(s)”	the form of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such usual form as may be agreed between the Company and the Underwriters
“Excluded Overseas Shareholders”	the Overseas Shareholder(s) whose address is/are in a place(s) outside Hong Kong where the Directors, based on legal opinions provided by legal advisers of the Company, consider it necessary or expedient 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 not to offer the Rights Shares to such Shareholder(s)
“Get Nice”	Get Nice Securities Limited, a licensed corporation 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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Independent Shareholder(s)”	the Shareholder(s) who are not required to abstain from voting at the SGM
“Independent Third Party(ies)”	third party(ies) independent of, and not connected with, the Company and its connected persons and are not connected persons of the Company
“Last Trading Day”	6 May 2011, being the last trading day of the Shares before the release of the Announcement
“Latest Practicable Date”	27 June 2011, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus
“Latest Time for Termination”	being the third Business Day after the latest time for acceptance of, and payment for, the offer of Rights Shares as described in the Prospectus, currently being 4:00 p.m. on Wednesday, 20 July 2011
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Overseas Shareholders”	Shareholders whose names appear on the register of members of the Company as at the close of the business on the Record Date and whose addresses as shown on such register are outside Hong Kong
“Permitted Share Option(s)”	share option(s) which may be granted under the Share Option Scheme, full exercise of which will entitle its holder(s) to subscribe up to 60,000,000 Pre-Adjusted Shares or 6,000,000 Shares
“Pre-Adjusted Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company, before the Capital Reorganisation became effective
“Posting Date”	being the date of despatch of the Prospectus Documents to the Qualifying Shareholders and despatch of the Prospectus to the Excluded Overseas Shareholders for information only (as the case may be), currently being Thursday, 30 June 2011
“PRC”	The People’s Republic of China, which for the purpose of this prospectus, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be despatched to Shareholders on the Posting Date in connection with, inter alia, the Rights Issue in such form as may be agreed between the Company and the Underwriters
“Prospectus Documents”	the Prospectus, the PALs and the EAFs
“Provisional Allotment Letter(s)” or “PAL(s)”	the provisional allotment letter to be used in connection with the Rights Issue proposed to be issued to the Qualifying Shareholders as mentioned herein, being in such usual form as may be agreed between the Company and the Underwriters
“Qualifying Shareholder(s)”	Shareholder(s) other than the Excluded Overseas Shareholders
“Record Date”	the record date of which entitlements to the Rights Issue will be determined, currently being Wednesday, 29 June 2011
“Registrar”	Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, the Company’s Hong Kong branch share registrar
“Rights Issue”	the proposed issue by way of rights of the Rights Shares at a price of HK\$0.10 per Rights Share on the basis of eight Rights Shares for every one Share then held on the Record Date

DEFINITIONS

“Rights Share(s)”	1,190,041,048 Shares proposed to be offered to the Qualifying Shareholders for subscription on the basis of eight Rights Shares for every one Share held on the Record Date pursuant to the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company convened and held on 21 June 2011 at which the Capital Reorganisation and the Rights Issue were approved
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company immediately upon the Capital Reorganisation became effective on 22 June 2011
“Share Option Scheme”	the share option scheme adopted by the Company on 17 September 2004
“Shareholder(s)”	holder(s) of the Share(s)
“Specified Event”	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the undertakings, warranties and representations given by the Company under the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price for the Rights Shares, being HK\$0.10 per Rights Share
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“Underwriters”	Get Nice and Emperor
“Underwriting Agreement”	the underwriting agreement dated 6 May 2011 in relation to the Rights Issue entered into between the Company and the Underwriters
“Underwritten Shares”	1,190,041,048 Rights Shares underwritten by the Underwriters pursuant to the terms of the Underwriting Agreement

DEFINITIONS

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

LETTER FROM THE BOARD



21 Holdings Limited

21 控股有限公司*

(incorporated in Bermuda with limited liability)

(stock code: 1003)

Executive Directors:

Mr. Ng Kai Man (*Chairman*)

Mr. Cheng Yuk Wo

Mr. Ha Kee Choy, Eugene

Independent non-executive Directors:

Mr. Chui Chi Yun, Robert

Mr. Lam Kwok Cheong

Mr. Lui Siu Tsuen, Richard

Registered office:

Canon's Court, 22 Victoria Street

Hamilton HM 12, Bermuda

Head office and principal place of

business in Hong Kong

Unit 1303, 13th Floor

Tower 2, Lippo Centre

89 Queensway

Admiralty

Hong Kong

30 June 2011

To the Qualifying Shareholders

Dear Sir or Madam,

**RIGHTS ISSUE OF 1,190,041,048 RIGHT SHARES
ON THE BASIS OF EIGHT RIGHTS SHARES
FOR EVERY ONE SHARE HELD
ON THE RECORD DATE**

INTRODUCTION

On 6 May 2011, the Board announced that the Company proposed to raise approximately HK\$119.0 million before expenses (assuming no issue of new Shares on or before the Record Date) to approximately HK\$123.8 million before expenses (assuming full exercise of the subscription rights attaching to all the Permitted Share Options, if granted, and no other issue of new Shares on or before the Record Date), by way of the Rights Issue of 1,190,041,048 Rights Shares and not more than 1,238,041,048 Rights Shares at the Subscription Price of HK\$0.10 per Rights Share on the basis of eight Rights Shares for every one Share held on the Record Date and payable in full on acceptance.

The Capital Reorganisation and the Right Issue were approved by the Shareholders at the SGM held on 21 June 2011 and the Capital Reorganisation became effective on 22 June 2011.

** for identification purpose only*

LETTER FROM THE BOARD

The purpose of this prospectus is to provide you with, among other matters, further information regarding the details of the Rights Issue.

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	eight Right Shares for every one Share held on the Record Date
Subscription Price	:	HK\$0.10 per Rights Share
Number of Shares in issue as at the Record Date	:	148,755,131 Shares
Number of Right Shares	:	1,190,041,048 Right Shares (with an aggregate nominal value of HK\$11,900,410.48)

As at the Latest Practicable Date, no Permitted Share Options had been granted and the Company has no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

Qualifying Shareholders

The Company will offer the Rights Shares for subscription to Qualifying Shareholders only. The Prospectus will be sent to the Excluded Overseas Shareholders for information only.

A Qualifying Shareholder must at the close of business on the Record Date:

- (i) be registered as a member of the Company; and
- (ii) not be an Excluded Overseas Shareholder.

Subscription Price

The Subscription Price is HK\$0.10 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the provisional allotment of the Rights Shares under the Rights Issue or application for excess Rights Shares or when a renounee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares.

LETTER FROM THE BOARD

The Subscription Price represents:

- (i) a discount of approximately 88.8% to the adjusted closing price of HK\$0.89 per Share based on the closing price of HK\$0.089 per Pre-Adjusted Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Capital Reorganisation;
- (ii) a discount of approximately 89.3% to the adjusted average closing price of approximately HK\$0.934 per Share for the last five trading days up to and including the Last Trading Day and adjusted for the effect of the Capital Reorganisation;
- (iii) a discount of approximately 46.8% to the theoretical ex-rights price of HK\$0.188 per Share based on the closing price as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Capital Reorganisation;
- (iv) a discount of approximately 70.3% to the audited consolidated net asset value per Share (based on 148,755,131 issued Shares as at the Latest Practicable Date) of approximately HK\$50,111,000 as at 31 December 2010; and
- (v) a discount of approximately 57.8% to the closing price of HK\$0.237 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriters with reference to the market price of the Shares under the prevailing market conditions. Since the Shares were highly illiquid in the open market, as shown by the daily trading volume of the Shares being below 5% of the total number of issued Shares for most of the time of the recent 3 months such as February, March and April 2011, it would be difficult to attract the Qualifying Shareholders to reinvest in the Company through the Rights Issue if the Subscription Price was not set at rather deep discount to the historical closing prices of the Shares. When determining the terms of the Rights Issue, the Board had considered (i) the amount of fund to be raised to cover the potential claims of the litigation; (ii) the recent market conditions; (iii) the share price performance of the Shares being in a decreasing trend during the recent 3 months period and (iv) the discount of the Subscription Price to the recent market price of the Shares, and hence the attractiveness of the Rights Issue to the Qualifying Shareholders and the Underwriters. After taking into account the above factors, the Board considers that the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors consider that the discount of the Subscription Price would encourage Shareholders to participate in the Rights Issue and accordingly to maintain their shareholdings in the Company and participate in the future growth of the Group and the terms of the Rights Issue (including the terms of the Underwriting Agreement) are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

As the estimated net proceeds from the Rights Issue will be approximately HK\$115.1 million, the net price per Rights Share would be approximately HK\$0.097.

LETTER FROM THE BOARD

Basis of provisional allotments

Eight Rights Shares (in nil-paid form) for every one Share held by Qualifying Shareholders as at the close of business on the Record Date. The Rights Shares (nil-paid form) will be traded in board lots of 20,000.

Status of the Rights Shares

The Rights Shares will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the fully-paid Rights Shares. Holders of the fully-paid Rights Shares (when allotted, issued and fully paid) will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares. Dealings in the Rights Shares will be subject to payment of stamp duty in Hong Kong.

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.

According to the register of members of the Company as at the Latest Practicable Date, there was an Overseas Shareholder with registered address in Macau. The Company has made enquiries pursuant to Rule 13.36(2) of the Listing Rules regarding the feasibility of extending the Rights Issue to this Overseas Shareholder. Based on the advice provided by the legal counsels on the laws of Macau currently in force, the Directors have decided to extend the Rights Issue to such Overseas Shareholder with registered address located in Macau as shown on the register of members of the Company as at the Record Date. Therefore, as at the Record Date, there was no Excluded Overseas Shareholder.

It is the responsibility of any person (including but without limitation to nominee, agent and trustee) receiving a copy of the Prospectus Documents outside Hong Kong and wishing to take up the Rights Shares under the Rights Issue to satisfy himself as to the full observance of the laws of the relevant territory including the obtaining of any governmental or other consents for observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been complied with. Shareholders should consult their professional advisers if in any doubt.

LETTER FROM THE BOARD

Fractions of the Rights Shares

On the basis of provisional allotment of eight Right Shares for every one Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

Procedures for acceptance and payment or transfer

Qualifying Shareholders will find enclosed with this prospectus a PAL which entitles them to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar by no later than 4:00 p.m. on Friday, 15 July 2011. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "21 HOLDINGS LIMITED - RIGHTS ISSUE ACCOUNT" and crossed "ACCOUNT PAYEE ONLY".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by 4:00 p.m. on Friday, 15 July 2011, whether by the original allottee or any person to whom the rights have been validly transferred, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders.

If the Qualifying Shareholders wish to accept only part of their provisional allotment and/or to transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Thursday, 7 July 2011, to the Registrar who will cancel the original PAL and issue new PALs in the denominations required, which will be available for collection at the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

LETTER FROM THE BOARD

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques and cashier's orders accompanying completed PALs will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the PAL and any acceptance of it have been, or will be, duly complied with. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque and/or cashier's order is dishonoured on first presentation, and, in such event, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

Save as described under the paragraph headed "Rights of Overseas Shareholders" above, no action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving this prospectus, the PAL or the EAF in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares or excess Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for Rights Shares will be accepted from any person who is an Excluded Overseas Shareholder.

If the Underwriters exercise the rights to terminate the Underwriting Agreement or if the conditions of the Rights Issue are not fulfilled or waived (as applicable), the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons who have accepted or acquired the Rights Shares and to whom the nil-paid Rights Shares shall have been validly transferred, without interest by means of cheques despatched by ordinary post to their respective registered addresses at their own risk as soon as practicable thereafter.

Application for excess Rights Shares

Qualifying Shareholders may apply by using EAFs for excess Rights Shares for any unsold entitlement of the Excluded Overseas Shareholders together with any unsold Rights Shares created by adding together fractions of the Rights Shares and any Rights Shares provisionally allotted but not taken up by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares.

LETTER FROM THE BOARD

Application may be made by completing and signing the EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar **by no later than 4:00 p.m. on Friday, 15 July 2011. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "21 HOLDINGS LIMITED — EXCESS APPLICATION ACCOUNT" and crossed "ACCOUNT PAYEE ONLY".**

The Company will allocate excess Rights Shares to the Qualifying Shareholders at its discretion on a fair and equitable basis, with preference given to topping-up odd lots to whole board lots and thereafter on sliding scale with reference to the number of the excess Rights Shares applied by them (i.e. the Qualifying Shareholders applying for smaller number of Rights Shares are allocated with a higher percentage of successful application but will receive less number of Rights Shares; whereas the Qualifying Shareholders applying for larger number of Rights Shares are allocated with a smaller percentage of successful application but will receive greater number of Rights Shares) and with board lot allocations to be made on a best effort basis.

The Qualifying Shareholders whose Shares are held by a nominee company should note that for the purposes of the principles above, the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, Qualifying 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. The Qualifying Shareholder(s) will be notified of any allotment of excess Rights Shares made to him/her/it/them on or about Thursday, 21 July 2011 by way of announcement. If no excess Rights Shares are allotted to the Qualifying Shareholder who has applied for excess Rights Shares, it is expected that a cheque for the amount tendered on application in full without interest will be posted to his/her/its registered address by ordinary post at his/her/its own risk on or before Friday, 22 July 2011. If the number of excess Rights Shares allotted to the Qualifying Shareholder is less than that applied for, it is expected that a cheque for the amount of the surplus application monies, without interest, will be posted to his/her/its registered address by ordinary post at his/her/its own risk on or before Friday, 22 July 2011.

All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the EAF and any acceptance of it, have been, or will be, duly complied with. Completion and return of the EAF together with a cheque or cashier's order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. If any cheque or cashier's order accompanying a completed EAF is dishonoured on first presentation, without prejudice to the other rights of the Company, such EAF is liable to be rejected.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for the amounts due, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown in the register of members of the Company on the Record Date.

LETTER FROM THE BOARD

If the Underwriters exercise the right to terminate the Underwriting Agreement or if the conditions of the Rights Issue are not fulfilled or waived (as applicable), the monies received in respect of applications for excess Rights Shares will be returned to the applicants, without interest by means of cheques despatched by ordinary post to their respective registered addresses at their own risk as soon as practicable thereafter.

Share certificates for the Rights Shares and refund cheques

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all Rights Shares are expected to be posted to the Qualifying Shareholders who have accepted and applied for (where appropriate), and paid for the Rights Shares on or before Friday, 22 July 2011 by ordinary post at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares are also expected to be posted on Friday, 22 July 2011 by ordinary post to the applicants at their own risk.

The first day of dealing in the Rights Shares in their fully-paid form is expected to commence on Tuesday, 26 July 2011.

Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms to be allotted and issued pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Subject to the granting of the listing of, and permission to deal in, Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange, Rights Shares in both 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 commencement date of dealings in Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange or such other date 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 nil-paid and fully-paid forms which are registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

LETTER FROM THE BOARD

UNDERWRITING AGREEMENT

Date : 6 May 2011

Underwriters : Get Nice and Emperor

To the best knowledge, information and belief of the Directors, the Underwriters are Independent Third Parties. The Underwriters do not have any beneficial interests in the Shares

Number of Rights Shares underwritten : The Underwriters have agreed to underwrite the Rights Shares not subscribed by the Shareholders on a fully underwritten basis, being not less than 1,190,041,048 Rights Shares and not more than 1,238,041,048 Rights Shares, pursuant to the Underwriting Agreement as follows:

(i) Get Nice shall underwrite up to 400,000,000 Rights Shares and

(ii) Emperor shall underwrite the remaining number of the Rights Shares

Commission : (i) for Get Nice, 2% of the aggregate Subscription Price of the number of Rights Shares underwritten by Get Nice; and

(ii) for Emperor, 2% of the aggregate Subscription Price of the number of Rights Shares underwritten by Emperor

The Rights Issue is fully underwritten. The underwriting commission was determined after arm's length negotiations between the Company and the Underwriters with reference to the market rate. The Board is of the opinion that the terms of the Underwriting Agreement and the amount of commission given to the Underwriters are fair as compared to the market practice and commercially reasonable as agreed between the parties of the Underwriting Agreement.

LETTER FROM THE BOARD

Termination of the Underwriting Agreement

The Underwriters may terminate the arrangements set out in the Underwriting Agreement by notice in writing to the Company at any time prior to the Latest Time for Termination if:

- (a) in the absolute opinion of the Underwriters, the success of the Rights Issue would be materially and adversely affected by:
 - (i) the introduction of any new 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
 - (ii) 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 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 markets 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
 - (iii) any material adverse change in the business or in the financial or trading position or prospectus of the Group as a whole; or
 - (iv) 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; or
 - (v) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Pre-Adjusted Shares or Shares (as the case may be) generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
 - (vi) 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 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

LETTER FROM THE BOARD

- (c) the Circular or this 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 the Latest Time for Termination, there occurs:

- (i) any material breach of any of the warranties or undertakings of the Company under the Underwriting Agreement comes to the knowledge of the Underwriters; or
- (ii) any Specified Event comes to the knowledge of the Underwriters,

the Underwriters shall also be entitled by notice in writing to the Company prior to the Latest Time for Termination to terminate the Underwriting Agreement and the obligations of all parties under the Underwriting Agreement shall terminate forthwith.

Conditions of the Rights Issue

The Rights Issue is conditional upon, among other things, the following conditions being fulfilled or waived:

- (a) 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;
- (b) the Capital Reorganisation becoming effective;
- (c) the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked listing of and permission to deal in the Shares in issue as a result of the Capital Reorganization;
- (d) 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 Excluded Overseas Shareholders) and the transactions contemplated thereby by no later than the Posting Date;
- (e) 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;
- (f) the Bermuda Monetary Authority granting consent to (if required) the issue of the Rights Shares by no later than the Posting Date;

LETTER FROM THE BOARD

- (g) compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement;
- (h) the delivery to the Stock Exchange and registration by Registrar of Companies in Hong Kong on or prior to the Posting Date of the Prospectus Documents each duly certified in compliance with section 342C of the Companies Ordinance and all other documents required by law to be filed or delivered for registration; and
- (i) the posting on the Posting Date of the Prospectus Documents to the Qualifying Shareholders.

Neither the Underwriters nor the Company may waive any of the conditions (a) to (f) (both inclusive) and (h) to (i). The Underwriters may waive the condition (g) in whole or in part by written notice to the Company. If the conditions are not satisfied and/or waived in whole or in part by the Underwriters by 4:00 p.m. on or before 30 September 2011 (or such other date as the Underwriters may agree with the Company in writing), the Underwriting Agreement shall terminate and no party will have any claim against any other party for costs, damages, compensation or otherwise.

As at the Latest Practicable Date, conditions (a), (b), (c) and (d) have been fulfilled.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

It should be noted that dealings in the Rights Shares in the nil-paid form will take place from Tuesday, 5 July 2011 to Tuesday, 12 July 2011 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or waived (as applicable) 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 Tuesday, 5 July 2011 to Tuesday, 12 July 2011 (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 Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled and/or the Latest Time for Termination (which is expected to be Wednesday, 20 July 2011) 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.

LETTER FROM THE BOARD

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is an investment holding company and its subsidiaries are principally engaged in provision of property agency and related services, trading of toy, gift and premium products and securities trading and investments.

As disclosed in the 2009 Annual Report of the Company, Mr. Kwok Chin Wing (“Plaintiff”), a former director of the Company, issued legal proceedings against the Company in respect of loans due from two former subsidiaries of the Company, claiming a sum of approximately \$44.5 million (“Principal Sum”) together with interests thereon. Hearing of the case was held in January 2011 and as announced by the Company on 2 March 2011, judgment was awarded in favour of the Plaintiff for the sum of HK\$44.5 million together with interest and costs (“Judgment”).

As further announced by the Company on 31 March 2011, the Company has filed a Notice of Appeal against the Judgment (“Appeal”). The Appeal has now been set down for hearing on 8 and 9 December 2011. Pending the hearing of the Appeal, the Company and the Plaintiff have on 18 April 2011 agreed that execution of the Judgment be stayed until the determination or other disposal of the Appeal or further order of the Court subject to the condition that the Company shall pay into Court a sum of HK\$25 million as security on or before 25 April 2011 and another sum of HK\$25 million or provide the Plaintiff with a bank guarantee for the same amount as further security before 17 July 2011. Consent order was granted by the Court on the same terms, in compliance with which the Company has paid the first HK\$25 million into Court. The latest date for payment of the further security was extended to 19 August 2011 by another consent order dated 15 June 2011.

A separate hearing was held on 11 April 2011 on the issues of interest and costs payable by the Company under the Judgment. The Plaintiff claimed for enhanced interest on the Principal Sum and adverse costs order against the Company and the Company vigorously contested such claim. On 20 May 2011, the trial judge handed down his decision on the issues of interest and costs and denied the Plaintiff’s claims for enhanced interest and adverse costs order. It is ordered by the trial judge that the Company should only be liable to the Plaintiff under the Judgment for : (i) the Principal Sum of HK\$44.5 million; (ii) interest in the sum of HK\$6,498,000 for the period from 1 April 1999 to 31 December 2000; (iii) interest on the Principal Sum at the prime lending rate from 1 January 2001 to 2 March 2011 amounting to HK\$26,691,953.42; (iv) interest on the Principal Sum at the judgment rate (currently 8% per annum) as from 3 March 2011 until payment; and (v) costs on party and party basis to be taxed. As at the date of Judgment, i.e., 2 March 2011, the Principal Sum and interest due amounted to HK\$77,689,953.42, and based on the advice of the Company’s legal advisers in this litigation, the Board assessed that the total costs payable on party and party basis would not exceed approximately HK\$4 million.

LETTER FROM THE BOARD

However, interest continues to accrue on the Principal Sum as from 3 March 2011 until payment at the judgment rate. Therefore, if the Company loses the Appeal, the Company shall bear further interest on the Principal Sum until payment. The further interest payable on the Principal Sum as from 3 March 2011 to the date of hearing of the Appeal on 9 December 2011 would be HK\$2,750,465.75. In addition, the Company may also be liable for the Plaintiff's legal costs incurred for the Appeal, if the Company loses the Appeal, on which the Company does not have any information yet. Based on the assessment of the Company's legal advisers in this litigation, such costs are estimated not to exceed approximately HK\$2 million. Therefore, subject to the parties' right to appeal, the Company's exposure under the Judgment for the Principal Sum, interest calculated up to the date of hearing of the Appeal on 9 December 2011 as well as the costs of the action and the Appeal payable to the Plaintiff would be approximately HK\$86.5 million. Since the minimum net proceeds from the Rights Issue amounted to approximately HK\$115.1 million, the Company would have sufficient funding to meet such payment if the Rights Issue is completed. Based on the opinion of the Company's legal advisers in this litigation, a provision of HK\$83.5 million was made for the Judgement in the financial results of the Company for the year ended 31 December 2010. The Company will issue further announcement when there is judgment on the Appeal with update on the Board's assessment of the Company's potential exposure under the Judgment at such time.

For the reasons stated above, the Company has funding needs to raise the additional capital by the Rights Issue for the payment into Court of the further security in the sum of HK\$25 million before 19 August 2011 and reserve certain amount for any additional exposure under the Judgment. Given that the proceeds from the fund raising exercises conducted by the Company in the last 12 months have largely been used for business development by acquisition of the PRC subsidiaries, the settlement of the Repurchase Offer and the funding of the first payment into the Court of the sum of HK\$25 million as security before 25 April 2011, the remaining unused balance of the proceeds of the aforesaid funding exercises is only approximately HK\$1.1 million and the unaudited bank balances and cash of the Group's were approximately HK\$7.8 million as at 30 April 2011. Therefore, the Company has urgent funding needs and would require more capital in order to meet any potential liability under the Plaintiff's claim. Based on the current legal advice of the Company's legal advisers in this litigation, the Company will pursue the Appeal and therefore the Company will not settle any amount under the Judgment pending such Appeal. If the Company losses the Appeal, the Board will consider then whether to make payment to the Plaintiff after taking further legal advice. There is therefore no settlement timetable. However, the availability of further capital from the Rights Issue will enable the Company to take advantage of any suitable opportunity for settlement with the plaintiff should one arise, subject to the advice of the Company's legal advisers in this litigation.

The Board considered that the Rights Issue can strengthen the Company's capital base and enhance the financial position of the Group, including its ability to meet any obligations in relation to the Judgment pending the outcome of the Company's appeal. The Rights Issue, being an equity fund raising as opposed to a debt financing, will not give rise to negative impact to the gearing ratio of the Group as well as saving interest expenses which will have direct impact on the profit and loss account of the Group. Moreover, unlike other fund raising means, the Rights Issue will give the Shareholders the opportunity to maintain their respective prorata shareholding interests in the Company. Furthermore,

LETTER FROM THE BOARD

the Rights Issue would allow those Shareholders who would not want to participate in the fund raising of the Company to dispose of their rights shares entitlements in the market in nil-paid form. Taking into account the above, as well as the terms of the Rights Issue, the Board considered that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

The Company currently funds the working capital requirements mainly through a combination of cash inflow from operations and capital contribution from Shareholders. An assessment of working capital requirement would be performed by management of the Company regularly based on present operation and the prospects for and the timing of future revenue and cost structures. It is expected that the requirement for working capital and other payments, such as capital expenditures, will increase with expansion of the Group's business. The Company intended to use cash generated from the Group's operation and bank borrowings to fill the gap of capital requirement and use bank borrowings to finance the Group's working capital requirement. However, the ability to obtain external financing in time or terms acceptable to the Company depends on various factors, such as the Group's financial conditions, operating results, Share price, litigation and other factors. If the Company is unable to obtain external financing in a timely manner, the Board may consider raise funds through the issuance of new debt or equity securities.

The Board has considered alternative fund raising methods including debt financings or placing. The Company had approached and negotiated with one bank, one financier and two placing agents during March 2011. Given the banks' current stringent lending policy, there was a lack of positive response from them. The Group was able to obtain an offer letter for a facility line from a financier, but the facility line was subject to a comparatively higher interest rate (i.e. 1.5% per month) than that customary of a bank loan and therefore the Board did not further consider such facility line. The Board has also considered placing and was of the view that a placing may have a material dilution effect to the shareholding of the existing Shareholders given the substantial amount of the fund to be raised. Under the circumstances, the Board considered that the Rights Issue is the best way to the Company in the current capital market situation and is in the best interests of the Company and the Shareholders as a whole.

Since the trial judge handed down judgment on the issues of interest and costs and denied the Plaintiff's claims for enhanced interest and adverse costs order on 20 May 2011, the Company's exposure under the Judgment for the Principal Sum, interest calculated up to the date of hearing of the Appeal on 9 December 2011 as well as the costs of the action and the appeal payable to the Plaintiff would be approximately HK\$86.5 million. Other than the funding needs of the aforesaid litigation, the Group also intends to use the remaining proceeds for business development including expansion of existing property agency business in Hong Kong and the PRC. In January 2011, the Company has completed the acquisition of the subsidiaries engaged in provision of primary real estate agency and related consultancy services in the PRC. The Group intends to select several locations with good development potential for the such property agency business in the PRC in the coming two years. Through such network in the PRC, the Group will be able to establish and maintain closer relationships with local real estate developers, will be in a better position to identify and procure quality local real estate projects in such cities and their surrounding regions and will have a better control over the real estate

LETTER FROM THE BOARD

sales management in such locations. The Group also intends to step up the effort in network and manpower expansion in Hong Kong for promoting service quality and improving operational efficiency. As at the Latest Practicable Date, the Group intends to use over 50% of remaining balance of the net proceeds for the expansion of existing property agency business in the PRC. However, it is subject to the Board's further assessment of the property agency market in Hong Kong and the PRC. The Board will use its best endeavor to use the funding for the best interest of the Company and the Shareholders. As at the Latest Practicable Date, the Group has not identified any investment target or entered into any agreement for acquisition or investment and is still seeking suitable locations and appropriate investment targets for such expansion.

The gross proceeds from the Rights Issue will be approximately HK\$119.0 million. The estimated net proceeds from the Rights Issue will be approximately HK\$115.1 million, which is intended to be used as to approximately (i) HK\$25 million to meet the second payment into Court before 19 August 2011 under the consent order dated 15 June 2011; (ii) HK\$40 million to meet potential liability under the Judgment over and above the payments into Court; (iii) HK\$3 million as legal and professional fee for launching appeal against the Judgment during the year; (iv) HK\$10 million as administrative expenses, including staff cost, rental expenses, audit fee and legal and professional fee etc.; and (v) the remaining balance of the proceeds for capital expenditure needs for the further business development including expansion of property agency business in Hong Kong and the PRC as mentioned above. Should the Company be successful in its appeal against the Judgment, approximately HK\$3 million will be used for legal and professional fee for launching appeal against the Judgment during the year and the remaining balance of the net proceeds will be used for capital expenditure needs for the further business development including expansion of property agency business in Hong Kong and the PRC as mentioned above.

The Board considers that, save for the Rights Issue, the Company has no future fund raising plans for the next twelve months.

LETTER FROM THE BOARD

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that there is no change in the shareholding structure of the Company from the Latest Practicable Date to immediately before completion of the Rights Issue, set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date, (ii) immediately after the completion of the Rights Issue (assuming all Rights Shares are subscribed by the Qualifying Shareholders), and (iii) immediately after the completion of the Rights Issue (assuming none of Rights Shares are subscribed by the Qualifying Shareholders).

	As at the Latest Practicable Date		Immediately after the completion of the Rights Issue (assuming all Rights Shares are subscribed by the Qualifying Shareholders)		Immediately after the completion of the Rights Issue (assuming none of Rights Shares are subscribed by the Qualifying Shareholders) (note 1 & 2) (for illustration purpose only)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Underwriters						
Get Nice	—	—	—	—	400,000,000	29.88
Emperor	—	—	—	—	790,041,048	59.01
Mr. Ng Kai Man (Note 3)	3,000,000	2.02	27,000,000	2.02	3,000,000	0.22
Public Shareholders	145,755,131	97.98	1,311,796,179	97.98	145,755,131	10.89
Total	<u>148,755,131</u>	<u>100.00</u>	<u>1,338,796,179</u>	<u>100.00</u>	<u>1,338,796,179</u>	<u>100.00</u>

Notes:

- The assumption that no Rights Shares are subscribed by the Qualifying Shareholders is for illustrative purpose only. Under the terms of the Underwriting Agreement, each of the Underwriters have undertaken to take all such steps as appropriate, including sub-underwriting its underwriting obligations under the Underwriting Agreement and/or placing down Rights Shares acquired by it, to avoid it together with parties acting in concert (as defined in the Takeovers Code) with it holding 30% or more of the issued share capital of the Company immediately after completion of the Rights Issue. Each of the Underwriters (and their respective ultimate beneficial owners) is not a party acting in concert with each other. Each of the Underwriters and their respective ultimate beneficial owners are not connected persons of the Company.
- Each of the Underwriters has confirmed to the Company that it has entered into sub-underwriting agreements with sub-underwriters to sub-underwrite part or all of their underwriting obligations under the Underwriting Agreement, so that it will not if called upon to take up its underwriting commitment individually or together with its associates own 10% or more of the issued share capital of the Company immediately after completion of the Rights Issue. Each of the Underwriters has confirmed to the Company, that the sub-underwriters and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons. The Company confirms that it has always complied and will continue to comply with the public float requirement under Rule 8.08 upon the completion of the Rights Issue.
- Mr. Ng Kai Man (“Mr. Ng”), being the chairman and an executive Director of the Company, bought 30,000,000 Pre-Adjusted Shares, representing 2.02% of the issued share capital of the Company, on 14, 16, 17 and 20 June 2011. In accordance with Rule 7.19(b) of the Listing Rules, Mr. Ng and his associates had abstained from voting in favour of the Rights Issue at the SGM. Mr. Ng will not make application for excess Rights Shares.

LETTER FROM THE BOARD

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Date of announcement	Capital raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
22 September 2010	Rights issue of 1,126,955,740 rights shares on the basis of ten rights share for every share held on the record date	HK\$208.6 million	(i) approximately HK\$180.0 million for payment of the consideration for the Acquisition (as defined in the announcement of the Company dated 22 September 2010); and (ii) the remaining balance of approximately HK\$28.6 million for the settlement amount of the Repurchase Offer.	approximately HK\$170.0 million has been used for payment of consideration for the Acquisition upon its completion on 18 January 2011 and approximately HK\$10.0 million has been set aside for final payment of consideration of Acquisition after adjustments relating to the completion account in respect of the Acquisition; and (ii) the balance of approximately HK\$28.6 million has been used for the settlement of the Repurchase Offer on 21 January 2011 <i>(Note 1)</i>
19 January 2011	Placing of up to 370,000,000 new shares of the Company under specific mandate	HK\$54.15 million	(i) approximately HK\$35.00 million for its investment in a PRC entity which will be engaged in provision of community payment services and property agency services in the PRC pursuant to a non-legally binding memorandum of understanding dated 19 January 2011 entered into between the Company and certain independent third parties in the PRC if such investment proceed; and (ii) the balance of approximately HK\$19.15 million for the general working capital of the Group and/or for its future expansion and development.	The placing was terminated on 10 February 2011 as disclosed in the announcement of the Company dated 10 February 2011
25 March 2011	Placing of 247,900,000 new shares of the Company	HK\$26.72 million	To be used for general working capital requirements (including its financial obligations)	HK\$25 million has been used as payment into an interest bearing account of the Court as a condition for stay of execution of the Judgment pending appeal, approximately HK\$0.60 million has been used for general working capital and approximately HK\$1.12 million remains unused, placed in bank accounts and intended to use for general working capital

Note:

- The total repurchase consideration of HK\$67.9 million under the Repurchase Offer has been settled in full on 21 January 2011.

LETTER FROM THE BOARD

Save as disclosed above, the Company had not carried out any equity fund raising exercise in the 12-month period immediately preceding the date of this announcement.

For illustration purpose only, the disclosure on the cumulative dilution effect to the Shareholders as a result of the series of placings and rights issue conducted in the past twelve months immediately preceding the Latest Practicable Date (assuming the Shareholdings did not participate in the rights issues over the last twelve months, including the Rights Issue) for Shareholders information. The public Shareholders were interested in 2,253,911,490 Shares as at 6 May 2010 (the “2010 Public Shareholders”), representing the then entire issued share capital of the Company (the “2010 Public Shareholdings”). The Company announced a rights issue on 22 September 2010 (the “2010 Rights Issue”). Assuming none of the rights shares of the 2010 Rights Issue is subscribed by the 2010 Public Shareholders, the 2010 Public Shareholdings was diluted from 100% to approximately 9.09% upon completion of the capital reorganisation of consolidation of every 20 shares into 1 share and the 2010 Rights Issue. On 25 March 2011, the Company announced a placing of 247,900,000 new Shares (the “2011 Placing”). Upon completion of the 2011 Placing, the 2010 Public Shareholdings was diluted from approximately 9.09% to approximately 7.58%. If the 2010 Public Shareholders do not subscribe for the Rights Shares, the 2010 Public Shareholdings will be further be diluted from approximately 9.09% to approximately 0.84% upon completion of the Capital Reorganisation and the Rights Issue.

Since the cumulative dilution effect described above is only based on the assumption all Qualifying Shareholders did not take up any of their assured entitlements in both rights issue, the above information is only for illustration purpose. Taking into account (i) that all Qualifying Shareholders are offered an equal opportunity to participate in the Rights Issue; (ii) that the Rights Issue is considered more preferable than other financing alternatives as explained before; (iii) the application of part of the proceeds from the Rights Issue for the Group’s urgent funding needs of the aforesaid litigation, the Directors are of the view that the potential dilution effect of the Rights Issue is acceptable.

TAXATION

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of the subscription for, holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms, and as regards the Excluded Overseas Shareholders, their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, holders of the Rights Shares resulting from the subscription for, holding or disposal of, or dealing in the Rights Shares or the exercise of any rights attaching thereto or otherwise in both their nil-paid and fully-paid forms.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Appendices I to III to this prospectus.

Yours faithfully,
On behalf of the Board
21 Holdings Limited
Ng Kai Man
Chairman

A. THREE-YEAR FINANCIAL INFORMATION

Financial information with respect to the profits and losses, financial record and position, set out as a comparative table and the latest published audited balance sheets together with the notes on the annual accounts of the Group for each of the three years ended 31 December 2008, 2009 and 2010 are disclosed in pages 30 to 119 of annual report 2008, pages 29 to 113 of annual report 2009 and pages 31 to 111 of annual report 2010 of the Company respectively, which are published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.irasia.com/listco/hk/21holdings).

B. INDEBTEDNESS

At the close of business on 31 May 2011, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this prospectus, the Group had aggregate outstanding unsecured borrowings of HK\$21,880,000 comprising the following payables and finance lease obligations:

	<i>HK\$'000</i>	<i>Notes</i>
Consideration payable	10,000	1
Amount due to a non-controlling shareholder	11,474	2
Obligations under a finance lease	406	

Notes:

1. Consideration payable represents the final payment of consideration payable to the vendor for acquisition of the entire equity interest of Vigour Well Limited as set out in the Company's circular dated 12 November 2010.
2. Amount due to a non-controlling shareholder is unsecured, interest free and repayable on demand.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have outstanding at the close of business on 31 May 2011, any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

C. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the present available resources, cash flows to be generated from the operating activities and the estimated net proceeds from the Rights Issue, in the absence of unforeseen circumstances the Group will have sufficient working capital for at least the next twelve months from the date of publication of this prospectus.

D. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2010, being the date to which the latest published audited consolidated financial statements of the Company were made up.

E. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**Trading prospect**

In January 2011, the Company has completed the acquisition of the subsidiaries engaged in provision of primary real estate agency and related consultancy services in the PRC (the “PRC Subsidiaries”). It is expected that such acquisition would bring new sources of revenue to the Group and reduce risk of over-reliance on property agency market in Hong Kong. The commission income of the PRC Subsidiaries relies on the real estate sales amount in various first-hand real estate development projects under which they acts as consultant and/or sales agent. Up to Latest Practicable Date, property agency commission and service income have been derived from the PRC subsidiaries with commencement of real estate sales in two projects. However, the schedule for completion for the development projects and the timing of obtaining the real estate pre-sales permit are subject to various factors. In addition, the business is dependent and sensitive on the political, economic, regulatory and social conditions in the PRC and is subject to various governmental regulations, policies and controls.

The Company shall continue to ride on the “Century 21” name to attract high caliber talents, expand the franchising network, adding branches in prime location and promote the customers loyalty. Despite of the foresight of increase of interest rate, the management of the Company predict the Hong Kong property agency market will maintain stable growth. The management is confident that the Hong Kong property agency segment of the Company will have stable development and continue to provide stable source of income to the Group this year. The management of the Company foresees the business environment of consumer industry remains challenging this year. The management intends to implements more efficient cost control policy for the toy trading segment of the Company to improve the performance of this segment in this year.

Liquidity and Financial Resources

The Group maintained sufficient working capital as at 31 December 2010 with bank balances and cash of HK\$43.0 million.

As at 31 December 2010, the Group has obligations under a finance lease of HK\$0.5 million (31 December 2009: Nil). In addition, convertible note with principal amount of HK\$70.0 million (the “Convertible Note”) remained outstanding as at 31 December 2010. The Convertible Note bears interest of 2% per annum, matures on 23 July 2011 and carries rights to convert the outstanding principal amount into shares of the Company. The Convertible Note has been early redeemed in January 2011.

Gearing ratio, express as the percentage of total borrowings over total capital, of the Group as at 31 December 2010 was 57.9% (31 December 2009: 33.7%). Total capital is calculated as total equity plus total borrowings. The upsurge in gearing ratio is caused by the substantial loss incurred by the Company which resulted in reduction in equity.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The unaudited pro forma statement of adjusted consolidated net tangible assets (the “Unaudited Pro Forma Financial Information”) of the Group attributable to owners of the Company has been prepared by the directors of the Company in accordance with Paragraph 4.29 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited to illustrate the effect of the Rights Issue of 1,190,041,048 Rights Shares of HK\$0.10 each (the “Rights Shares”) payable in full upon acceptance on the basis of eight Rights Shares for every one Share held, on the consolidated net tangible assets of the Group as if the Rights Issue had been taken place on 31 December 2010.

The Unaudited Pro Forma Financial Information is prepared for illustrative purpose only and, because of its nature, it may not give a true picture of the financial position of the Group as at the date to which it is made up or at any future date.

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated statement of financial position of the Group as at 31 December 2010, extracted from the annual report of the Group for the year ended 31 December 2010 which can be accessed on the website of the Stock Exchange, with adjustments described below:

Audited consolidated net assets of the Group attributable to owners of the Company as at 31 December 2010 <i>HK\$'000</i> <i>(Note 1)</i>	Adjustment for goodwill of the Group as at 31 December 2010 <i>HK\$'000</i> <i>(Note 2)</i>	Consolidated net tangible liabilities of the Group attributable to owners of the Company as at 31 December 2010 <i>HK\$'000</i>	Estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group after the completion of the Rights Issue attributable to owners of the Company <i>HK\$'000</i>
50,111	(92,000)	(41,889)	115,100	73,211

Unaudited pro forma adjusted consolidated net tangible liabilities per share attributable to the owners of the Company as at 31 December 2010 after adjusting for completion of the Capital Reorganisation but not for completion of the Rights Issue *(Note 4)*

HK\$(3.717)

Unaudited pro forma adjusted consolidated net tangible assets per share attributable to the owners of the Company as at 31 December 2010 after adjusting for completion of the Rights Issue *(Note 5)*

HK\$0.061

Notes:

1. The consolidated net assets of the Group attributable to the owners of the Company as at 31 December 2010 is extracted from the published audited financial statements of the Group for the year ended 31 December 2010 which can be accessed on the website of the Stock Exchange.
2. Adjustment for goodwill represents the Group's goodwill of HK\$92,000,000 as at 31 December 2010 extracted from the published audited financial statements of the Group for the year ended 31 December 2010.

3. The estimated net proceeds from the Rights Issue of HK\$115,100,000 are based on 1,190,041,048 Rights Shares to be issued at the subscription price of HK\$0.10 per Rights Shares and after deduction of estimated related expenses include among others, underwriting commission, financial advisory fee and other professional fees, which are directly attributable to the Rights Issue of approximately HK\$3,900,000. The 1,190,041,048 Rights Shares is calculated on the following basis:

	Number of Shares
Shares assumed to be in issue at 31 December 2010 (<i>Note</i>)	11,269,557
Shares issued pursuant to the rights issue at a subscription price of HK\$0.19 per share completed previously on 13 January 2011 (“January 2011 Rights Issue”) (<i>Note</i>)	112,695,574
Shares issued upon completion of the Placing on 4 April 2011 (“Placing”) (<i>Note</i>)	<u>24,790,000</u>
	<u>148,755,131</u>
Rights Issue on the basis of 8 Rights Shares for every 1 Share held	<u>1,190,041,048</u>

Note: The number of Shares has been taken into account the Capital Reorganisation to consolidate 10 Pre-Adjusted Shares into 1 Shares.

- The conversion of outstanding convertible notes with principal amount of HK\$70,000,000 has not been taken into account in calculating the number of Rights Shares because the outstanding convertible notes were redeemed on 21 January 2011.

4. Pursuant to the announcement of the Company dated 6 May 2011, a Capital Reorganisation was proposed whereby every 10 Pre-Adjusted Shares of HK\$0.01 each in the Company were consolidated into one consolidated share of HK\$0.10 and the paid-up capital of the consolidated shares was reduced from HK\$0.1 each to HK\$0.01 each by cancelling HK\$0.09 thereof so as to form the Shares of HK\$0.01 each. The number of shares in issue of the Company as at 31 December 2010 of 112,695,574 Pre-Adjusted Shares has been adjusted for the effects of this Capital Reorganisation to 11,269,557 Shares. The proposed share capital reduction does not affect the unaudited pro forma adjusted consolidated net tangible assets of the Group.

Therefore, the number of shares used for the calculation of unaudited pro forma adjusted consolidated net tangible liabilities per share attributable to the owners of the Company as at 31 December 2010 and prior to completion of the Rights Issue is based on 11,269,557 Shares deemed to be in issue as at 31 December 2010 after adjusting for the effect of the proposed Capital Reorganisation as described above.

5. The number of shares used for the calculation of unaudited pro forma adjusted consolidated net tangible assets per share attributable to the owners of the Company after adjusting for completion of the Rights Issue is calculated based on 1,201,310,605 Shares, which represents 11,269,557 Shares deemed to be in issue as at 31 December 2010 after adjusting for the effect of 1,190,041,048 Rights Shares to be issued (as described in note 3 above) but has not taken into account the effects of Shares which were issued upon completion of January 2011 Rights Issue and completion of the Placing.
6. No adjustment has been made to reflect any trading result or other transaction of the Group entered into subsequent to 31 December 2010.

B. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION TO THE DIRECTORS OF 21 HOLDINGS LIMITED

We report on the unaudited pro forma financial information of 21 Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out in Section A of Appendix II to the prospectus of the Company dated 30 June 2011 (the "Prospectus") issued by the Company in connection with rights issue of 1,190,041,048 rights shares of HK\$0.10 each at the subscription price of HK\$0.10 per rights share on the basis of eight rights shares for every one share held on the record date, which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the Rights Issue might have affected the financial information presented, for inclusion in Appendix II of the Prospectus. The basis of preparation of the Unaudited Pro Forma Financial Information is included in Section A of Appendix II to the Prospectus.

Respective responsibilities of directors of the Company and reporting accountants

It is the responsibility solely of the directors of the Company to prepare the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The unaudited pro forma financial information is for illustrative purpose only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in future and may not be indicative of the financial position of the Group as at 31 December 2010 or any future date.

OPINION

In our opinion:

- a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- b) such basis is consistent with the accounting policies of the Group; and
- c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

30 June 2011

1. RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and upon completion of the Rights Issue were as follows:

<i>Authorised:</i>		<i>HK\$</i>
<u>50,000,000,000</u>	Shares of HK\$0.01 each	<u>500,000,000.00</u>
 <i>Issued and to be issued:</i>		
148,755,131	Shares in issue as at the Latest Practicable Date	1,487,551.31
1,190,041,048	Rights Shares to be allotted and issued under the Rights Issue	11,900,410.48
<u>1,338,796,179</u>	Shares in issue upon completion of the Rights Issue	<u>13,387,961.79</u>

All the Rights Shares to be issued will, when issued and fully paid, rank pari passu with the Shares in issue as at the date of allotment and issue of the Rights Shares in all respects. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the fully-paid Rights Shares. The Rights Shares to be issued will be listed on the Stock Exchange.

No part of the share capital or any other securities of the Group is listed or dealt on/in any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares, the Rights Shares or any other securities of the Company to be listed or dealt on/in any other stock exchange.

As at the Latest Practicable Date, the Group had no outstanding convertible securities, options or warrants in issue or other similar rights which confer any right to convert or exchange into or subscribe for the Shares.

Dealings in the Shares may be settled through CCASS and you should consult your stockbroker or other registered dealer of securities, bank manager, solicitors, professional accountant or other professional adviser for details of these settlement arrangements and how such arrangements may affect your rights and interest.

There is no arrangement under which future dividends are/will be waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) to be entered in the register pursuant to Section 352 of the SFO; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long position in the Shares of the Company

Name of director	Capacity/ Nature of interests	Number of issued ordinary share(s) held	Approximate percentage holding
Mr. Ng Kai Man	Beneficial owner	3,000,000	2.02%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

4. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

(i) Long position in the Shares:

Name	Capacity	Number of Shares	Approximate percentage of shareholding
Get Nice Holdings Limited	Interest of controlled corporations	400,000,000 (Note 1)	29.88% (Note 4)
Get Nice Incorporated	Interest of controlled corporations	400,000,000 (Note 1)	29.88% (Note 4)
Get Nice	Beneficial owner	400,000,000 (Note 1)	29.88% (Note 4)
Dr. Yeung Sau Shing, Albert	Founder of a trust	838,041,048 (Note 2)	62.60% (Note 4)
STC International Limited	Trustee	838,041,048 (Note 2)	62.60% (Note 4)
Million Way Holdings Limited	Interest of controlled corporations	838,041,048 (Note 2)	62.60% (Note 4)
Win Move Group Limited	Interest of controlled corporations	838,041,048 (Note 2)	62.60% (Note 4)
Emperor Capital Group Limited	Interest of controlled corporations	838,041,048 (Note 2)	62.60% (Note 4)
Emperor	Beneficial owner	838,041,048 (Note 2)	62.60% (Note 4)
Ms. Luk Siu Man, Semon	Interest of spouse	838,041,048 (Note 2)	62.60% (Note 4)
Shikumen Special Situations Fund	Investment manager	135,036,782 (Note 3)	10.09% (Note 4)

Notes:

- These are the Rights Shares which Get Nice has underwritten pursuant the Underwriting Agreement. Get Nice is wholly-owned by Get Nice Incorporated which in turn is wholly-owned by Get Nice Holdings Limited.

2. These are the Rights Shares which Emperor has underwritten pursuant the Underwriting Agreement. Emperor is an indirect wholly-owned subsidiary of Emperor Capital Group Limited, the shares of which are listed on the Stock Exchange. 47.90% of the shares of Emperor Capital Group Limited are held by Win Move Group Limited. The entire issued share capital of Win Move Group Limited is held by Million Way Holdings Limited, which in turn is held by STC International Limited on trust for The Albert Yeung Discretionary Trust (“AY Trust”). Dr. Yeung Sau Shing, Albert, as founder of the AY Trust, and Ms. Luk Siu Man, Semon, as the spouse of Dr. Yeung Sau Shing, Albert, are deemed to be interested in the 838,041,048 Rights Shares by virtue of the underwriting commitment of Emperor.

The 838,041,048 Shares are the maximum Rights Shares underwritten by Emperor pursuant to the Underwriting Agreement.

3. These shares include 1,236,782 Shares and 133,800,000 Rights Shares sub-written. Shikumen Special Situations Fund has confirmed to the Underwriter that it will not subscribe for the Rights Shares to the extent that it will become a substantial shareholder of the Company under the Listing Rules as a result of such subscription.
4. The percentage of shareholding in the Company is calculated with reference to the number of Shares to be in issue immediately after completion of the Rights Issue assuming no issue of new Shares on or before the Record Date (i.e. 1,338,796,179 Shares).

(ii) *Interest in other members of the Group*

Name of non-wholly owned subsidiary of the Company	Name of registered substantial shareholders (other than members of the Group)	Number of shares held	Approximate percentage of shareholding
Yanyan Force Limited	Ng Kai Lok, Paul	40 ordinary shares of HK\$1 each	40%

Save as disclosed above, as at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, no person had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital.

5. DIRECTORS’ INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

- (i) As at the Latest Practicable Date, none of the Directors had, or had had any direct or indirect interest in any assets which have been acquired, disposed of or leased to or which are proposed to be acquired, disposed of or leased to any member of the Group since 31 December 2010, the date to which the latest published audited financial statements of the Group were made up.
- (ii) There is no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Group as a whole.

6. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, interests of the Directors in competing businesses to the Group required to be disclosed pursuant to Rule 8.10 of the Listing Rules were set out as below:—

Name of Director	Name of entity	Nature of competing business	Nature of interest
Ng Kai Man	Century 21 Best Mortgage Limited	provision of agency services for mortgage financing	director and shareholder
	Century 21 Singapore Holdings Pte Limited	provision of franchise and property agency services in Singapore	director and shareholder
	Century 21 Real Estate of Taiwan Ltd.	provision of franchise and property agency services in Taiwan	director and shareholder

Save as disclosed above, none of the Directors or their respective associates were interested in any business apart from the Group's businesses, which competes or was likely to compete, whether directly or indirectly, with the businesses of the Group as at the Latest Practicable Date.

7. EXPERT

The following is the qualifications of the expert who has given opinions or advice, which are contained in this prospectus:

Name	Qualification
Deloitte Touche Tohmatsu	Certified Public Accountants

As at the Latest Practicable Date, the above expert did not have direct or indirect shareholdings in any member of the Group, or any right to subscribe for or to nominate persons to subscribe for securities in any member of the Group, or any interests, directly or indirectly, in any assets which have been acquired, disposed of or leased to or which are proposed to be acquired, disposed of or leased to any member of the Group, respectively, since 31 December 2010, the date to which the latest published audited financial statements of the Group were made up.

The above expert has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion therein of its reports or opinions and references to its name in the form and context in which they appear.

8. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any existing or proposed service contracts with the Company or any other member of the Group (excluding contracts expiring or which may be terminated by the Company within one year without payment of any compensation (other than statutory compensation)).

9. LITIGATION

A writ of summons dated 8 October 2004 was filed by Mr. Kwok Chin Wing (“Plaintiff”), a former director of the Company, against the Company in respect of the loans due from two former subsidiaries of the Company namely, Rockapetta Industrial Company Limited and Grand Extend Investment Limited, for a sum of approximately HK\$44.5 million (“Principal Sum”) together with accrued interests thereof (the “Action”).

As at 31 December 2009, the Action was pending trial at the High Court of Hong Kong Special Administrative Region with the trial date of the Action fixed in January 2011. With the benefit of the advice of the solicitors and counsel acting for the Company, the Directors formed the opinion that the Plaintiff did not have a valid claim against the Company and therefore it was unlikely to have any material adverse financial impact on the Group. Therefore, no provision for any liabilities was made as at 31 December 2009.

On 2 March 2011, judgment was handed down by the Court of First Instance of the High Court and was awarded in favour of the Plaintiff (“Judgment”). It was adjudged that the Company shall pay the Plaintiff the sum of HK\$44.5 million together with interest thereon and that there will be an order nisi for costs against the Company on a party and party basis.

On 10 March 2011, the Company has received a statutory demand for payment of Principal Sum to the Plaintiff within 21 days. It is stated in the statutory demand that if it is not complied, the Company will be deemed to be unable to pay its debts and the Plaintiff will take actions against the Company to recover the Principal Sum, the interest thereon and costs, including proceedings under the provisions of Hong Kong Companies Ordinance for the winding up of the Company. After seeking advice from its solicitors and counsel, the Directors considered that the Company has good grounds for appeal, and has instructed its solicitors to launch an appeal against the Judgment. On 28 March 2011, a Notice of Appeal against the Judgment (“Appeal”) was filed with the Court of Appeal and served on the parties concerned. The Appeal has now been set down for hearing before the Court of Appeal on 8 and 9 December 2011. Pending the appeal, the Company has also instructed its solicitors to take appropriate actions in response to the Judgment and the statutory demand, including an application for a stay of execution of the Judgment pending appeal. On 18 April 2011 the parties came to an agreement on the issue of stay of execution of the Judgment pending appeal and the Honourable Mr. Justice To made an Order for conditional stay of execution of the Judgment pending appeal by consent on 19 April 2011. Pursuant to the said Order of the Honourable Mr. Justice To, the Company had on 21 April 2011 paid into Court a sum of HK\$25 million as security and the Company shall pay another sum of HK\$25 million or provide the Plaintiff with a bank guarantee for the same amount as further security before 17 July 2011 (as extended to 19 August 2011 by a consent order dated 15 June 2011).

Regarding the matter of costs and interest, the Company issued summons returnable before the trial judge on 11 April 2011 seeking variation of the costs order nisi and at the same time the Plaintiff also issued summons returnable before the trial judge on the same day to deal with the matter of costs and interest. Both Summonses were heard by the Honourable Mr. Justice Saunders on 11 April 2011. On 20 May 2011, the judge handed down his decision on the issues of interest and costs and denied the Plaintiff's claims for enhanced interest and adverse costs order. It is ordered by the judge that the Company should only be liable for the Plaintiff under the Judgment for : (i) the Principal Sum of HK\$44.5 million; (ii) interest in the sum of HK\$6,498,000 for the period from 1 April 1999 to 31 December 2000; (iii) interest on the Principal Sum at the prime lending rate from 1 January 2001 to 2 March 2011 amounting to HK\$26,691,953.42; (iv) interest on the Principal Sum at the judgment rate (currently 8% per annum) as from 3 March 2011 until payment; and (v) costs on party and party basis to be taxed.

Regarding the Appeal, the solicitors and counsel acting for the Company hold good of the likelihood of success of such appeal. Should the Appeal succeed, the Company is not liable to pay the Principal Sum together with interest thereon to the Plaintiff and the Company is entitled to recover the costs from the Plaintiff.

10. MATERIAL CONTRACTS

The following contracts have been entered into by the Group (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the Latest Practicable Date and are or may be material:

1. the conditional investment collaboration agreement dated 24 July 2009 entered into between Century Profit Investments Limited ("Century Profit"), a wholly-owned subsidiary of the Company, and Champion Wind Energy Investment and Management Limited ("Champion") in relation to the establishment of a joint venture company for running renewable energy business in the PRC (the "Investment Collaboration Agreement");
2. the termination agreement dated 8 September 2009 entered into between Century Profit and Champion to terminate the Investment Collaboration Agreement;
3. the conditional share placing agreement dated 21 September 2009 entered into between the Company and Emperor as the placing agent in respect of the placing of up to 43,500,000 shares at a price of HK\$0.42 per share of the Company;
4. the underwriting agreement dated 9 October 2009 entered into between the Company, Get Nice and Emperor as the Underwriters in respect of proposed rights issue of 1,445,529,192 shares of the Company at HK\$0.10 each;
5. the provisional sale and purchase agreement dated 15 December 2009 entered into between Kennex Investments Limited, a wholly owned subsidiary of the Company, as the vendor and China All Access Group Limited as the purchaser and a property agency in respect of the disposal of a property in Hong Kong at a consideration of HK\$18,200,000;

6. the conditional share placing agreement dated 4 January 2010 entered into between the Company and Emperor as the placing agent in respect of the placing of up to 72,000,000 shares at a price of HK\$0.15 per share of the Company;
7. the conditional share placing agreement dated 26 April 2010 entered into between the Company and Emperor as the placing agent in respect of the placing of up to 375,000,000 shares at a price of HK\$0.133 per share of the Company;
8. the repurchase offer dated 29 June 2010 to independent third parties in respect of the repurchase of part of the outstanding convertible notes issued by the Company on 23 July 2008 in the principal amount of HK\$60 million at a discount of 5%;
9. the underwriting agreement dated 14 September 2010 entered into between the Company, Get Nice and Emperor as the Underwriters in respect of proposed rights issue of 1,126,955,740 shares of the Company at HK\$0.19 each;
10. the sale and purchase agreement dated 14 September 2010 entered between Asset Expert Limited, a wholly owned subsidiary of the Company, as the purchaser and Prolific Wise Limited as the vendor in respect of the acquisition of 100% equity interest in Vigour Well Limited at a consideration of HK\$180 million;
11. the repurchase agreement dated 14 September 2010 entered into between the Company and Mr. Ng Kai Man in respect of the repurchase of the outstanding convertible notes issued by the Company on 23 July 2008 in the principal amount of HK\$70 million at a discount of 3%;
12. the conditional share placing agreement dated 19 January 2011 entered into between the Company and Get Nice as the placing agent in respect of the placing of up to 370,000,000 shares at a price of HK\$0.15 per share of the Company (the “Placing Agreement”);
13. the termination agreement dated 10 February 2011 entered into between the Company and Get Nice to terminate the Placing Agreement;
14. the conditional share placing agreement dated 25 March 2011 entered into between the Company and Hani Securities (H.K.) Limited as the placing agent in respect of the placing of up to 247,900,000 shares at a price of HK\$0.11 per share of the Company; and
15. the Underwriting Agreement.

11. CORPORATION INFORMATION

Registered office	Canon's Court 22 Victoria Street Hamilton HM 12 Bermuda
Head office and principal place of business in Hong Kong	Unit 1303, 13th Floor Tower 2, Lippo Centre 89 Queensway Admiralty, Hong Kong
Principal Share Registrar	Butterfield Fulcrum Group (Bermuda) Limited Rosebank Centre 11 Bermudiana Road Pembroke, Bermuda
Hong Kong Branch Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong
Authorised representatives	Mr. Ng Kai Man and Ms. Chiu Lo Unit 1303, 13th Floor Tower 2, Lippo Centre 89 Queensway Admiralty, Hong Kong
Company secretary	Ms. Chiu Lo Unit 1303, 13th Floor Tower 2, Lippo Centre 89 Queensway Admiralty, Hong Kong
Legal advisers to the Company	<i>As to Hong Kong law</i> Vincent T.K. Cheung, Yap & Co. Solicitors & Notaries 11th Floor, Central Building 1-3 Pedder Street Central Hong Kong <i>As to Bermuda law</i> Appleby 2206-19 Jardine House 1 Connaught Place Central Hong Kong

Auditor	Deloitte Touche Tohmatsu <i>Certified Public Accountants</i> 35th Floor, One Pacific Place 88 Queensway Admiralty, Hong Kong
Principal banker	The Hong Kong and Shanghai Banking Corporation Limited 1 Queen's Road Central Central Hong Kong
Financial adviser to the Company	Emperor Capital Limited 28th Floor, Emperor Group Centre 288 Hennessy Road, Wanchai Hong Kong
Underwriters	Get Nice Securities Limited 10th Floor, Cosco Tower Grand Millennium Plaza 183 Queen's Road Central Hong Kong
	Emperor Securities Limited 23rd-24th Floor, Emperor Group Centre 288 Hennessy Road, Wanchai Hong Kong

DIRECTORS**Particulars of Directors****Name****Address****Executive Directors**

Mr. Ng Kai Man	Unit 1303, 13th Floor Tower 2, Lippo Centre 89 Queensway Admiralty, Hong Kong
Mr. Cheng Yuk Wo	Unit 1303, 13th Floor Tower 2, Lippo Centre 89 Queensway Admiralty, Hong Kong
Mr. Ha Kee Choy, Eugene	Unit 1303, 13th Floor Tower 2, Lippo Centre 89 Queensway Admiralty, Hong Kong

Independent non-executive Directors

Mr. Chui Chi Yun, Robert	Unit 1303, 13th Floor Tower 2, Lippo Centre 89 Queensway Admiralty, Hong Kong
Mr. Lam Kwok Cheong	Unit 1303, 13th Floor Tower 2, Lippo Centre 89 Queensway Admiralty, Hong Kong
Mr. Lui Siu Tsuen, Richard	Unit 1303, 13th Floor Tower 2, Lippo Centre 89 Queensway Admiralty, Hong Kong

Executive Directors:

Mr. Ng Kai Man, aged 56, joined the Company as an executive Director in July 2008 and has been designated as the Chairman of the Company with effect from 1 July 2009. He is also appointed as the director of certain subsidiaries of the Company. Mr. Ng holds a master degree from the London School of Economics & Political Sciences, University of London in the United Kingdom. Mr. Ng had held senior positions in Mandarin Property Consultants Limited, The Chase Manhattan Bank, N.A., World Trade Group and The Bank of Canton. He possesses extensive experience in real estate industry and is the founder of Century 21 Hong Kong Limited.

Mr. Ng does not hold any directorship in other public listed companies in the past three years. Mr. Ng has entered into a service agreement with the Company for a term of three years commenced from 1 July 2009, subject to termination by the Company or Mr. Ng by giving not less than three months' notice in writing. He is also subject to retirement by rotation and eligible for re-election at annual general meeting of the Company in accordance with the Bye-laws.

Mr. Cheng Yuk Wo, aged 50, joined the Company as an independent non-executive Director in October 2007 and has been re-designated as an executive Director with effect from 1 May 2010. He is also appointed as the director of certain subsidiaries of the Company. He is a fellow of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants of Ontario, Canada. He is the managing director of a certified public accounting practice limited and the proprietor of a certified public accountant practice in Hong Kong. Mr. Cheng holds a Master of Science (Economics) degree in Accounting and Finance and a Bachelor of Arts (Honours) degree in Accounting.

Currently, Mr. Cheng is an independent non-executive director of C.P. Lotus Corporation, Chong Hing Bank Limited, CPMC Holdings Limited, CSI Properties Limited, Goldbond Group Holdings Limited, HKC (Holdings) Limited, Imagi International Holdings Limited, South China Land Limited and Top Spring International Holdings Limited, all being public companies listed in Hong Kong. He was also a non-executive director of Henry Group Holdings Limited, a company listed on the Stock Exchange. Save as disclosed above, Mr. Cheng has not held any directorships in other public listed companies in the past three years.

Mr. Ha Kee Choy, Eugene, aged 54, joined the Company as an executive Director in July 2004 and is also appointed as the director of certain subsidiaries of the Company. Mr. Ha is a director of a certified public accounting practice limited and a director of an advisory services limited in Hong Kong. Mr. Ha holds a Master's degree in business administration and is a fellow member of the Association of Chartered Certified Accountants. Mr. Ha possesses over 20 years of experience in the finance and banking industry and acts as director of a number of private and listed companies in Hong Kong.

Mr. Ha is currently an independent non-executive director of Heritage International Holdings Limited, the shares of which are listed on the Stock Exchange. Save as disclosed above, Mr. Ha has not held any directorships in other public listed companies in the past three years.

Independent non-executive Directors:

Mr. Chui Chi Yun, Robert, aged 54, joined the Company as an independent non-executive Director in July 2004. Mr. Chui holds a Bachelor's degree in Commerce (major in Accounting) and is a practicing Certified Public Accountant in Hong Kong. Mr. Chui is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in the United Kingdom.

Mr. Chui is currently an independent non-executive director of National Arts Holdings Limited and Tse Sui Luen Jewellery (International) Limited, both companies being listed on the Stock Exchange. Save as disclosed above, Mr. Chui has not held any directorships in other public listed companies in the past three years.

Mr. Lam Kwok Cheong, aged 57, joined the Company as an independent non-executive Director in September 2010. Mr. Lam holds Bachelor of Laws degree from the University of Hong Kong and has been a practicing solicitor in Hong Kong for over 30 years' experience. Mr. Lam is a Justice of the Peace with Bronze Bauhinia Star (BBS) and a solicitor of the High Court of the Hong Kong Special Administrative Region. He is currently a fellow of the Hong Kong Institute of Directors, Ex-Officio Member of Heung Yee Kuk New Territories, member of Buildings Ordinance Appeal Tribunal Panel, a member of Panel of Adjudicators, Obscene Articles Tribunal and a Civil Celebrant of Marriages.

Mr. Lam is an independent non-executive director of Same Time Holdings Limited, Sparkle Roll Group Limited and Wing Lee Holdings Limited, all being public companies listed on the Main Board of the Stock Exchange. Save as disclosed above, Mr. Lam has not held any directorships in other public listed companies in the past three years.

Mr. Lui Siu Tsuen, Richard, aged 55, joined the Company as an independent non-executive Director in June 2009. He is a fellow member of each of the Hong Kong Institute of Certified Public Accountants and The Chartered Institute of Management Accountants in the United Kingdom, and an associate of The Institute of Chartered Accountants in England and Wales. He holds a Master of Business Administration degree from The University of Adelaide in Australia. He has over 25 years of experience in property investment, corporate finance and media and entertainment business.

Mr. Lui is currently an executive director of eSun Holdings Limited, Lai Fung Holdings Limited, Lai Sun Development Company Limited, Lai Sun Garment (International) Limited, Rojam Entertainment Holdings Limited and an independent non-executive director of Prosperity Investment Holdings Limited. He was an executive director of Hanny Holdings Limited and Rosedale Hotel Holdings Limited. All the aforementioned companies are listed on the Main Board of the Stock Exchange. Mr. Lui was also an executive director of PSC Corporation Ltd., a company listed on the Singapore Exchange Securities Trading Limited, and a director of MRI Holdings Limited, a company previously listed on the Australian Securities Exchange.

12. MISCELLANEOUS

- (a) The company secretary of the Company is Ms. Chiu Lo, who is currently a member of the Hong Kong Institute of Certified Public Accountants.
- (b) The English texts of the Prospectus Documents shall prevail over their respective Chinese text in case of inconsistencies.

13. EXPENSES

The expenses in connection with the Rights Issue, including the underwriting commission, financial advisory fees, printing, registration, translation, legal and accounting fees, are estimated to be approximately HK\$3.9 million on the basis of 1,190,041,048 Rights Shares to be issued and will be payable by the Company.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at Unit 1303, 13th Floor, Tower 2, Lippo Centre, 89 Queensway, Admiralty, Hong Kong for a period of 14 days from the date of this prospectus:

- (a) the memorandum of association of the Company and the Bye-laws;
- (b) the annual reports of the Company for the three financial years ended 31 December 2008, 31 December 2009 and 31 December 2010;
- (c) the letter on the unaudited pro forma financial information on the Group issued by Deloitte Touche Tohmatsu as set out in Appendix II to this prospectus;
- (d) the material contracts disclosed in the paragraph headed “Material Contracts” in this Appendix;
- (e) the written consent as referred to in the paragraph headed “Expert” in this Appendix;
- (f) the Circular; and
- (g) this prospectus.

15. LEGAL EFFECT

This prospectus shall have the effect, if application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions, other than the penal provisions, of sections 44A and 44B of the Companies Ordinance, so far as applicable.

16. DOCUMENTS DELIVERED TO THE REGISTRARS OF COMPANIES

A copy of each of the Prospectus Documents, having attached thereto the written consent referred to under the paragraph headed “Expert” in this appendix, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies Ordinance. A copy of this prospectus has been or will as soon as reasonably practicable be filed with the Registrar of Companies in Bermuda pursuant to the Companies Act 1981 of Bermuda (as amended).