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21 Holdings Limited

(incorporated in Bermuda with limited liability)

(stock code: 1003)

COMPLETION OF THE 1ST TRANCHE OF PLACING AND ADJUSTMENT TO THE CONVERSION PRICE OF THE EXISTING CONVERTIBLE NOTE

Placing Agent



Hani Securities (H.K.) Limited

Financial Advisor to the Company

Hercules

Hercules Capital Limited

The Board is pleased to announce that all conditions of the Share Placing have been fulfilled and the 1st Tranche of Placing, in which 130,000,000 Placing Shares were placed to not less than six places at HK\$0.15 per Placing Share, was completed on 31 March 2009 in accordance with the terms of the Share Placing Agreement.

The conversion price of the Existing Convertible Note has been adjusted to HK\$1.366 per New Share as a result of the 1st Tranche of Placing pursuant to the terms and conditions of the Existing Convertible Note.

Reference is made to the circular of the Company dated 12 January 2009 (the “Circular”) in relation to, among other things, the Share Placing and the announcement of the Company dated 12 February 2009 in relation to the adjustment to the conversion price of the Existing Convertible Note as a result of the Capital Reorganization. Unless otherwise stated, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

COMPLETION OF THE 1ST TRANCHE OF PLACING

The Board is pleased to announce that all conditions of the Share Placing have been fulfilled and the first tranche of Share Placing (the “1st Tranche of Placing”), in which 130,000,000 Placing Shares were placed to not less than six places at HK\$0.15 per Placing Share, was completed on 31 March 2009 in accordance with the terms of the Share Placing Agreement. The 130,000,000 Placing Shares represent approximately 207.7% of the Company’s total issued share capital immediately before the issue of such Placing Shares and approximately 67.5% of the Company’s total issued share capital as enlarged by the issue of such Placing Shares.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the placees and their respective ultimate beneficial owners is a third party independent of and not connected with or acting in concert with the Company or its connected persons and each of them is independent of each other. None of the placees and their respective concert parties has become a substantial Shareholder upon completion of the 1st Tranche of Placing.

The respective shareholding structure of the Company immediately before and after completion of the 1st Tranche of Placing is set out below:

Name of Shareholders	Shareholding structure immediately before completion of the 1st Tranche of Placing		Shareholding structure immediately after completion of the 1st Tranche of Placing	
	No. of New Shares	%	No. of New Shares	%
Holders of the Placing Shares	—	0.00	130,000,000	67.50
Other public Shareholders	62,582,304	100.00	62,582,304	32.50
Total	<u>62,582,304</u>	<u>100.00</u>	<u>192,582,304</u>	<u>100.00</u>

ADJUSTMENT TO THE CONVERSION PRICE OF THE EXISTING CONVERTIBLE NOTE

The conversion price of the Existing Convertible Note has been adjusted from HK\$2.750 per New Share to HK\$1.366 per New Share as a result of the 1st Tranche of Placing with effect from 31 March 2009, being the date of the issue of the Placing Shares. Save for the above adjustment, all other terms and conditions of the Existing Convertible Note remain unchanged. The above adjustment was computed in accordance with the terms and conditions of the Existing Convertible Note and has been confirmed by Hercules Capital Limited, which was appointed by the Company for the purpose of providing opinion on the adjustment to the Existing Convertible Note.

By Order of the Board
21 Holdings Limited
Ng Kai Man
Executive Director

Hong Kong, 31 March 2009

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Ha Kee Choy, Eugene, Ms. Ma Wai Man, Catherine and Mr. Ng Kai Man; and three independent non-executive Directors, namely Mr. Cheng Yuk Wo, Mr. Chui Chi Yun, Robert and Ms. Leung Sau Fan, Sylvia.