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21 Holdings Limited

21 控股有限公司*

(incorporated in Bermuda with limited liability)

(stock code: 1003)

**COMPLETION OF THE 2ND TRANCHE OF PLACING
AND
ADJUSTMENT TO THE CONVERSION PRICE OF
THE EXISTING CONVERTIBLE NOTE**

Placing Agents



Hani Securities (H.K.) Limited



**結好證券有限公司
GET NICE SECURITIES LIMITED**

Financial Advisor to the Company

Hercules

Hercules Capital Limited

The Board is pleased to announce that an additional 25,300,000 Placing Shares were placed to not less than six placees at HK\$0.15 per Placing Share in accordance with the terms of the Share Placing Agreement and such Placing Shares were issued and allotted to the placees on 14 May 2009. In addition, the Company also completed the placing of Convertible Notes in aggregate principal amount of HK\$18,000,000 to not less than six placees in accordance with the terms of the CN Placing Agreement on 15 May 2009. The Share Placing Agreement and the CN Placing Agreement have lapsed and been terminated after completion of the 2nd Tranche of Placing.

The conversion price of the Existing Convertible Note has been adjusted to HK\$1.006 per New Share as a result of the Share Placing and the CN 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 CN Placing and the announcement of the Company dated 31 March 2009 in relation to the completion of the 1st Tranche of Placing and the adjustments to the conversion price of the Existing Convertible Note as a result of the completion of the 1st Tranche of Placing (the “Announcement”). Unless otherwise stated, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular and the Announcement.

** for identification purpose only*

COMPLETION OF THE 2ND TRANCHE OF PLACING

The Board is pleased to announce that an additional 25,300,000 Placing Shares were placed to not less than six places at HK\$0.15 per Placing Share in accordance with the terms of the Share Placing Agreement and such Placing Shares were issued and allotted to the places on 14 May 2009. In addition, the Company also completed the placing of Convertible Notes in aggregate principal amount of HK\$18,000,000 to not less than six places in accordance with the terms of the CN Placing Agreement on 15 May 2009. The Share Placing Agreement and the CN Placing Agreement have lapsed and been terminated after completion of the placing of the 25,300,000 Placing Shares and the Convertible Notes in aggregate principal amount of HK\$18,000,000 (the “2nd Tranche of Placing”).

The 25,300,000 Placing Shares represent approximately 13.14% of the Company’s total issued share capital immediately before the issue of such Placing Shares and approximately 11.61% of the Company’s total issued share capital as at the date of this announcement. Upon full conversion of the Convertible Notes at the initial conversion price of HK\$0.18 per Conversion Share, 100,000,000 Conversion Shares, representing approximately 45.90% of the Company’s total issued share capital as at the date of this announcement and approximately 31.46% of the Company’s total issued share capital as enlarged by the issue of 100,000,000 Conversion Shares upon conversion of the Convertible Notes, will be issued.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the places 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 places and their respective concert parties has become a substantial Shareholder upon completion of the 2nd Tranche of Placing.

The respective shareholding structure of the Company immediately before and after completion of the 2nd Tranche of Placing and the conversion of the Convertible Notes is set out as follows:

Name of Shareholders	Shareholding structure immediately before the issue of Placing Shares under the 2nd Tranche of Placing		Shareholding structure as at the date of this announcement		Shareholding structure immediately after the issue of the Conversion Shares upon conversion of the Convertible Notes	
	<i>No. of New Shares</i>	%	<i>No. of New Shares</i>	%	<i>No. of New Shares</i>	%
Holders of the Placing Shares under the 2nd Tranche of Placing	—	—	25,300,000	11.61	25,300,000	7.96
Holders of the Convertible Notes	—	—	—	—	100,000,000	31.46
Other public Shareholders	192,582,304	100.00	192,582,304	88.39	192,582,304	60.58
Total	192,582,304	100.00	217,882,304	100.00	317,882,304	100.00

ADJUSTMENT TO THE CONVERSION PRICE OF THE EXISTING CONVERTIBLE NOTE

The conversion price of the Existing Convertible Note has been adjusted to HK\$1.006 per New Share as a result of the Share Placing and the CN Placing with effect from 14 May 2009. 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, 15 May 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.