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21 Holdings Limited

21 控股有限公司*

(incorporated in Bermuda with limited liability)

(stock code: 1003)

- (1) PROPOSED CAPITAL REORGANISATION INVOLVING SHARE CONSOLIDATION;
CAPITAL REDUCTION AND SHARE PREMIUM CANCELLATION;
(2) PROPOSED CHANGE OF BOARD LOT SIZE;
(3) PROPOSED RIGHTS ISSUE
ON THE BASIS OF TEN RIGHTS SHARES
FOR EVERY ONE ADJUSTED SHARE HELD
ON THE RECORD DATE;
(4) VERY SUBSTANTIAL ACQUISITION —
ACQUISITION OF 100% OF VIGOUR WELL LIMITED;
(5) CONNECTED TRANSACTION — REPURCHASE AGREEMENT RELATING TO
CONVERTIBLE NOTE DUE 23 JULY 2011 AND
(6) RESUMPTION OF TRADING**

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

PROPOSED CAPITAL REORGANISATION

The Board proposes to put forward to the Shareholders the Capital Reorganisation proposal which will comprise:

- (i) the consolidation of every 20 issued Existing Shares of par value HK\$0.01 each into 1 issued Consolidated Share of par value HK\$0.20 each;

** for identification purpose only*

- (ii) the reduction of issued share capital whereby the par value of each issued Consolidated Share will be reduced from HK\$0.20 to HK\$0.01 by canceling HK\$0.19 of the paid-up capital on each issued Consolidated Share;
- (iii) the cancellation of the entire amount standing to the credit of the share premium account of the Company;
- (iv) the transfer of the credits arising from the Capital Reduction and the Share Premium Cancellation to the contributed surplus account of the Company; and
- (v) the application of the contributed surplus account of the Company to set off the accumulated loss of the Company as permitted by the laws of Bermuda and the Bye-Laws.

It is expected that the Capital Reorganisation will become effective on Tuesday, 23 November 2010.

CHANGE IN BOARD LOT SIZE

The Board also proposes to change the board lot size for trading in the shares of the Company from 20,000 Existing Shares to 4,000 Adjusted Shares upon the Capital Reorganisation becoming effective.

PROPOSED RIGHTS ISSUE

Conditional upon the Capital Reorganisation becoming effective, the Company proposes to raise approximately HK\$214.12 million before expenses by way of the Rights Issue of issuing 1,126,955,740 Rights Shares at the Subscription Price of HK\$0.19 per Rights Share on the basis of ten Rights Shares for every one Adjusted Share held on the Record Date and payable in full on acceptance. The Subscription Price is agreed after arm's length negotiation between the Company and the Underwriters.

The estimated net proceeds of the Rights Issue will be approximately HK\$208.6 million. The Company intends to utilize the entire net proceeds as to (i) approximately HK\$180.0 million for payment of the consideration for the Acquisition; and (ii) as to balance of approximately HK\$28.6 million for the settlement amount of the Repurchase Offer. In the event that the Acquisition and/or the Repurchase Offer do not proceed after completion of the Rights Issue, the relevant proceeds will be used as general working capital and further business development.

The Rights Issue is fully underwritten by the Underwriters and is subject to the fulfillment of the conditions set out below under the paragraph headed "Conditions of the Rights Issue". In particular, the Rights Issue is subject to the Capital Reorganisation becoming effective and the Underwriters not terminating the Underwriting Agreement in accordance with the terms set out therein. Accordingly, the Rights Issue may or may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares or Adjusted Shares (as the case may be) and/or Rights Shares in their nil-paid form up to the date when the conditions of the Rights Issue are fulfilled and/or the Latest Time for Termination will bear the risk that the Rights Issue does not become unconditional and may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If in any doubt, investors should consider obtaining professional advice on this.

ACQUISITION OF 100% OF VIGOUR WELL LIMITED

The Board announces that on 14 September 2010 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) entered into the SPA with the Vendor, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to acquire the entire issued share capital of and shareholder's loan due by the Target Company at the consideration of HK\$180 million.

REPURCHASE AGREEMENT RELATING TO CONVERTIBLE NOTE DUE 23 JULY 2011

On 14 September 2010 (after trading hours), the Company and Mr. Ng entered into the Repurchase Agreement pursuant to which the Company agreed, subject to the Rights Issue having been completed and the Repurchase Offer having been approved by the Independent Shareholders at the SGM, to repurchase the Convertible Note (due 23 July 2011) at a price of HK\$67.9 million payable in cash, which equals to 97% of the outstanding principal amount of the Convertible Note. The purchase price is to be satisfied as to HK\$28.6 million from the net proceeds of the Rights Issue and as to the balance from the internal resources of the Group.

GENERAL

The Capital Reorganisation is subject to the approval by the Shareholders on a vote taken by way of poll at the SGM.

The Rights Issue is conditional upon, among other things, approval from Shareholders on a vote taken by way of poll at the SGM and the Capital Reorganisation becoming effective. In accordance with Rule 7.19(6) of the Listing Rules, any controlling Shareholders and their associates or, where there are no controlling shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution relating to the Rights Issue. As at the date of this announcement, the Company has no controlling Shareholder and none of the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates hold any Share. Accordingly, no Shareholder is required to abstain from voting in favour of the Rights Issue at the SGM.

The Acquisition constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and is subject to, among other things, the Shareholders' approval at the SGM, the Capital Reorganisation becoming effective and the completion of the Rights Issue. As no Shareholder has any material interest in the Acquisition, no Shareholder is required to abstain from voting at the SGM in respect of the resolution(s) to approve the SPA and the transaction(s) contemplated thereunder.

The Repurchase Offer is conditional upon, among other things, approval from the Independent Shareholders and the completion of the Rights Issue. The Repurchase Offer constitutes an exempt share repurchase under the Repurchase Code. However, as Mr. Ng, being an executive Director, is the holder of the Convertible Note, the purchase of the Convertible Note by the Company from Mr. Ng under the Repurchase Agreement will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. The Repurchase Offer is therefore subject to the approval of the Independent Shareholders on a vote taken by way of poll at the SGM. Mr. Ng and his associates shall abstain from voting at the SGM in relation to the Repurchase Offer.

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

A circular containing, among other things, (i) details about the Capital Reorganisation, the Change in Board Lot Size, the Rights Issue, the Acquisition and the Repurchase Offer; (ii) a letter of recommendation from the independent board committee of the Company to the Independent Shareholders in respect of the Repurchase Offer; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders on the Repurchase Offer; and (iv) the notice convening the SGM, will be despatched to the Shareholders on or before 29 October 2010, which exceeds the prescribed time limit for despatch of a circular under the Listing Rules as more time may be required to compile the necessary information (including, inter alia, the accountants' report of the Target Group and the unaudited pro forma financial information of the enlarged Group after the Acquisition) for the circular.

Upon passing of the necessary resolutions by the Shareholders approving the Capital Reorganisation and the Rights Issue at the SGM and after the Capital Reorganisation becoming effective, the Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable whereas the Prospectus will be despatched to the Excluded Overseas Shareholders for information only.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 15 September 2010 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on 24 September 2010.

(1) PROPOSED CAPITAL REORGANISATION INVOLVING SHARE CONSOLIDATION, CAPITAL REDUCTION AND SHARE PREMIUM CANCELLATION

The Board proposes to put forward to the Shareholders the Capital Reorganisation proposal which will comprise:

- (i) the consolidation of every 20 issued Existing Shares of par value HK\$0.01 each into 1 issued Consolidated Share of par value HK\$0.20 each;
- (ii) the reduction of issued share capital whereby the par value of each issued Consolidated Share will be reduced from HK\$0.20 to HK\$0.01 by canceling HK\$0.19 of the paid-up capital on each issued Consolidated Share;
- (iii) the cancellation of the entire amount standing to the credit of the share premium account of the Company;
- (iv) the transfer of the credits arising from the Capital Reduction and the Share Premium Cancellation to the contributed surplus account of the Company; and
- (v) the application of the contributed surplus account of the Company to set off the accumulated loss of the Company as permitted by the laws of Bermuda and the Bye-Laws.

Effects of the Capital Reorganisation

As at the date of this announcement, the authorised share capital of the Company is HK\$500,000,000 divided into 50,000,000,000 Existing Shares, of which 2,253,911,490 Existing Shares are issued and credited as fully paid. Upon the proposed Share Consolidation becoming effective, the issued share capital of the Company will be 112,695,574 Consolidated Shares of par value of HK\$0.20 each.

Upon the Capital Reduction becoming effective, the par value of all the Consolidated Shares shall be reduced from HK\$0.20 each to HK\$0.01 each and the issued share capital of the Company shall accordingly be reduced to the extent of HK\$0.19 per Consolidated Share in issue. Any fractional Consolidated Shares in the issued share capital of the Company arising from the Share Consolidation shall be aggregated and sold for the benefit of the Company.

The resulting Adjusted Shares of par value of HK\$0.01 each will rank pari passu in all respects with each other in accordance with Bye-Laws. The authorised share capital of the Company will remain unchanged upon the Capital Reduction becoming effective, but the issued share capital will be reduced to approximately HK\$1,126,955.74 divided into 112,695,574 Consolidated Shares of par value of HK\$0.01 each.

The credit of approximately HK\$21,412,000 arising from the Capital Reduction and the credit arising from the Share Premium Cancellation will be transferred to the contributed surplus account of the Company and applied to set off against the accumulated loss of the Company as permitted by the laws of Bermuda and the Bye-Laws and the balance after such set off will remain at the contributed surplus account of the Company.

Other than the relevant expenses incurred, the implementation of the Capital Reorganisation will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the interests of the Company and the Shareholders as a whole.

The Capital Reorganisation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any unpaid capital of the Company nor will it result in any change in the relative rights of the Shareholders.

Reasons for the Capital Reorganisation

The Board considers that (i) the Capital Reorganisation will give greater flexibility to the Company to raise funds through the issue of new Adjusted Shares in the future since the Company is not permitted to issue new Shares below their nominal value under the laws of Bermuda and its Bye-Laws; (ii) the Share Consolidation will reduce the transaction costs for dealing in the Shares, including those fees which are charged with reference to the number of board lots; and (iii) the elimination of the Company's accumulated loss will allow greater flexibility for the Company to pay dividends in the future.

As such, the Board is of the view that the Capital Reorganisation is in the interests of the Company and the Shareholders as a whole.

Conditions of the Capital Reorganisation

The Capital Reorganisation (which will be effected in accordance with the Bye-Laws and the Companies Act) is conditional upon:

- (a) the passing of the necessary resolution(s) on a vote taken by way of poll at the SGM to approve the Capital Reorganisation by the Shareholders;
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares; and

- (c) the compliance with the relevant procedures and requirements under the Listing Rules and the requirements of section 46(2) of the Companies Act to effect the Capital Reorganisation, including (i) publication of a notice in relation to the Capital Reorganisation in an appointed newspaper in Bermuda on a date not more than thirty days and not less than fifteen days before the date on which the Capital Reorganisation is to take effect; and (ii) that on the date of the Capital Reorganisation is to be effected, there are no reasonable grounds for believing that the Company is, or after the Capital Reorganisation, would be unable to pay its liabilities as they become due.

Subject to the fulfillment of the conditions of the Capital Reorganisation, the effective date of the Capital Reorganisation is expected to be on Tuesday, 23 November 2010.

Listing and dealings

Application will be made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Adjusted Shares.

The Adjusted Shares will be identical in all respects and rank *pari passu* in all respects with each other. Subject to the granting of the listing of, and permission to deal in, the Adjusted Shares on the Stock Exchange, the Adjusted Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Adjusted Shares 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.

Fractional shares and odd lot trading arrangements

Fractional Adjusted Shares will not be issued by the Company to the Shareholders. Any fractional entitlements of the Adjusted Shares will be aggregated and sold for the benefit of the Company.

In order to facilitate the trading of odd lots (if any) of the Adjusted Shares arising from the Capital Reorganisation, a designated broker will be appointed to match the purchase and sale of odd lots of the Adjusted Shares at the relevant market price per Adjusted Share for the period from Tuesday, 7 December 2010 to Tuesday, 28 December 2010 (both dates inclusive). Holders of odd lots of the Adjusted Shares should note that successful matching of the sale and purchase of odd lots of the Adjusted Shares is not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers. Details of the matching service will be provided in the circular to be despatched to the Shareholders in relation to, *inter alia*, the Capital Reorganisation, the Change in Board Lot Size, the Rights Issue, the Acquisition and the Repurchase Offer.

Trading arrangement for the Adjusted Shares in new board lots

Subject to the Capital Reorganisation becoming effective, the arrangements proposed for dealings in the Adjusted Shares are expected to be as follows:

- (i) from Tuesday, 23 November 2010, the original counter for trading in the Existing Shares in board lots of 20,000 Existing Shares will be temporarily closed and a temporary counter for trading in the Adjusted Shares in board lots of 1,000 Adjusted Shares will be set up and opened;
- (ii) with effect from Tuesday, 7 December 2010, the original counter for trading in the Adjusted Shares will be re-opened for trading Adjusted Shares in board lots of 4,000 Adjusted Shares;

- (iii) during the period from Tuesday, 7 December 2010 to Tuesday, 28 December 2010 (both dates inclusive), there will be parallel trading at the above two counters; and
- (iv) the temporary counter for trading in the Adjusted Shares in board lots of 1,000 Adjusted Shares will be removed after the close of trading at 4:00 p.m. on Tuesday, 28 December 2010. Thereafter, trading will only be in board lots of 4,000 Adjusted Shares with new share certificates and the existing share certificates for the Existing Shares will cease to be marketable and will not be acceptable for dealing and settlement purposes. However, such certificates will remain effective as documents of title on the basis of 20 Existing Shares for 1 Adjusted Share.

Free exchange of Share certificates

Subject to the Capital Reorganisation becoming effective, Shareholders may submit existing certificates for the Existing Shares in board lot of 20,000 Existing Shares, to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for exchange from Tuesday, 23 November 2010 to Thursday, 30 December 2010 (both dates inclusive), at the expense of the Company for certificates in 4,000 Adjusted Shares. Thereafter, certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) for each share certificate of the Existing Shares cancelled or each new share certificate issued for the Adjusted Shares, whichever number of certificates cancelled/issued is higher. The existing certificates will be valid for trading and settlement up to 4:00 p.m. on Tuesday, 28 December 2010, being the latest time for trading in board lot of 1,000 Adjusted Shares in the form of existing certificates (or such other date which may be announced by the Company) and will continue to be good evidence of legal title after the Capital Reorganisation has become effective and may be exchanged for certificates of the Adjusted Shares at any time in accordance with the foregoing.

The new share certificates for the Adjusted Shares will be issued in orange colour in order to distinguish them from the existing green colour.

(2) CHANGE IN BOARD LOT SIZE

At present, Existing Shares are traded in board lots of 20,000. The Board proposes to change the board lot size for trading of the Adjusted Shares to 4,000 upon the Capital Reorganisation becoming effective.

Based on the closing price of the Existing Shares of HK\$0.077 as at the Last Trading Day and the existing board lot size of 20,000 Existing Shares, the prevailing board lot value is HK\$1,540 (equivalent to HK\$30,800 upon the Capital Reorganisation becoming effective). On the basis of the aforesaid closing price and the new board lot size of 4,000 Adjusted Shares, the new board lot value would be HK\$6,160. The change in board lot size will result in Adjusted Shares being traded in a more reasonable board lot size and value.

(3) PROPOSED RIGHTS ISSUE

The Rights Issue is proposed to take place after the Capital Reorganisation becoming effective.

Issue statistics

Basis of the Rights Issue	:	ten Right Shares for every one Adjusted Share held on the Record Date
Subscription Price	:	HK\$0.19 per Rights Share
Number of Shares in issue as at the date of this announcement	:	2,253,911,490 Existing Shares
Number of Shares in issue upon the Capital Reorganisation becoming effective	:	112,695,574 Adjusted Shares (assuming that no further Adjusted Shares are issued or repurchased between the date of this announcement and the Record Date)
Number of Right Shares	:	1,126,955,740 Right Shares (with an aggregate nominal value of HK\$11,269,557.4) (<i>Note</i>)

Note:

As at the date of this announcement, Mr. Ng is holding the Convertible Note with the outstanding principal amount of HK\$70,000,000 convertible into 167,464,114 Existing Shares at the conversion price of HK\$0.418 per Existing Share (subject to adjustments). Mr. Ng has given an Irrevocable Undertaking, inter alia, not to transfer or deal with the Convertible Note and not to exercise the conversion rights attaching to the Convertible Note until the close of business on the Record Date pursuant to and subject to the terms of the Irrevocable Undertaking.

Save for the above outstanding Convertible Note, the Company has no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement. Further announcement will be made by the Company for the adjustment in the conversion price of the Convertible Note if for any reason the Repurchase Offer does not proceed.

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.

In order to be registered as members of the Company on the Record Date and to qualify for the Rights Issue, Shareholders must lodge any transfer of the Shares (together with the relevant share certificates) with the Company's branch share registrar in Hong Kong by 4:30 p.m. on Thursday, 25 November 2010.

The address of the branch share registrar of the Company in Hong Kong is:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17/F., Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong

Closure of register of members

The register of members of the Company will be closed from Friday, 26 November 2010 to Friday, 3 December 2010 (both dates inclusive). No transfers of Shares will be registered during this period.

Subscription Price

The Subscription Price is HK\$0.19 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 renouncee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 87.66% to the adjusted closing price of HK\$1.54 per Adjusted Share based on the closing price of HK\$0.077 per Existing 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 87.20% to the adjusted average closing price of approximately HK\$1.484 per Adjusted 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 39.30% to the theoretical ex-rights price of HK\$0.313 per Adjusted 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; and
- (iv) a discount of approximately 91.07% to the audited consolidated net asset value per Adjusted Share (based on 2,253,911,490 issued Shares as at the date of this announcement) of approximately HK\$239,649,000 as at 31 December 2009.

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. The Directors (including the independent non-executive 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\$208.6 million, the net price per Rights Share would be approximately HK\$0.185.

Basis of provisional allotments

Ten (10) Rights Shares (in nil-paid form) for every one (1) Adjusted Share held by Qualifying Shareholders as at the close of business on the Record Date.

Status of the Rights Shares

The Rights Shares will rank pari passu in all respects with the Adjusted 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.

The Company will comply with Rule 13.36(2)(a) of the Listing Rules and make enquiries regarding the feasibility of extending the offer of the Rights Shares to Overseas Shareholders. If, based on legal opinions provided by the legal advisors to the Company, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the place of his registered address or the requirements of the relevant regulatory body or stock exchange in that place, the Directors will exercise their discretion given to them under the Bye-Laws to exclude such Overseas Shareholders from the Rights Issue. Summary on the legal opinion regarding the rights of the Overseas Shareholders will be disclosed in the Prospectus.

The Company will send the Prospectus to the Excluded Overseas Shareholders for their information only. The Company will not send the application forms for acceptance of Rights Shares and for excess Rights Shares to the Excluded Overseas Shareholders. The Excluded Overseas Shareholders will be entitled to attend and vote at the SGM.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Overseas Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the Rights Shares in their nil-paid form commence and before dealings in the Rights Shares in their nil-paid form end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expense, will be paid to the Excluded Overseas Shareholders pro-rata to their shareholdings held at the Record Date and Time. In light of the administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlement of Excluded Overseas Shareholders to the Rights Shares, together with any unsold Rights Shares created by adding together fractions of the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares, will be made available for excess applications by the Qualifying Shareholders.

Fractions of the Rights Shares

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

Application for excess Rights Shares

Qualifying Shareholders may apply by using forms of application for excess Rights Shares for any entitlement of the Excluded Overseas Shareholders and any Rights Shares not taken up by the Qualifying Shareholders.

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 higher number of Rights Shares).

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. Investors whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company, must lodge all necessary documents with the registrar of the Company for completion of the relevant registration by 4:30 p.m. on Thursday, 25 November 2010.

Shareholders or potential investors should note that the number of excess Rights Shares which may be allocated to them may be different where they make applications for excess Rights Shares by different means, such as making applications in their own names as against through nominees who also hold Shares for other Shareholders/investors. Shareholders and investors should consult their professional advisors if they are in any doubt as to whether they should register their shareholding in their own names and apply for the excess Rights Shares themselves.

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 Wednesday, 29 December 2010 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 Wednesday, 29 December 2010 by ordinary post to the applicants at their own risk.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both 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.

Undertaking by Mr. Ng

As at the date of this announcement, Mr. Ng is holding the Convertible Note with the outstanding principal amount of HK\$70,000,000 convertible into 167,464,114 Existing Shares at the conversion price of HK\$0.418 per Existing Share (subject to adjustments).

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

UNDERWRITING AGREEMENT

Date : 14 September 2010

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 Existing 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 1,126,955,740 Rights Shares, pursuant to the Underwriting Agreement as follows:

(i) Get Nice shall underwrite up to 600,000,000 Rights Shares and (ii) Emperor shall underwrite the remaining number of the Rights Shares

Commission : (i) for Get Nice, 2.25% 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 executive Directors are 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.

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 Shares or Adjusted 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
- (c) the circular of the Company or the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which in the absolute opinion of the Underwriters is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it.

If, at or prior to 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 Adjusted Shares;
- (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;
- (g) compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement;
- (h) the filing and registration of all relevant documents with the Registrar of Companies in Hong Kong; and
- (i) there being no breach of the letter of irrevocable undertakings by Mr. Ng.

Neither the Underwriters nor the Company may waive any of the conditions (a) to (f) (both inclusive), (h) and (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 the date falling on the expiry of 6 months from the date of Underwriting Agreement (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.

The Rights Issue is fully underwritten by the Underwriters and is subject to the fulfillment of the conditions set out herein. In particular, the Rights Issue is subject to the Capital Reorganisation becoming effective and the Underwriters not terminating the Underwriting Agreement in accordance with the terms set out therein. Accordingly, the Rights Issue may or may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares or Adjusted Shares (as the case may be) and/or Rights Shares in their nil-paid form up to the date when the conditions of the Rights Issue are fulfilled and/or the Latest Time for Termination will bear the risk that the Rights Issue does not become unconditional and may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If in any doubt, investors should consider obtaining professional advice on this.

EXPECTED TIMETABLE

Expected date of despatch of the circular in relation to, inter alia, the Capital Reorganisation, the Change in Board Lot Size, the Rights Issue, the Acquisition and the Repurchase Offer to the Shareholders	Friday, 29 October 2010
Latest time for lodging proxy forms for the SGM	10:00 a.m. on Saturday, 20 November 2010
Expected date of the SGM	10:00 a.m. on Monday, 22 November 2010
Announcement of the results of the SGM	Monday, 22 November 2010
Effective date of the Capital Reorganisation	Tuesday, 23 November 2010
Commencement of dealings in the Adjusted Shares	9:30 a.m. on Tuesday, 23 November 2010
Original counter for trading in the Existing Shares in existing share certificates in board lots of 20,000 Existing Shares temporarily closes	9:30 a.m. on Tuesday, 23 November 2010
Temporary counter for trading in board lots of 1,000 Adjusted Shares (in the form of existing share certificates) opens	9:30 a.m. on Tuesday, 23 November 2010
First day of free exchange of certificates for the Existing Shares into new certificates for the Adjusted Shares	Tuesday, 23 November 2010
Last day of dealings in the Adjusted Shares on a cum-right basis	Tuesday, 23 November 2010
Commencement of dealings in the Adjusted Shares on an ex-right basis	9:30 a.m. on Wednesday, 24 November 2010

Latest time for lodging transfer of the Adjusted Shares in order to be qualified for the Rights Issue	4:30 p.m. on Thursday, 25 November 2010
Closure of register of members to determine the eligibility of the Rights Issue (both dates inclusive)	Friday, 26 November 2010 to Friday, 3 December 2010
Record Date for the Rights Issue	Friday, 3 December 2010
Despatch of the Prospectus Documents	Monday, 6 December 2010
Register of members re-opens	Monday, 6 December 2010
Original counter for trading in the Adjusted Shares in board lots of 4,000 Adjusted Shares (only new certificates for the Adjusted Shares can be traded at this counter) re-opens	9:30 a.m. on Tuesday, 7 December 2010
Parallel trading in the Adjusted Shares (in the form of new and existing certificates) commences	9:30 a.m. on Tuesday, 7 December 2010
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the Adjusted Shares	Tuesday, 7 December 2010
Effective date of the change of board lot size	Tuesday, 7 December 2010
First day of dealings in nil-paid Rights Shares	Wednesday, 8 December 2010
Latest time for splitting in nil-paid Rights Shares	4:30 p.m. on Friday, 10 December 2010
Last day of dealing in nil-paid Rights Shares	Wednesday, 15 December 2010
Latest time for acceptance of, and payment for, the Rights Shares and application for excess Rights Shares	4:00 p.m. on Monday, 20 December 2010
Latest time for termination of the Underwriting Agreement	4:00 p.m. on Thursday, 23 December 2010
Announcement of results of the Rights Issue	Tuesday, 28 December 2010

Temporary counter for trading in board lots of
1,000 Adjusted Shares (in the form of
existing share certificates) closes 4:00 p.m. on Tuesday, 28 December 2010

Parallel trading in the Adjusted Shares
(in the form of new and existing certificates)
ends 4:00 p.m. on Tuesday, 28 December 2010

Designated broker ceases to stand in the market to
provide matching services for the sale
and purchase of odd lots of the Adjusted Shares Tuesday, 28 December 2010

Refund cheques for wholly and partially
unsuccessful applications for excess Rights Shares
expected to be posted on or before Wednesday, 29 December 2010

Certificates for the Rights Shares expected
to be despatched on or before Wednesday, 29 December 2010

Last day of free exchange of certificates
for the Existing Shares into new certificates
for the Adjusted Shares Thursday, 30 December 2010

Dealings in fully-paid Rights Shares and commence 9:30 a.m. on Friday, 31 December 2010

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

Dates or deadlines specified in this announcement for events in the timetable for (or otherwise in relation to) the Rights Issue is 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.

Effect of bad weather on the latest time for acceptance of and payment for the Rights Issue 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 Monday, 20 December 2010, the latest time of acceptance of and payment for the Rights Shares will not take place at 4:00 p.m. on Monday, 20 December 2010, 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 Monday, 20 December 2010, the latest time of acceptance of and payment for the Rights Shares will not take place on Monday, 20 December 2010, 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 does not take place on Monday, 20 December 2010, the dates mentioned in the section headed “Expected timetable” in this announcement may be affected. An announcement will be made by the Company in such event.

(4) ACQUISITION OF 100% OF VIGOUR WELL LIMITED

SALE AND PURCHASE AGREEMENT

The following is the brief summary of the principal terms of the SPA:

Date: 14 September 2010 (after trading hours)

Parties:

Vendor: Prolific Wise Limited

Purchaser: Asset Expert Limited

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Vendor and its respective ultimate beneficial owner(s) are Independent Third Parties.

Assets to be acquired

The assets to be acquired comprise of the Sale Shares, representing the entire issued share capital of the Target Company, and the Sale Loan, representing all amounts due to the Vendor by the Target Company on Completion.

Further information on the Target Company and its subsidiaries are set out in the paragraph headed “Information on the Vendor and the Target Group” below.

Consideration

The consideration for the Acquisition is HK\$180 million (with the portion attributable to the consideration for the Sale Loan being the face value thereof and the balance attributable to the consideration for the Sale Shares) which shall be settled by the Purchaser in the following manner:

- (i) HK\$20 million in cash on Completion; and
- (ii) the remaining balance of the Consideration, being approximately HK\$160 million, (in whole or in installments of not less than HK\$5,000,000 or integral multiple thereof at the sole discretion of the Purchaser) shall be paid by the Purchaser in cash to the Vendor within 2 months of the date of Completion subject to the right of the Purchaser to deduct and withhold therefrom the amounts for any breach of warranties by the Vendor.

There will not be any adjustment to the Consideration arising from any change in the amount of the Sale Loan, but the portion of the Consideration attributable to the Sale Shares will be adjusted depending on the final amount of the Sale Loan. As at the date of this announcement, an aggregate sum of approximately HK\$424,000 is due by the Target Company to the Vendor.

The Consideration shall be adjusted downwards on a dollar for dollar basis if the liabilities of Target Group on Completion exceeds HK\$1,000,000 and the Vendor shall repay the amount of the excess to the Purchaser.

Basis of determination of the Consideration

The Consideration was determined between the Company and the Vendor after arm's length negotiations with reference to, among other things, (i) a preliminary valuation conducted by an independent valuer on a market approach basis valuing the 100% equity interest in the Target Group at approximately HK\$180,000,000 as at 31 July 2010; and (ii) the latest market statistics and prospects of the property industry in the PRC.

As the Target Group just started business in 2009 and majority of its Business Agreements were signed in 2010, the Directors are of the view that net book value of Target Group as at 31 December 2009 could not reflect the future business potential of the Target Group. The independent valuer has applied the market approach which was the guideline comparable company method and the "enterprise value to sales" multiple was used in the valuation. The major assumptions made for the valuation include:

- a) Upon completion of the Acquisition, Guangzhou MAG will be converted into a wholly-foreign-owned-enterprise and the New PRC Company will have been duly established as a wholly owned subsidiary of Kingswick Strategy.
- b) The Target Group possesses all the relevant licenses and approvals necessary for carrying on the business operation of the Target Group upon completion of the Acquisition.
- c) The core business operation of the Target Group will not differ materially from those of present.
- d) The Business Agreements and the leasing manager contract entered into by the Target Group will not be terminated.

The full text of the valuation report will be contained in the circular of the Company.

In light of the above, the Directors (including the independent non-executive Directors) consider that the consideration for the Acquisition is fair and reasonable.

Conditions of the Acquisition

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

- (a) the Purchaser being satisfied with the results of due diligence investigations with respect of the Target Group;
- (b) the warranties remaining true and accurate and not misleading in any material respect as if repeated at Completion and at all times between the date of the SPA and date of Completion;
- (c) the conversion of Guangzhou MAG into a wholly-foreign-owned-enterprise, the entire equity interest of which being held by New Leader with revised business licence and certificate of approval reflecting such changes having been duly issued by the relevant PRC authorities;
- (d) the New PRC Company having been duly established with business licence showing business scope containing "real estate project planning, agency and related consultancy services" and all other relevant licences and approvals required for the carrying on of such business having been issued;

- (e) the delivery by the Vendor to the Purchaser of a legal opinion issued by a PRC lawyer acceptable to the Purchaser in approved form in respect of the due establishment of Guangzhou MAG and the New PRC Company and their respective business and assets, the legality, validity and enforceability of the material contracts of Guangzhou MAG and the New PRC Company, including the Business Agreements and any other matters in such form and substance to the satisfaction of the Purchaser;
- (f) the delivery by the Vendor to the Purchaser of a legal opinion issued by a BVI law firm acceptable to the Purchaser confirming the due incorporation and good standing of the Target Company and the Vendor and the legality, validity and enforceability of SPA against the Vendor, such legal opinion to be in form and substance and in all respects satisfactory to the Purchaser;
- (g) approval by the Shareholders at the SGM of the Capital Reorganisation and the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Adjusted Shares;
- (h) approval by the Shareholders at the SGM of the SPA and the transactions contemplated thereunder;
- (i) approval by the Shareholders at the SGM of the Rights Issue;
- (j) the Underwriting Agreement becoming unconditional and not being terminated;
- (k) the compliance of any other requirements under the Listing Rules or otherwise of the Stock Exchange or other regulatory authorities which requires compliance at any time prior to Completion; and
- (l) no event arising which has a material and adverse effect on the financial performance and prospects of the Target Group.

Conditions (g), (i) and (j) of the Acquisition have the effect to constrain the Acquisition to be conditional upon the Capital Reorganisation becoming effective and the completion of the Rights Issue.

In the event that (i) the certificate of approval for the conversion of Guangzhou MAG into a wholly-foreign-owned enterprise with New Leader as holder of its entire equity interest is not obtained and condition (e) (other than the issue of the business licence to Guangzhou MAG required for completing the conversion) is not fulfilled within 45 days of the date of the SPA or if (ii) any of the other conditions are not satisfied or waived on or before the date falling on the expiry of 6 months from the date of SPA (i.e. the long stop day) (or such other date as the parties may agree in writing) and/or conditions (b) and (l) do not remain fulfilled (and are not waived by the Purchaser) on Completion, the rights and obligations of the parties under the SPA shall lapse and be of no further effect except for antecedent breach. The Purchaser may waive all of the conditions above except conditions (g), (h), (i), (j) and (k) above by notice in writing to the Vendor. Neither the Vendor nor the Purchaser may waive any of the conditions (g), (h), (i), (j) and (k) above.

Completion

Completion of the Acquisition shall take place within 7 Business Days after all the above conditions precedent have been fulfilled and/or waived by the Purchaser (or such later date as mutually agreed by the parties in writing). Upon Completion, the Purchaser will own 100% equity interest in the Target Group (including the Target Company, New Leader, Kingswick Strategy, Guangzhou MAG and the New PRC Company), details of which are set out in the section “Information on the Vendor and the Target Group” below.

INFORMATION ON THE VENDOR AND THE TARGET GROUP

As at the date of this announcement, the Vendor is an investment holding company and the beneficial owner of the entire equity interest in the Target Company. The Target Group is principally engaged in provision of services including primary property agency, related consultancy services to real estate developers on their first-hand residential, retail and commercial properties projects and the Target Group has business operations in China. Set out below is information on each member of the Target Group based on information provided by Vendor:—

The Target Company

The Target Company is an investment holding company established in the BVI with limited liability on 15 April 2010 and is wholly-owned by the Vendor. The Target Company has not recorded any turnover and profit since its incorporation.

New Leader

New Leader is an investment holding company incorporated in Hong Kong on 29 October 2004 with limited liability and is wholly-owned by the Target Company. New Leader has not carried out any significant business since the date of its incorporation.

Kingswick Strategy

Kingswick Strategy is a company incorporated in Hong Kong on 2 December 2009 with limited liability and is wholly-owned by New Leader. The principle activity of Kingswick Strategy since its incorporation, among other things, is the entering into of 2 agreements for the provision of real estate project planning and related consultancy services.

Guangzhou MAG

Guangzhou MAG is a company incorporated in the PRC on 19 January 2009 with limited liability by two independent third parties pursuant to an engagement by New Leader. Upon completion of internal reorganization which is one of the conditions precedent to Completion, Guangzhou MAG will be 100% held by New Leader as a wholly-foreign-owned-enterprise. The principle activity of Guangzhou MAG is the provision of real estate agency and related consultancy services.

The New PRC Company

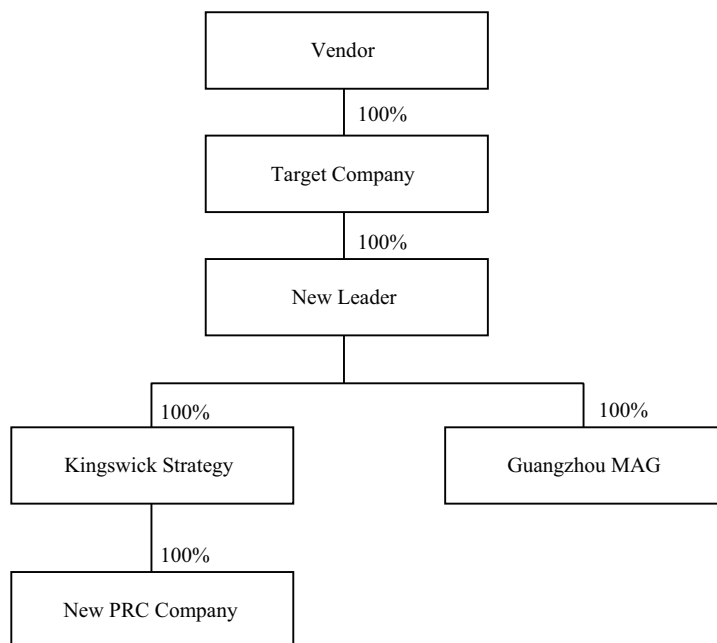
The New PRC Company, is a new PRC company currently in the process of establishment by Kingswick Strategy as its sole equity owner. The New PRC Company will focus on large scale real estate agency projects and also provide real estate related consultancy services. It is another condition precedent to Completion that the New PRC Company obtains all necessary approval and permits for operating the real estate agencies in the PRC.

The Target Group has entered into 11 Business Agreements with different property developers under which members of the Target Group agreed to provide services as consultant and/or sales agent for various first-hand property development projects in China. These projects, principally in Guangdong province, the PRC, comprise residential, retail and commercial properties with total gross floor area of over 2 million sq.m.. The Target Group will be entitled to a commission income calculated by the relevant property sales amount in these projects multiplied by the commission rate (ranging from 0.5% to 3.0% as set out differently in each of the Business Agreements). In addition, the Target Group has signed the leasing manager contract for a shopping complex in Beijing with contract area of 1,480 sq.m. whereby the Target Group was granted exclusive rights to provide leasing and marketing services for leasing of the shopping complex.

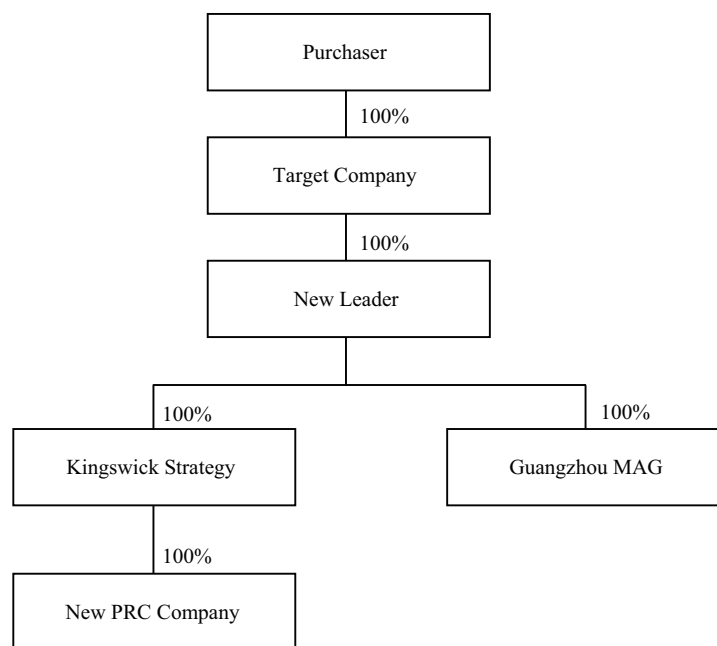
The Company has engaged advisers, including PRC legal advisers, to conduct due diligence review of and investigation on each member of the Target Group including without limitation their requisite licences and permits for their respective business activities. It is one of the conditions precedent to completion of the Acquisition, as described above, that the Purchaser is satisfied with the results of such due diligence review and the New PRC Company having obtained all relevant licences and approvals required for the carrying on of the business of real estate project planning, agency and related consultancy services. Summary of such requisite licences and permits will be included in the circular to be despatched to the Shareholders.

Immediately after Completion, the Company will directly own 100% equity interest in the Target Company which indirectly holds the entire equity interest in New Leader, Kingswick Strategy, Guangzhou MAG and the New PRC Company. Set out below is the shareholding structure of the Target Group immediately before and after Completion:

Immediately before Completion:



Immediately after Completion:



Financial information of the Target Group

The Target Group comprises the Target Company, New Leader, Kingswick Strategy, Guangzhou MAG and New PRC Company. The Target Company was newly incorporated on 15 April 2010 and New Leader was incorporated on 29 October 2004. The financial information of the Target Company and New Leader and its subsidiaries (Kingswick Strategy which was incorporated on 2 December 2009 and Guangzhou MAG which was incorporated on 19 January 2009) are illustrated below separately.

Set out below is a summary of the unaudited financial information on the Target Company from 15 April 2010 (being the date of its incorporation) up to 31 August 2010 prepared in accordance with the Hong Kong Financial Reporting Standards.

	From 15 April 2010 (being the date of its incorporation) up to 31 August 2010 (unaudited) HK\$
Revenue	—
Net loss before taxation	7,250
Net loss after taxation	7,250
	As at 31 August 2010 (unaudited) HK\$
Total assets	10,000
Total liabilities	17,250
Net liabilities	7,250

Set out below is the summary of financial information of New Leader for the year ended 31 December 2008, consolidated financial information of New Leader and its subsidiaries for the year ended 31 December 2009 and the eight months ended 31 August 2010 prepared in accordance with Hong Kong Financial Reporting Standards.

	For the year ended 31 December 2008	For the year ended 31 December 2009	For the eight months ended 31 August 2010
	(audited)	(audited)	(unaudited)
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Revenue	—	2,121,968	905,731
Net loss before taxation	6,689	775	55,396
Net loss after taxation	6,689	775	60,798
	As at 31 December 2008	As at 31 December 2009	As at 31 August 2010
	(audited)	(audited)	(unaudited)
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Total assets	39,902	940,076	752,788
Total liabilities	71,706	962,656	836,166
Net liabilities	31,804	22,580	83,378

The major components of the total assets mainly consist of trade and other receivables, and bank balances and cash, while the major components of the total liabilities mainly consist of other payables and accrued expenses and amounts due to directors.

(5) REPURCHASE AGREEMENT RELATING TO CONVERTIBLE NOTE DUE 23 JULY 2011

As at the date of this announcement, Mr. Ng is the holder of a 2% Convertible Note with outstanding principal amount of HK\$70,000,000 convertible into 167,464,114 Existing Shares at the current conversion price of HK\$0.418 per Existing Share due 23 July 2011.

On 14 September 2010, the Company entered into the Repurchase Agreement with Mr. Ng pursuant to which the Company agreed (subject to the fulfilment of conditions precedent below) to repurchase the Convertible Note at a price of HK\$67,900,000 in cash, which equals to 97% of its outstanding principal amount. Taking into consideration (i) the repurchase in July 2010 (the “Previous Repurchase”) by the Company of HK\$60 million principal amount of a convertible note of the Company at a discount of 5% (details of which are set out in the announcement of the Company dated 5 July 2010) and (ii) the shorter period to maturity date under the Repurchase as compared to that under the Previous Repurchase, the Directors are of the view that a discount of 3% under the Repurchase is fair and reasonable. The purchase price is to be satisfied by the net proceeds of the Rights Issue and as to the balance from internal resources of the Group.

Conditions of the Repurchase Offer

The completion of the Repurchase Agreement will be conditional upon:

- (a) the passing of the necessary resolution(s) on a vote taken by way of poll at the SGM to approve the Repurchase Offer by the Independent Shareholders;
- (b) all other consents and acts required of the Company in connection with the Repurchase Offer under the Listing Rules having been obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules having been obtained from the Stock Exchange; and
- (c) the Rights Issue becoming unconditional and completed.

If the conditions above are not wholly fulfilled on or before the date falling on the expiry of 6 months from the date of the Repurchase Agreement, the Repurchase Agreement will lapse and be of no further effect except for antecedent breach.

Repurchase Code

The Repurchase Offer is made in accordance with the terms and conditions of the instrument constituting the Convertible Note and constitutes an exempt share repurchase by the Company under the Repurchase Code.

REASONS FOR THE ACQUISITION, RIGHTS ISSUE AND THE REPURCHASE OFFER 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 interim report of the Company for the six months ended 30 June 2010, it is the Group's intention to broaden its revenue stream by searching for promising investment opportunities to enhance the performance and value of the Group. The Directors noted the strong economic figures in the Guangdong province including (i) a 32.7% growth in investment in real estate development in the province for the first half of 2010 and (ii) a target 9% provincial GDP growth in 2010 and are optimistic on the prospect of the Target Group's property agency business in Guangdong province. Further, the Target Group has secured 11 Business Agreements and is negotiating for other potential agency services agreements for first-hand property projects in Guangdong province, the Directors expect that the Acquisition is a good opportunity to penetrate its property agency business in the PRC and to enjoy a potential prospective profit.

The Directors also expect that the Acquisition will be able to add synergy to the Group in terms of project portfolio and expertise for its property agency business, and therefore strengthen the overall business of the Group. In light of the above, the entering into of the Acquisition is beneficial to the Company and the Shareholders as a whole.

The Group has, over the years, being real estate agent for various PRC real estate developers in Hong Kong, has established good relationship with PRC property developers and the management team of the Group has acquired extensive experience in real estate business in the PRC. In addition, the senior management of the Target Group has service agreements with Target Group for duration of at least two years from August 2010 to enable the Group, after completion of the Acquisition, to penetrate the property sales market in the PRC.

Although the Board is confident of the business prospects of the Target Group, however, there are the usual start-up risks involved in its operations as the business is still in an early stage of development and there are risks, both from a commercial and regulatory perspective, for businesses operating in the PRC. Detailed discussion of the relevant risk facts including matters such as investments in new business, fluctuations on property sales amount and non-recurrence of business nature will be set out in the circular to be despatched to the Shareholders.

The Board considers that the Rights Issue will provide funding for the Acquisition which will enable the Group to grow its business and to strengthen strategic business portfolio upon Completion. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective prorata shareholding interests in the Company and, hence the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

The Repurchase Offer, if completed, would lower the Group's gearing ratio upon cancellation of the Convertible Note. In addition, in light of (i) the maturity date of the Convertible Note is 23 July 2011 (which will be less than 12 months from the date of this announcement), (ii) the Convertible Note is "out-of-the-money" as at the date of this announcement as its conversion price is HK\$0.418 per Existing Share, and (iii) the Convertible Note is redeemable at its face value at maturity, the Directors are of the view that the settling of the Convertible Note at 97% of the outstanding principal amount thereof under the Repurchase Offer will be beneficial to the Company as compared to the future redemption of the outstanding Convertible Note at its face value when it matures.

Taking into account the above, the Directors (including the independent non-executive Directors) consider that the terms of the Acquisition, the Rights Issue and the Repurchase Offer are fair and reasonable and the Acquisition, the Rights Issue and the Repurchase Offer are in the interests of the Company and the Shareholders as a whole.

The gross proceeds from the Rights Issue will be approximately HK\$214.12 million. The estimated net proceeds from the Rights Issue will be approximately HK\$208.6 million after deducting all necessary expenses for the Rights Issue, which include the commission to the Underwriters, the fees to the Company's professional and legal advisers and printing and translation costs. The net proceeds of the Rights Issue is intended to be applied as to (i) approximately HK\$180.0 million for payment of the consideration for the Acquisition; and (ii) the remaining balance of approximately HK\$28.6 million for the settlement amount of the Repurchase Offer. In the event that the Acquisition and/or the Repurchase Offer do not proceed after completion of the Rights Issue, the relevant proceeds will be used as general working capital and further business development.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement, (ii) after Capital Reorganisation but before the completion of the Rights Issue, (iii) immediately after the completion of the Rights Issue (assuming all Rights Shares are subscribed by the Qualifying Shareholders), and (iv) immediately after the completion of the Rights Issue (assuming none of Rights Shares are subscribed by the Qualifying Shareholders).

	As at the date of this announcement		After Capital Reorganisation but before the completion of the Rights Issue		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)	
	<i>No. of Shares</i>		<i>No. of Adjusted Shares</i>		<i>No. of Adjusted Shares</i>		<i>No. of Adjusted Shares</i>	
		%		%		%		%
Underwriters	—	—	—	—	—	—	—	—
Get Nice	—	—	—	—	—	—	600,000,000	48.40
Emperor	—	—	—	—	—	—	526,955,740	42.51
Public Shareholders	2,253,911,490	100.00	112,695,574	100.00	1,239,651,314	100.00	112,695,574	9.09
Total	<u>2,253,911,490</u>	<u>100.00</u>	<u>112,695,574</u>	<u>100.00</u>	<u>1,239,651,314</u>	<u>100.00</u>	<u>1,239,651,314</u>	<u>100.00</u>

Notes:

1. 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 more than 29.9% or more of the issued share capital of the Company immediately after completion of the Rights Issue and such that the Company can comply with its obligations under the Listing Rules to maintain the public float of the Company. 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.
2. The Underwriters shall and shall cause the sub-underwriters to procure independent investors to take up such number of Rights Shares as necessary to ensure that the public float requirement under Rule 8.08 of the Listing Rules are complied with upon completion of the Rights Issue. Further information will be made in the circular of the Company to update the Shareholders on the progress of the measures to be taken by the Underwriters.
3. The Company has always complied with and will continue to comply with the public float requirement under Rule 8.08 of the Listing Rules upon completion of the Rights Issue.

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
12 October 2009	4-for-1 rights issue at HK\$0.10 per rights share	HK\$140.2 million	To be used for general working capital (including but not limited to repayment of the promissory note and other indebtedness of the Group)	HK\$54.0 million has been used for repayment of the promissory note, HK\$57.0 million has been used for repurchasing of convertible notes and approximately HK\$29.2 million was used as general working capital
4 January 2010	Placing of 72,000,000 new Shares	HK\$10.6 million	To be used for general working capital	HK\$10.6 million was used as general working capital
26 April 2010	Placing of 375,000,000 new Shares	HK\$48.8 million	To be used for general working capital and further business development (including property investment)	Approximately HK\$35.5 million was used as general working capital and the balance of approximately HK\$13.3 million remained unused and placed in bank accounts

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.

GENERAL

The Capital Reorganisation is subject to the approval by the Shareholders on a vote taken by way of poll at the SGM.

The Rights Issue is conditional upon, among other things, approval from the Shareholders on a vote taken by way of poll at the SGM and the Capital Reorganisation becoming effective. In accordance with Rule 7.19(6) of the Listing Rules, any controlling Shareholders and their associates or, where there are no controlling shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution relating to the Rights Issue. As at the date of this announcement, the Company has no controlling Shareholder and none of the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates hold any Share. Accordingly, no Shareholder is required to abstain from voting in favour of the Rights Issue at the SGM.

The Acquisition constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and is subject to, among other things, the Shareholders' approval at the SGM, the Capital Reorganisation becoming effective and the completion of the Rights Issue. As no Shareholder has any material interest in the Acquisition, no Shareholder is required to abstain from voting at the SGM in respect of the resolution(s) to approve the SPA and the transactions contemplated thereunder.

The Repurchase Offer is conditional upon, among other things, approval from the Independent Shareholders and the completion of the Rights Issue. The Repurchase Offer constitutes an exempt share repurchase under the Repurchase Code. However, as Mr. Ng, being an executive Director, is the holder of the Convertible Note, the purchase of the Convertible Note by the Company from Mr. Ng will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. The Repurchase Offer is therefore subject to the approval of the Independent Shareholders on a vote taken by way of poll at the SGM. Mr. Ng and his associates shall abstain from voting at the SGM in relation to the Repurchase Offer.

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

A circular containing, among other things, (i) details about the Capital Reorganisation, the Change in Board Lot Size, the Rights Issue, the Acquisition and the Repurchase Offer; (ii) a letter of recommendation from the independent board committee of the Company to the Independent Shareholders in respects of the Repurchase Offer; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders on the Repurchase Offer; and (iv) the notice convening the SGM, will be despatched to the Shareholders on or before 29 October 2010, which exceeds the prescribed time limit for despatch of a circular under the Listing Rules as more time may be required to compile the necessary information (including, inter alia, the accountants' report of the Target Group and the unaudited pro forma financial information of the enlarged Group after the Acquisition) for the circular.

Upon passing of the necessary resolutions by the Shareholders approving the Capital Reorganisation and the Rights Issue at the SGM and after the Capital Reorganisation becoming effective, the Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable whereas the Prospectus will be despatched to the Excluded Overseas Shareholders for information only.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 15 September 2010 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 24 September 2010.

DEFINITIONS

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

“Acquisition”	the acquisition of 100% equity interest in the Target Company by the Purchaser
“Adjusted Shares”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
“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
“Business Agreements”	the agreements entered into between members of the Target Group as consultant and agent for various property projects in China
“BVI”	the British Virgin Islands
“Bye-Laws”	the bye-laws of the Company from time to time
“Capital Reduction”	the proposal for the reduction of the par value of the issued Consolidated Shares from HK\$0.20 each to HK\$0.01 each by canceling HK\$0.19 of the paid-up capital on each issued Consolidated Share
“Capital Reorganisation”	the proposed reorganisation of the capital of the Company by way of (i) the Share Consolidation; (ii) the Capital Reduction; and (iii) the Share Premium Cancellation
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 20,000 Existing Shares to 4,000 Adjusted Shares
“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
“Completion”	the completion of the sale and purchase of the Sale Shares and Sale Loan under the SPA
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Consideration”	the aggregate consideration for the Sale Shares and the Sale Loan under the SPA
“Consolidated Share(s)”	the ordinary share(s) of HK\$0.20 each in the capital of the Company immediately after Share Consolidation and prior to the Capital Reduction
“Convertible Note”	the 2% convertible note(s) due 23 July 2011 issued by the Company with the outstanding principal amount of HK\$70,000,000 as at the date of this announcement
“Directors”	directors 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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 Shareholders
“Existing Share(s)”	the ordinary share(s) of HK\$0.01 each in the existing issued share capital of the Company, before the Capital Reorganisation becoming effective
“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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Group”	the Company and its subsidiaries
“Guangzhou MAG”	廣州美澳高房地產投資諮詢有限公司 (Guangzhou MAG Real Estate Investment Consultants Limited**), a company established in the PRC and will prior to Completion be converted into a wholly-foreign-owned enterprise the entire equity interest of which is legally and beneficially held by New Leader
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Independent Shareholders”	Shareholders other than Mr. Ng and his associates
“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
“Irrevocable Undertaking”	the irrevocable undertaking given by Mr. Ng in favour of the Company and the Underwriters on 14 September 2010, as more particularly set out in the subparagraph headed “Undertaking by Mr. Ng” in this announcement
“Kingswick Strategy”	Kingswick Strategy Limited (經緯策略有限公司), a company incorporated in Hong Kong with limited liability and beneficially owned as to 100% by New Leader
“Last Trading Day”	14 September 2010, being the last trading day before the suspension of the trading of the Shares, pending the release of this announcement
“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 Thursday, 23 December 2010
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Ng”	Mr. Ng Kai Man, the chairman and an executive Director of the Company
“New Leader”	New Leader Limited (樂穎有限公司), a company incorporated in Hong Kong with limited liability and the wholly-owned subsidiary of the Target Company
“New PRC Company”	廣東經策房地產顧問有限公司 (Guangdong Kingstar Strategic Consultants Ltd.**), a company in the process of establishment by Kingswick Strategy in the PRC

“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
“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, currently being Monday, 6 December 2010
“PRC”	The People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the Rights Issue 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
“Purchaser”	Asset Expert Limited, a wholly-owned subsidiary of the Company
“Qualifying Shareholders”	Shareholders other than the Excluded Overseas Shareholders
“Record Date”	the record date of which entitlements to the Rights Issue will be determined, currently being Friday, 3 December 2010,
“Registrar”	Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, the Company’s Hong Kong branch share registrar
“Repurchase Agreement”	the agreement dated 14 September 2010 entered into between the Company and Mr. Ng in relation to the repurchase of the Convertible Note by the Company
“Repurchase Code”	The Hong Kong Code on Share Repurchases
“Repurchase Offer”	the agreement to repurchase the Convertible Note made under the Repurchase Agreement
“Rights Issue”	the proposed issue by way of rights of Rights Shares at a price of HK\$0.19 per Rights Share on the basis of ten Rights Shares for every one Adjusted Share then held on the Record Date

“Rights Share(s)”	1,126,955,740 Adjusted Shares proposed to be offered to the Qualifying Shareholders for subscription on the basis of ten Rights Shares for every one Adjusted Share held on the Record Date pursuant to the Rights Issue
“Sale Loan”	the entire amount owing by the Target Company to the Vendor on Completion
“Sale Shares”	1 share in the Target Company, representing the entire issued share capital of the Target Company, to be acquired by the Purchaser pursuant to the SPA
“SFC”	the Securities and Futures Commission of Hong Kong
“SGM”	a special general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Capital Reorganisation, the Rights Issue, the Acquisition and the Repurchase Offer
“Share(s)”	the Existing Share(s), the Consolidated Share(s) and/or the Adjusted Share(s), as the case may be
“Share Consolidation”	the proposed consolidation of every 20 Existing Shares of HK\$0.01 each into 1 Consolidated Share of HK\$0.20 each in the issued share capital of the Company
“Share Premium Cancellation”	the proposed cancellation of the entire amount standing to the credit of the share premium account of the Company
“Shareholder(s)”	holder(s) of the Shares
“SPA”	the sale and purchase agreement dated 14 September 2010 in respect of the Acquisition
“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
“sq.m.”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price for the Rights Shares, being HK\$0.19 per Rights Share

“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“Target Company”	Vigour Well Limited (康沛有限公司), a company established in the BVI with limited liability
“Target Group”	the Target Company and its subsidiaries (including New Leader, Kingswick Strategy, Guangzhou MAG and the New PRC Company)
“Underwriters”	Get Nice and Emperor
“Underwriting Agreement”	the underwriting agreement dated 14 September 2010 in relation to the Rights Issue entered into between the Company and the Underwriters
“Vendor”	Prolific Wise Limited, a company established in the BVI
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	renminbi, the lawful currency of the PRC
“%”	per cent.

For illustration purposes, amounts in RMB in this announcement have been translated into HK\$ at HK\$1.00 = RMB0.8740.

*** The English names of the PRC companies are transliteration of their respective Chinese names included for information only and are not their official names.*

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

Hong Kong, 22 September 2010

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