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21 Holdings Limited

21 控股有限公司*

(incorporated in Bermuda with limited liability)

(stock code: 1003)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



SUCCESS

SUCCESS SECURITIES LIMITED

實德證券有限公司

PLACING OF NEW SHARES

After the close of trading hours on 22 January 2013, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Company has appointed the Placing Agent to procure, on a best-efforts basis, a maximum of 53,000,000 new Shares to not less than 6 Placées at the Placing Price of HK\$0.23 per Placing Share subject to and upon the terms and conditions contained in the Placing Agreement.

The 53,000,000 Placing Shares represent (i) approximately 19.79% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.52% of the issued share capital of the Company as enlarged by the issue of the Placing Shares.

Assuming that the Placing Agreement has been completed and the Placing Shares have been successfully placed by the Placing Agent in full, the net proceeds from the Placing will be approximately HK\$11.85 million, which the Company intends to use as general working capital of the Group.

The Placing is not subject to Shareholders' approval as the Placing Shares will be issued under the General Mandate.

Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

* For identification purposes only

PLACING AGREEMENT

DATE

22 January 2013

Parties Involved:

- (i) The Company; and
- (ii) The Placing Agent. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons and are not connected persons of the Company.

Placing and Placees:

Pursuant to the Placing Agreement, the Placing Agent shall procure, on a best-efforts basis, not less than 6 Placees for the Placing Shares. All the Placees and their respective ultimate beneficial owner(s) shall be third parties independent of and not connected with or acting in concert with the Company or the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates. It is expected that none of the Placees and their respective concert parties shall become a substantial Shareholder as a result of the Placing.

Placing Shares:

The 53,000,000 Placing Shares represent (i) approximately 19.79% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.52% of the issued share capital of the Company as enlarged by the Placing Shares. The aggregate nominal value of the 53,000,000 Placing Shares is HK\$530,000.

Placing Price:

The Placing Price is HK\$0.23 per Placing Share, which represents (i) a discount of approximately 8.0% to the closing price of HK\$0.25 per Share as quoted on the Stock Exchange on the Last Trading Day, and (ii) a discount of approximately 8.1% to the average closing price of HK\$0.2504 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Day.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price of the Shares.

The Board considers that the terms of the Placing, including the Placing Price, are fair and reasonable and in the interests of the Shareholders and the Company as a whole.

Conditions of the Placing:

Completion of the Placing Agreement is conditional on:

- (1) the Listing Committee of the Stock Exchange agreeing to grant the listing of, and permission to deal in the Placing Shares; and
- (2) the compliance of any other requirements under the Listing Rules and the Takeovers Code or otherwise of the Stock Exchange and the Securities and Futures Commission of Hong Kong which requires compliance in relation to the Placing and the issue of the Placing Shares.

If any of the above conditions has not been satisfied on or before 31 March 2013 (or such other date as the parties may agree in writing), the Placing Agreement shall lapse and in such event the parties shall have no claim against each other, except for antecedent breach and accrued expenses payable by the Company. The Placing Agreement does not provide either party the right to waive the above conditions.

Application will be made by the Company to the Stock Exchange for the grant of the listing of and permission to deal in the Placing Shares.

Termination:

The Placing Agent shall be entitled by notice to the Company given prior to 5:00p.m. on the Business Day prior to the Completion Date to forthwith terminate the Placing Agreement if there is any material breach of any of the representations and warranties given by the Company under the Placing Agreement which will have a material or adverse effect on the Group's business, finance or trading position.

Completion:

Completion of the Placing Agreement shall take place on or before the third Business Day after satisfaction of the conditions listed under the paragraph headed "Conditions of the Placing" above or such other date as may be agreed by the Company and the Placing Agent.

Placing Commission:

The placing commission payable by the Company to the Placing Agent is 2% of the amount equal to the aggregate Placing Price of the Placing Shares successfully taken up by Placees and fully paid, payable by the Company upon completion of the Placing. The placing commission was arrived at after arm's length negotiation between the Company and the Placing Agent and is fair and reasonable.

GENERAL MANDATE

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the Company's annual general meeting held on 25 May 2012. Under this General Mandate, the Company is allowed to issue 53,551,847 Shares (after adjusted for the effect of the Capital Reorganisation but not taken into account the number of Shares repurchased since the date of granting of the General Mandate). As at the date hereof, no Shares have been issued and allotted under the General Mandate. The Placing Shares will utilise 19.79% of Shares that are allowed to be allotted and issued under the General Mandate.

The Placing Agreement is not subject to Shareholders' approval.

REASON FOR THE PLACING AND USE OF PROCEEDS

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

The gross proceeds from the Placing will be HK\$12.19 million and the net proceeds will be approximately HK\$11.85 million. The Company intends to use the net proceeds for the general working capital of the Group. The net Placing Price will be approximately HK\$0.2236 per Share.

Taking into account of the lower costs and shorter time involved in the Placing when compared with other means of fund raising exercises such as rights issue or open offer, the Directors believe the Placing is the most appropriate method to raise capital for the Company while enhancing the capital base of the Company and broadening the Company's shareholders base.

FUND RAISING DURING THE PAST 12 MONTHS

The Company has not conducted any fund raising activities during the past 12 months immediately preceding the date of this announcement.

SHAREHOLDING STRUCTURE

The shareholding structures of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Placing are as follows:

| | As at the date of this announcement | | Immediately after completion of the Placing | |
|---|-------------------------------------|---------------|---|---------------|
| | Shares | % (Note 3) | Shares | % |
| The Placees | - | - | 53,000,000 | 16.52 |
| Tomson Group Limited ("Tomson") (Note 1) | 29,354,200 | 10.96 | 29,354,200 | 9.15 |
| Mr. Ng Kai Man (Note 2) | 5,400,000 | 2.02 | 5,400,000 | 1.68 |
| Other Public Shareholders | 233,005,035 | 87.02 | 233,005,035 | 72.65 |
| Total | 267,759,235 | 100.00 | 320,759,235 | 100.00 |

Notes:

1. The 29,354,200 Shares were held by Humphreys Estate (Strawberry Houses) Limited, which was indirectly wholly-owned by Tomson through Tomson Investment Limited and Tomson Financial Investment Limited. As disclosed by the relevant disclosure notices on 15 October 2012, (i) approximately 7.71% and 10.77% interests in the total issued share capital of Tomson was held by E-Shares Investments Limited ("E-Shares") and King China Holdings Limited ("King China") respectively; (ii) Madam Hsu Feng held the entire interests of E-Shares and King China and approximately 9.45% interests in the total issued share capital of Tomson; and (iii) Mr. Tong Albert

and Mr. Tong Chi Kar, Charles held approximately 11.74% and 11.28% interests in the total issued share capital of Tomson respectively.

2. Mr. Ng Kai Man is the chairman and an executive Director of the Company.
3. The percentage of shareholding in the Company is calculated based on 267,759,235 Shares in issue as at the date hereof.

DEFINITIONS

In the announcement, the following expressions have the meanings set out below unless the context otherwise requires.

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|--------------------------|---|
| “associate(s)” | has the meaning ascribed in the Listing Rules |
| “Board” | the board of Directors |
| “Business Day” | any day on which licensed banks generally open for business in Hong Kong and the stock exchanges operated by the Stock Exchange are open for trading, except a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning No.8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. |
| “Capital Reorganisation” | the reorganisation of the capital of the Company, details of which were set out in the circular of the Company dated 23 May 2012 |
| “Company” | 21 Holdings Ltd., a company incorporated in Bermuda whose Shares are listed on the Stock Exchange |
| “Connected person(s)” | has the meaning ascribed in the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “General Mandate” | the general mandate granted to the Directors at the Company’s annual general meeting held on 25 May 2012 to allot, issue and otherwise deal in up to 53,551,847 Shares (after adjusted for the effect of the Capital Reorganisation but not taken into account the number of Shares repurchased since the date of granting of the General Mandate) |
| “Group” | the Company and its subsidiaries |
| “Last Trading Day” | 22 January 2013, being the date of the signing of the Placing Agreement |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Placee(s)” | any person or entity procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement |
| “Placing” | the offer by way of private placement of the Placing Shares by or on behalf of the Placing Agent to the selected Placees pursuant to the Placing Agreement |

| | |
|---------------------|---|
| “Placing Agent” | Success Securities Limited, a licensed corporation to carry on regulated activities 1 and 4 for the purpose of the SFO and the placing agent to the Company in respect of the Placing |
| “Placing Agreement” | the placing agreement entered into between the Placing Agent and the Company dated 22 January 2013 in relation to the Placing |
| “Placing Price” | HK\$0.23 per Placing Share |
| “Placing Shares” | up to 53,000,000 new Shares to be issued and allotted to Placees procured by the Placing Agent pursuant to the terms of the Placing Agreement |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | the ordinary share(s) of HK\$0.01 each in the capital of the Company |
| “Shareholder(s)” | holder(s) of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | The Code on Takeovers and Mergers and Share Repurchases |
| “HK\$” | Hong Kong dollars |
| “%” | per cent |

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

Hong Kong, 22 January 2013

As at the date of this announcement, the Board comprises Mr. Ng Kai Man (Chairman) and Mr. Cheng Yuk Wo as executive directors and Mr. Lui Siu Tsuen, Richard, Mr. Ding Chung Keung and Mr. Cheung Sze Man as independent non-executive directors.