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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



Hani Securities (H.K.) Limited

PLACING OF NEW SHARES

On 25 March 2011 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent whereby the Company agreed to place, through the Placing Agent, on a best effort basis, a maximum of 247,900,000 new Shares to not less than six Placées at a price of HK\$0.11 per Placing Share.

The maximum of 247,900,000 Placing Shares represent approximately (i) 20.00% of the issued share capital of the Company as at the date of this announcement; and (ii) 16.66% of the issued share capital of the Company as enlarged by the issue of a maximum of 247,900,000 Placing Shares.

The Placing Price of HK\$0.11 per share (i) is equal to the closing price of HK\$0.110 per Share as quoted on the Stock Exchange on 25 March 2011, being the date of the Placing Agreement; and (ii) represents a discount of approximately 0.90% to the average closing price of HK\$0.111 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 25 March 2011.

The aggregate gross proceeds from the Placing will be approximately HK\$27.27 million. The Company intends to use the net proceeds of approximately HK\$26.72 million from the Placing for the purpose of its general working capital requirements (including its financial obligations).

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 purpose only*

THE PLACING AGREEMENT

Date

25 March 2011

Issuer

The Company

Placing Agent

Hani Securities (H.K.) Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

Placees

The Placing Shares will be placed to not less than six Placees, who are independent institutional, professional and/or individual investors and not concert parties with the controlling Shareholder(s) (if any) (as defined under the Takeovers Code), and not connected with any directors, chief executive or substantial shareholder (if any) of the Company or its subsidiaries and their respective associates. It is expected that none of the Placees and their respective associates will become a substantial Shareholder as a result of the Placing.

Placing Shares

Pursuant to the Placing Agreement, the Placing Agent agreed to procure, on a best effort basis, not less than six Placees to subscribe for a maximum of 247,900,000 Placing Shares at the Placing Price. The maximum of 247,900,000 Placing Shares represent approximately (i) 20.00% of the issued share capital of the Company as at the date of this announcement; and (ii) 16.66% of the issued share capital of the Company as enlarged by the issue of a maximum of 247,900,000 Placing Shares. The aggregate nominal value of the maximum number of 247,900,000 Placing Shares is HK\$2,479,000.

Placing Price

The Placing Price of HK\$0.11 per share (i) is equal to the closing price of HK\$0.110 per Share as quoted on the Stock Exchange on 25 March 2011, being the date of the Placing Agreement; and (ii) represents a discount of approximately 0.90% to the average closing price of HK\$0.111 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 25 March 2011.

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

The Directors consider that the terms of the Placing Agreement (including the Placing Price) are fair and reasonable and that the Placing is in the interests of the Company and the Shareholders as a whole.

Condition to the Placing Agreement

Completion of the Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Placing Shares.

The Placing Agreement shall automatically become null and void and of no effect if the conditions set forth above remain unfulfilled on 30 April 2011 or such date mutually agreed by both the Company and the Placing Agent and in such event either party shall have no claim against each other, save for those expressly reserved and agreed in the Placing Agreement.

Termination

- (a) The Placing Agent shall be entitled by notice to the Company given prior to 6:00 p.m. on the day immediately preceding the date of completion to forthwith terminate the Placing Agreement if any Specified Event comes to the notice of the Placing Agent.
- (b) If notice is given pursuant to clause (a) above, the Placing Agreement shall terminate and be of no further effect and no party shall be under any liability to any other in respect of the Placing Agreement.

Completion

Completion of the Placing shall take place not later than the third Business Day after all the conditions as set out in the Placing Agreement are fulfilled or such other date to be agreed between the Company and the Placing Agent.

Placing commission

The Placing Agent shall receive a placing commission of 2.00% of the amount equal to the Placing Price multiplied by the number of the Placing Shares successfully placed. The placing commission was determined after arm's length negotiations between the Company and the Placing Agent with reference to the market rate.

General Mandate

The maximum of 247,900,000 Placing Shares will be issued and allotted under the General Mandate. As at the date of this announcement, the General Mandate has not been utilized since it was granted and the number of new Shares that could be issued by the Company under the General Mandate is 247,930,262 Shares.

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 Placing Shares.

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 and (ii) upon completion of the Placing, assuming a maximum of 247,900,000 Placing Shares are successfully placed by the Placing Agent.

| | As at the date of this announcement | | Upon completion of the Placing | |
|-----------------------------|--|----------------------|-----------------------------------|----------------------|
| | <i>Number of Shares</i> | <i>%</i> | <i>Number of Shares</i> | <i>%</i> |
| The Placees (<i>Note</i>) | — | — | 247,900,000 | 16.66 |
| Other public Shareholders | <u>1,239,651,314</u> | <u>100.00</u> | <u>1,239,651,314</u> | <u>83.34</u> |
| Total | <u><u>1,239,651,314</u></u> | <u><u>100.00</u></u> | <u><u>1,487,551,314</u></u> | <u><u>100.00</u></u> |

Note:

Pursuant to the Placing Agreement, the Placing Agent agreed to procure that the Placees and their ultimate beneficial owners shall be third parties independent of and not connected with the Company and its connected persons. Therefore, the Placees are treated as public Shareholders.

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 |
|----------------------|--|-------------------------------------|---|--|
| 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) | (i) approximately HK\$9.5 million has been used as general working capital comprising (a) professional fee of HK\$3.5 million; (b) administration expenses of HK\$4.6 million; and (c) interest payment of HK\$1.4 million for convertible note of the Company with principal amount of HK\$70 million; and (ii) approximately HK\$39.3 million has been used for the settlement of the Repurchase Offer (as defined in the announcement of the Company dated 22 September 2010) on 21 January 2011 (<i>Note 1</i>) |
| 22 September 2010 | Rights Issue of 1,126,955,740 rights shares on the basis of ten rights share for every share held on the record date | HK\$208.6 million | (i) approximately HK\$180.0 million for payment of the consideration for the Acquisition (as defined in the announcement of the Company dated 22 September 2010); and (ii) the remaining balance of approximately HK\$28.6 million for the settlement amount of the Repurchase Offer. In the event that the Acquisition and/or the Repurchase Offer does not proceed after completion of the Rights Issue, the relevant proceeds will be used as general working capital and further business development. | (i) approximately HK\$170.0 million has been used for payment of consideration for the Acquisition upon its completion on 18 January 2011 and approximately HK\$10.0 million has been set aside and placed in bank accounts for final payment of consideration of Acquisition after adjustments relating to the completion account in respect of the Acquisition; and (ii) the balance of approximately HK\$28.6 million has been used for the settlement of the Repurchase Offer on 21 January 2011 (<i>Note 1</i>) |
| 19 January 2011 | Placing of up to 370,000,000 new shares of the Company under specific mandate | HK\$54.15 million | (i) approximately HK\$35.00 million for its investment in a PRC entity which will be engaged in provision of community payment services and property agency services in the PRC pursuant to a non-legally binding memorandum of understanding (“MOU”) dated 19 January 2011 entered into between the Company and certain independent third parties in the PRC if such investment proceed (<i>Note 2</i>); and (ii) the balance of approximately HK\$19.15 million for the general working capital of the Group and/or for its future expansion and development. | The placing was terminated on 10 February 2011 as disclosed in the announcement of the Company dated 10 February 2011 (<i>Note 2</i>) |

Note:

1. The total repurchase consideration of HK\$67.9 million under the Repurchase Offer has been settled in full on 21 January 2011.
2. As at the Latest Practicable Date, no formal agreement to the MOU has been entered into. The formal agreement is subject to further negotiation and agreement and therefore the transactions contemplated under the MOU may or may not proceed. The Company may choose not to proceed with the MOU for whatever reasons including insufficiency of the Group's internal resources. If the Company choose to proceed, the Company may use its internal resources and/or other external fund raising activities that are available to the Company at that time.

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.

REASONS FOR THE PLACING AND USE OF THE 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.

Reference is made to the announcements of the Company dated 2 March 2011 and 16 March 2011 relating to the judgment of the case of the Company by the Court of First Instance of the High Court. On 10 March 2011, the Company has received a statutory demand under Section 178(1)(a) of the Companies Ordinance, Cap. 32 of the Laws of Hong Kong for payment of judgment sum of HK\$44.5 million together with accrued interests to Mr. Kwok Chin Wing within 21 days. The Directors after having sought legal advice considered that the Company has good grounds for appeal against the judgment, and has instructed its solicitors to launch such an appeal. Pending the appeal, the Company has also instructed its solicitors to take appropriate actions in response to the said judgment and the statutory demand, including an application for a stay of execution of the said judgment and any consequential enforcement action including any winding up proceedings against the Company as may be contemplated by the judgment creditor.

The Directors are of the view that the Placing will strengthen the financial position of the Group, including its ability to meet any obligations in relation to the judgment pending the outcome of the Company's appeal to the Court of Appeal (as may be stayed or varied following the hearing of the Company's application for a stay of execution of the said judgment). Accordingly, the Board considers that the Placing is in the interests of the Company and the Shareholders as a whole.

The gross proceeds from the Placing will be approximately HK\$27.27 million. The Company intends to use the net proceeds of approximately HK\$26.72 million from the Placing for the purpose of its general working capital requirements (including any obligations in relation to the judgment as mentioned above). The net Placing price will be approximately HK\$0.1078 per Share.

GENERAL

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.

DEFINITIONS

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

| | |
|-----------------------|---|
| “associates” | has the meaning ascribed to it in the Listing Rules |
| “Board” | the board of Directors |
| “Business Day(s)” | any day (excluding a Saturday and Sunday) on which banks generally are open for business in Hong Kong |
| “Company” | 21 Holdings Limited, a company incorporated under the laws of Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange |
| “connected person(s)” | has the meaning ascribed to it in the Listing Rules |
| “Directors” | directors of the Company |
| “General Mandate” | the general mandate which was granted to the Directors pursuant to an ordinary resolution passed at the Company’s special general meeting on 4 March 2011 to issue and allot up to 247,930,262 new Shares, representing 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the meeting |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Placee(s)” | any independent institutional, professional and/or individual investors who are not concert parties with the controlling Shareholder(s) (if any) (as defined under the Takeovers Code), and not connected with any directors, chief executive or substantial Shareholder(s) (if any) of the Company or its subsidiaries and their respective associates |
| “Placing” | the best effort placing of up to 247,900,000 Placing Shares |
| “Placing Agent” | Hani Securities (H.K.) Limited, a corporation licensed to carry on 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) |
| “Placing Agreement” | the agreement entered into between the Company and the Placing Agent dated 25 March 2011 in respect of the Placing |
| “Placing Price” | HK\$0.11 per Placing Share |
| “Placing Shares” | a maximum of 247,900,000 Shares to be issued under the Placing |

| | |
|-------------------|---|
| “PRC” | the People’s Republic of China |
| “SFC” | the Securities and Futures Commission of Hong Kong |
| “Share(s)” | the ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholders” | holders of the Shares |
| “Specified Event” | an event occurring or matter arising on or after the date hereof and prior to the date of completion which if it had occurred or arisen before the date hereof would have rendered any of the undertakings, warranties and representations in the Placing Agreement untrue or incorrect and such would have an adverse impact/effect on the Placing |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | Hong Kong Code on Takeovers and Mergers |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent. |

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

Hong Kong, 25 March 2011

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. Lam Kwok Cheong and Mr. Lui Siu Tsuen, Richard as independent non-executive Directors.