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21 Holdings Limited

21 控股有限公司*

(incorporated in Bermuda with limited liability)

(stock code: 1003)

**(1) PLACING OF NEW SHARES UNDER GENERAL MANDATE
AND
(2) OPEN OFFER ON THE BASIS OF ONE OFFER SHARE
FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE**

**Placing Agent to the Placing
and
Underwriter to the Open Offer**



金利豐證券

KINGSTON SECURITIES

(1) PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 25 April 2014 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement, whereby the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, of up to 64,000,000 Placing Shares to currently expected not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties at the Placing Price of HK\$0.81 per Placing Share.

The number of Placing Shares shall be up to 64,000,000 new Shares, representing (i) approximately 19.95% of the existing issued share capital of the Company of 320,759,235 Shares as at the date of this announcement; (ii) approximately 16.63% of the Company's issued share capital of 384,759,235 Shares as enlarged by the allotment and issue of the Placing Shares; and (iii) approximately 11.09% of the Company's issued share capital of 577,138,852 Shares as enlarged by the allotment and issue of the 64,000,000 Placing Shares and the 192,379,617 Offer Shares (being the maximum number of Offer Shares to be allotted and issued under the Open Offer).

* For identification purposes only

The Placing Price of HK\$0.81 represents (i) a discount of approximately 18.18% to the closing price of HK\$0.99 per Share as quoted on the Stock Exchange as at the date of this announcement; and (ii) a discount of approximately 19.16% to the average closing price of HK\$1.002 per Share as quoted on the Stock Exchange for last five consecutive trading days immediately prior to the date of the Placing Agreement.

The maximum gross proceeds and the maximum net proceeds from the Placing will be approximately HK\$51.8 million and HK\$50.0 million respectively, which are intended to be used for expanding into a new business, namely the provision of mortgage financing.

Completion of the Placing is subject to the conditions as set out in the paragraph headed “Conditions of the Placing Agreement” of this announcement. The Placing and the Open Offer are not inter-conditional.

(2) OPEN OFFER ON THE BASIS OF ONE OFFER SHARE FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE

The Company proposes to raise not less than approximately HK\$80.2 million and not more than approximately HK\$96.2 million before expenses by issuing not less than 160,379,617 Offer Shares and not more than 192,379,617 Offer Shares at the Subscription Price of HK\$0.50 per Offer Share on the basis of one (1) Offer Share for every two (2) existing Shares held on the Record Date and payable in full upon application. Qualifying Shareholders are not entitled to apply for excess Offer Shares and any such Offer Shares not taken up by the Qualifying Shareholders in excess of their respective entitlements under the Open Offer will be underwritten by the Underwriter. The Open Offer is only available to the Qualifying Shareholders, and will not be extended to the Prohibited Shareholders.

The Subscription Price of HK\$0.50 per Offer Share represents (i) a discount of approximately 49.49% to the closing price of HK\$0.99 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of approximately 16.46% to the theoretical ex-entitlement price of approximately HK\$0.827 based on the closing price of HK\$0.99 per Share as quoted on the Stock Exchange on the Last Trading Day; and (iii) a discount of approximately 50.10% to the average closing price of approximately HK\$1.002 per Share for the last five consecutive trading days immediately prior to the Last Trading Day.

Assuming (i) no further issue of new Shares or repurchase of Shares and (ii) all the 64,000,000 Placing Shares being placed by the Placing Agent and the completion of the Placing on or before the Record Date, the maximum of 192,379,617 Offer Shares proposed to be allotted and issued, representing approximately 59.98% of the Company’s issued share capital as at the date of this announcement and approximately 33.33% of the Company’s issued share capital of 577,138,852 Shares as enlarged by the allotment and issue of the 64,000,000 Placing Shares and the 192,379,617 Offer Shares (being the maximum number of Offer Shares to be allotted and issued under the Open Offer) immediately after completion of the Open Offer.

The gross proceeds from the Open Offer will not be less than approximately HK\$80.2 million and not more than approximately HK\$96.2 million. The net proceeds from the Open Offer after deducting all relevant expenses are estimated to be not less than HK\$77.4 million but not more than HK\$92.8 million, which are intended to be used for expanding into a new business, namely the provision of mortgage financing.

To qualify for the Open Offer, all transfers of Shares must be lodged for registration with the Registrar by 4:30 p.m. on Friday, 16 May 2014. The register of members of the Company will be closed from Monday, 19 May 2014 to Wednesday, 21 May 2014, both days inclusive, to determine the eligibility of the Open Offer. The Record Date is Wednesday, 21 May 2014. The last day of dealings in the Shares on cum-entitlement basis of the Open Offer is Wednesday, 14 May 2014. The Shares will be dealt in on ex-entitlement basis of the Open Offer from Thursday, 15 May 2014.

The Placing and the Open Offer are not inter-conditional.

(3) GENERAL

Since the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the twelve-month period immediately preceding this announcement and the Open Offer is fully underwritten by the Underwriter who is not a director, chief executive or Substantial Shareholder (or an associate of any of them) pursuant to Rules 7.24(5) and 7.26(A) of the Listing Rules, the Open Offer is therefore not subject to Shareholders' approval requirement under the Listing Rules.

The Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders, and the Overseas Letter together with the Prospectus will be despatched to the Prohibited Shareholders for their information only on Thursday, 22 May 2014.

(4) WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Placing and the Open Offer are conditional upon the Placing Agreement and the Underwriting Agreement respectively having become unconditional and the Placing Agent and the Underwriter not having terminated the Placing Agreement and the Underwriting Agreement respectively in accordance with the terms thereof. Accordingly, the Placing and/or the Open Offer may or may not proceed.

The Shares will be dealt in on an ex-entitlement basis commencing from Thursday, 15 May 2014 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

(1) PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 25 April 2014 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement, whereby the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, of up to 64,000,000 Placing Shares to currently expected not less than six (6) Placees who and whose ultimate beneficial owners shall be Independent Third Parties at the Placing Price of HK\$0.81 per Placing Share.

The Placing Agreement

Date: 25 April 2014

Parties: (a) The Company
(b) The Placing Agent

The Placing Agent has been appointed to place, on a best effort basis, the Placing Shares at the Placing Price. The Placing Agent is a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

The Placing Agent will be entitled to receive a commission of 3.5% of the amount equal to the Placing Price multiplied by the actual number of the Placing Shares successfully placed by the Placing Agent. The commission for the Placing was arrived at after arm's length negotiation between the Company and the Placing Agent with reference to the prevailing market practice.

The Placees

The Placing Shares will be placed on a best effort basis to currently expected not less than six (6) Placees (who will be independent professional, institutional or other investors) who and whose ultimate beneficial owners shall be Independent Third Parties. It is expected that none of the Placees will become a Substantial Shareholder immediately after completion of the Placing. If any of the Placees becomes a Substantial Shareholder after completion of the Placing, a further announcement will be made by the Company.

Number of Placing Shares

The number of Placing Shares shall be up to 64,000,000 new Shares, representing (i) approximately 19.95% of the existing issued share capital of the Company of 320,759,235 Shares as at the date of this announcement; (ii) approximately 16.63% of the Company's issued share capital of 384,759,235 Shares as enlarged by the allotment and issue of the Placing Shares; and (iii) approximately 11.09% of the Company's issued share capital of 577,138,852 Shares as enlarged by the allotment and issue of the 64,000,000 Placing Shares and the 192,379,617 Offer Shares (being the maximum number of Offer Shares to be allotted and issued under the Open Offer).

Placing Price

The Placing Price is HK\$0.81 per Placing Share. In line with the market practice, the Company will bear all costs and expenses of the Placing. Based on the estimated expenses for the Placing, the net Placing Price is approximately HK\$0.781 per Placing Share.

The Placing Price of HK\$0.81 represents:

- (a) a discount of approximately 18.18% to the closing price of HK\$0.99 per Share as quoted on the Stock Exchange as at the date of the Placing Agreement; and
- (b) a discount of approximately 19.16% to the average closing price of HK\$1.002 per Share as quoted on the Stock Exchange for last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined and negotiated on an arm's length basis between the Company and the Placing Agent with reference to, among others, the prevailing market price of the Shares and the recent thin trading volume of the Shares. The Directors (including the independent non-executive Directors) consider that the Placing Price is fair and reasonable based on the prevailing market conditions and is in the interests of the Company and the Shareholders as a whole.

Assuming the 64,000,000 Placing Shares are placed in full, the aggregate nominal value of the Placing Shares is HK\$640,000.

The Placing Shares will, upon allotment and issue, be free from all liens, charges, encumbrances or third party rights of whatsoever nature and together with all rights attaching thereto at completion of the Placing and thereafter.

Ranking of Placing Shares

The Placing Shares, when allotted, issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue at the date of allotment and issue of the Placing Shares.

General Mandate to allot and issue the Placing Shares

The Placing Shares will be allotted and issued under the General Mandate.

Under the General Mandate, the Directors are authorised to issue up to 64,151,847 new Shares. Up to the date of this announcement, no new Shares have been allotted and issued under the General Mandate and the Directors are allowed to issue up to 64,151,847 new Shares. Accordingly, no Shareholder's approval is required for the Placing.

Conditions of the Placing Agreement

Completion of the Placing Agreement is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares under the Placing; and
- (b) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms of the Placing Agreement, including provisions regarding force majeure events.

The Placing and the Open Offer are not inter-conditional.

Completion of the Placing

Completion of the Placing, in any event, will take place within four Business Days after the fulfillment of the conditions as set out in paragraph headed “Conditions of the Placing Agreement” above or such other date to be agreed between the Company and the Placing Agent in writing (the “**Completion Date**”). If the above conditions are not satisfied and/or waived (other than condition (i) above, which cannot be waived) in whole or in part by the Placing Agent prior to 5:00 p.m. on or before the 10th Business Day after the date of the Placing Agreement, or such later date to be agreed between the Company and the Placing Agent in writing, the Placing will be terminated and the Placing will not proceed and all obligations and liabilities of the parties hereunder will forthwith cease and determine and no party will have any claim against the others (save for any antecedent breaches hereof).

Termination and force majeure

The Placing Agent may terminate the Placing Agreement by notice in writing prior to 9:00 a.m. on the Completion Date, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any force majeure events:

- (a) **the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or**
- (b) **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 Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the**

business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing of the Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or

- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.**

If, at or prior to 9:00 a.m. on the Completion Date:

- (a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or**
- (b) the trading of the Shares on the Stock Exchange has been suspended for more than ten consecutive trading days save for the purposes of clearing of the announcement(s) or circular(s) relating to the Placing Agreement; or**
- (c) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing.**

The Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent under the Placing Agreement shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Application for listing

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

(2) OPEN OFFER ON THE BASIS OF ONE OFFER SHARE FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE

On 25 April 2014, the Company and the Underwriter entered into the Underwriting Agreement. The terms of the Open Offer are set out as follow:

The Open Offer

Under the Open Offer, the Company proposes to raise not less than approximately HK\$80.2 million and not more than approximately HK\$96.2 million before expenses by way of the Open Offer, details of which are set out as follows:

Issue statistics

Basis of the entitlement:	One (1) Offer Share for every two (2) existing Shares held on the Record Date
Subscription Price:	HK\$0.50 per Offer Share
Number of Shares in issue as at the date of this announcement:	320,759,235 Shares
Number of Shares in issue assuming completion of the Placing:	384,759,235 Shares
Number of Offer Shares:	Not less than 160,379,617 Offer Shares and not more than 192,379,617 Offer Shares
Number of Offer Shares to be taken up or procure to be taken up by Thought Diamond pursuant to the Thought Diamond Undertaking:	Thought Diamond has irrevocably undertaken in favour of the Company and the Underwriter to subscribe for or procure the subscription for the 47,950,000 Offer Shares to be allotted to it under its entitlement pursuant to the Open Offer
Number of Offer Shares underwritten by the Underwriter:	Not less than 112,429,617 Offer Shares and not more than 144,429,617 Offer Shares. Accordingly, taken into account the Thought Diamond Undertaking, the Open Offer is fully underwritten
Number of enlarged Shares in issue upon completion of the Open Offer:	Not less than 481,138,852 Shares and not more than 577,138,852 Shares

As at the date of this announcement, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares. There are no outstanding options under the Company's existing share option scheme adopted on 17 September 2004.

Assuming (i) no further issue of new Shares or repurchase of Shares; and (ii) all the 64,000,000 Placing Shares being placed by the Placing Agent and the completion of the Placing on or before the Record Date, the maximum of 192,379,617 Offer Shares proposed to be allotted and issued, represents approximately 59.98% of the Company's issued share capital as at the date of this announcement and approximately 33.33% of the Company's issued share capital as enlarged by the allotment and issue of the 64,000,000 Placing Shares and the 192,379,617 Offer Shares (being the maximum number of Offer Shares to be allotted and issued under the Open Offer) immediately after completion of the Open Offer.

The aggregate nominal value of the Offer Shares will be not less than HK\$1,603,796.17 and not more than HK\$1,923,796.17.

Basis of entitlement

The basis of the entitlement shall be one (1) Offer Share for every two (2) existing Shares held on the Record Date, being not less than 160,379,617 Offer Shares and not more than 192,379,617 Offer Shares at the Subscription Price. Acceptance for all or any part entitlement of a Qualifying Shareholder should be made by completing the Application Form and lodging the same with a remittance for the Offer Shares being accepted for.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will send (a) the Prospectus Documents to the Qualifying Shareholders; and (b) the Overseas Letter together with the Prospectus, for information only, to the Prohibited Shareholders.

To qualify for the Open Offer, the Shareholders must (a) at the close of business on the Record Date be registered on the register of members of the Company; and (b) not being the Prohibited Shareholders.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as members of the Company prior to the close of business on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) for registration with Computershare Hong Kong Investor Services Limited of Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 16 May 2014.

Closure of register of members for the Open Offer

The Company's register of members will be closed from Monday, 19 May 2014 to Wednesday, 21 May 2014, both days inclusive, to determine the eligibility of the Qualifying Shareholders. No transfer of Shares will be registered during this book closure period.

Subscription Price

The Subscription Price is HK\$0.50 per Offer Share, payable in full upon application.

The Subscription Price represents:

- (a) a discount of approximately 49.49% to the closing price of HK\$0.99 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 16.46% to the theoretical ex-entitlement price of approximately HK\$0.827 based on the closing price of HK\$0.99 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (c) a discount of approximately 50.10% to the average closing price of approximately HK\$1.002 per Share for the last five consecutive trading days immediately prior to the Last Trading Day.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to, among others, the prevailing market price of the Shares. The Directors consider that each Qualifying Shareholder will be entitled to subscribe for the Offer Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date and the terms of the Open Offer, including the Subscription Price which has been set as a discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their entitlements so as to share in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. After deducting all relevant expenses relating to the Open Offer, the net price per Offer Share will be approximately HK\$0.482.

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.

In compliance with the necessary requirements of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Open Offer to the Overseas Shareholders. If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Offer Shares to the Overseas Shareholders 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, the Open Offer will not be available to such Overseas Shareholders. Accordingly, the Open Offer will not be extended to the Prohibited Shareholders.

Further information in this connection will be set out in the Prospectus Documents containing, among other things, details of the Open Offer, to be despatched to the Qualifying Shareholders on Thursday, 22 May 2014. The Company will send copies of the Prospectus to the Prohibited Shareholders for their information only, but no Application Form will be sent to them.

Ranking of the Offer Shares

The Offer Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Offer Shares in their fully-paid form.

Share certificates and refund cheques for the Open Offer

Subject to the fulfillment of the conditions of the Open Offer, certificates for all fully-paid Offer Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Monday, 16 June 2014. If the Open Offer is terminated, refund cheques will be despatched on or before Monday, 16 June 2014 by ordinary post at the respective Shareholders' own risk.

No application for excess Offer Shares

Considering that the Open Offer will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company, if application for excess Offer Shares is arranged, the Company will be required to put in additional effort and costs to administer the excess application procedures. Accordingly, no excess Offer Shares will be offered to the Qualifying Shareholders and any Offer Shares not taken up by the Qualifying Shareholders will be underwritten by the Underwriter.

Fractions of the Offer Shares

Fractional entitlements to the Offer Shares will not be issued to the Qualifying Shareholders but will be aggregated and sold in the open market, if at premium, net of expenses can be obtained and the net proceeds, after deduction of related expenses arising from such sale, will be retained for the benefit of the Company.

Application for the Offer Shares

The Application Form in respect of the entitlement of the Offer Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Offer Shares as shown therein by completing such form and lodging the same with a remittance for the Offer Shares being taken up with the Registrar by the Latest Time for Acceptance.

Application for listing

The Company will apply to the Stock Exchange for the listing of and permission to deal in, the Offer Shares. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty (if any) in Hong Kong and any other applicable fees and charges in Hong Kong.

Subject to the granting of the approval for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement date of dealings in the Offer 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.

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.

The Underwriting Agreement

Date:	25 April 2014
Underwriter:	Kingston Securities Limited
Number of Offer Shares to be underwritten:	Not less than 112,429,617 Offer Shares and not more than 144,429,617 Offer Shares. Accordingly, taking into account the Thought Diamond Undertaking, the Open Offer is fully underwritten
Undertaking relating to the Offer Shares:	Thought Diamond has given the Thought Diamond Undertaking in favour of the Company and the Underwriter to subscribe for 47,950,000 Offer Shares to which it is entitled under the Open Offer

The Underwriter is a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are Independent Third Parties.

Under the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscribers for the Underwritten Shares not taken up:

- (a) the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares not taken up which will result in the shareholding of it and parties acting in concert with it in the Company to exceed 19.9% of the voting rights of the Company upon the completion of the Open Offer; and
- (b) the Underwriter shall use its best endeavours to ensure that (i) each of the subscribers of the Underwritten Shares not taken up procured by it shall be third party independent of, not acting in concert with and not connected with the Company, any of the directors or chief executive or substantial shareholders of the Company or their respective associates; and (ii) the public float requirements under Rule 8.08 of the Listing Rules remains to be fulfilled by the Company upon completion of the Open Offer.

Underwriting Commission

The Company will pay the Underwriter an underwriting commission of 3.5% of the aggregate Subscription Price in respect of the maximum number of the underwritten Offer Shares, being 144,429,617 Offer Shares. The Directors (including the independent non-executive Directors) are of the view that the terms of the Underwriting Agreement, including the commission, accord with the market practice, are fair and reasonable so far as the Company and the Shareholders are concerned.

Irrevocable undertakings given by Thought Diamond

As at the date of the Underwriting Agreement, Thought Diamond is interested in 95,900,000 Shares, representing approximately 29.90% of the total issued share capital of the Company. Thought Diamond has irrevocably undertaken to the Company and the Underwriter:

- (a) not to dispose of, or agree to dispose of, any Shares held by it from the date of the Underwriting Agreement to the close of business on the Record Date;
- (b) to accept or procure the acceptance for the 47,950,000 Offer Shares to be allotted and issued to Thought Diamond under its entitlement pursuant to the Open Offer; and
- (c) to lodge the Application Form(s) in respect of the 47,950,000 Offer Shares referred to in paragraph (b) above accompanied by the appropriate remittances which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the Prospectus Documents prior to the Latest Time for Acceptance.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination:

- (a) in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:**
 - (i) the introduction of any new law or 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 Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; 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, military, financial, economic 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 Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or**
- (b) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction on trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or**
- (c) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or**
- (d) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or**
- (e) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or**

- (f) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Open Offer; or**
- (g) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of this announcement, or the Prospectus Documents or other announcements or circulars in connection with the Open Offer,**

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (a) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement above comes to the knowledge of the Underwriter; or**
- (b) any specified event comes to the knowledge of the Underwriter.**

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

Upon the giving of notice in accordance with the above, the Underwriting Agreement shall terminate and the obligations of the parties shall forthwith cease and be null and void and none of the parties shall, save in respect of any right or liability accrued before such termination, have any right against or liability towards any of the other parties arising out of or in connection with the Underwriting Agreement.

Conditions of the Open Offer

The Open Offer is conditional upon:

- (a) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies Ordinance not later than the Prospectus Posting Date;**
- (b) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Prohibited Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Prospectus Posting Date;**

- (c) 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 the Offer Shares by no later than the first day of their dealings;
- (d) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms;
- (e) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement; and
- (f) compliance with and performance of all undertakings and obligations of Thought Diamond under the Thought Diamond Undertaking.

None of the above conditions are waivable. If any of the conditions of the Open Offer is not satisfied in whole or in part by the Company by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate and none of the parties shall, save in respect of any right or liability accrued before such termination, have any right against or liability towards any of the other parties arising out of or in connection with the Underwriting Agreement.

The Open Offer and the Placing are not inter-conditional.

Expected timetable

The expected timetable for the Open Offer is set out below:

	2014
Last day of dealings in Shares on cum-entitlements basis of the Open Offer	Wednesday, 14 May
First day of dealings in Shares on ex-entitlements basis of the Open Offer	Thursday, 15 May
Latest time for lodging transfers of Shares in order to qualify for the Open Offer	4:30 p.m. on Friday, 16 May
Register of members close (both days inclusive)	Monday, 19 May to Wednesday, 21 May
Record Date	Wednesday, 21 May
Register of members reopen	Thursday, 22 May
Despatch of Prospectus Documents	Thursday, 22 May
Latest time for Acceptance	4:00 p.m. on Friday, 6 June
Latest Time for Termination by the Underwriter	4:00 p.m. on Thursday, 12 June

Announcement of the results of the Open Offer	Friday, 13 June
Despatch of share certificates for Offer Shares	Monday, 16 June
Despatch of refund cheques if the Open Offer is terminated	Monday, 16 June
Expected first day of dealings in fully-paid Offer Shares on the Stock Exchange	9:00 a.m. on Tuesday, 17 June

All times and dates stated in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

Shareholding structure of the Company

Set out below is the shareholding structure of the Company before and after the completion of the Open Offer:

(a) Assuming the Placing were not completed on or before the Record Date

	As at the date of this announcement		Upon completion of the Open Offer (assuming all Offer Shares are subscribed for by the Qualifying Shareholders)		Upon completion of the Open Offer (assuming none of the Offer Shares are subscribed for by the Qualifying Shareholders other than Thought Diamond under the Thought Diamond Undertaking) (Note 2)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Thought Diamond (Note 1)	95,900,000	29.90	143,850,000	29.90	143,850,000	29.90
Public						
The Underwriter	—	—	—	—	112,429,617	23.37
Existing public Shareholders	<u>224,859,235</u>	<u>70.10</u>	<u>337,288,852</u>	<u>70.10</u>	<u>224,859,235</u>	<u>46.73</u>
Total	<u>320,759,235</u>	<u>100.00</u>	<u>481,138,852</u>	<u>100.00</u>	<u>481,138,852</u>	<u>100.00</u>

(b) Assuming all the 64,000,000 Placing Shares being placed by the Placing Agent and the Placing is completed on or before the Record Date

	As at the date of this announcement		Upon completion of the Placing on or before the Record Date and assuming all the 64,000,000 Placing Shares being placed by the Placing Agent		Upon completion of the Placing on or before the Record Date and the Open Offer (assuming all Offer Shares are subscribed for by the Qualifying Shareholders)		Upon completion of the Placing on or before the Record Date and the Open Offer (assuming none of the Offer Shares are subscribed for by the Qualifying Shareholders other than Thought Diamond under the Thought Diamond Undertaking) (Note 2)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Thought Diamond (Note 1)	95,900,000	29.90	95,900,000	24.92	143,850,000	24.92	143,850,000	24.92
Public								
The Placees	—	—	64,000,000	16.63	96,000,000	16.63	64,000,000	11.09
The Underwriter	—	—	—	—	—	—	144,429,617	25.03
Existing public Shareholders	224,859,235	70.10	224,859,235	58.45	337,288,852	58.45	224,859,235	38.96
Total	320,759,235	100.00	384,759,235	100.00	577,138,852	100.00	577,138,852	100.00

Notes:

- Pursuant to the Thought Diamond Undertaking, Thought Diamond has irrevocably undertaken to the Company and the Underwriter that (a) not to dispose of, or agree to dispose of, any Shares held by it from the date of the Underwriting Agreement to the close of business on the Record Date; (b) to accept or procure the acceptance for the 47,950,000 Offer Shares to be allotted and issued to Thought Diamond under its entitlement pursuant to the Open Offer; and (c) to lodge the Application Form(s) accompanied by the appropriate remittances in respect of the 47,950,000 Offer Shares prior to the Latest Time for Acceptance.
- This scenario is for illustrative purpose only and will not occur.

Under the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscribers for the Underwritten Shares not taken up:

- the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares not taken up which will result in the shareholding of it and parties acting in concert with it in the Company to exceed 19.9% of the voting rights of the Company upon the completion of the Open Offer; and
- the Underwriter shall use its best endeavours to ensure that (i) each of the subscribers of the Underwritten Shares not taken up procured by it shall be third party independent of, not acting in concert with and not connected with the Company, any of the directors or chief executive or substantial shareholders of the Company or their respective associates; and (ii) the public float requirements under Rule 8.08 of the Listing Rules remains to be fulfilled by the Company upon completion of the Open Offer.

Reasons for the Placing and the Open Offer and use of proceeds

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of property agency and related services, and securities trading and investments.

The maximum gross proceeds of the Placing will amount to approximately HK\$51.8 million and the maximum net proceeds receivable by the Company under the Placing are estimated to be approximately HK\$50.0 million after deducting relevant expenses incurred in relation to the Placing.

The gross proceeds from the Open Offer will not be less than approximately HK\$80.2 million and not more than approximately HK\$96.2 million. The net proceeds from the Open Offer after deducting all relevant expenses are estimated to be not less than HK\$77.4 million but not more than HK\$92.8 million.

The Company intends to apply the proceeds from the Placing and the Open Offer, which in aggregate amounts to not more than approximately HK\$142.8 million for expanding into a new business, namely the provision of mortgage financing.

At present, the Group has over 100 branches (including franchisees) with more than 300 property agents in Hong Kong. The Board considers that the Group could utilise its existing property agency network to build up a diverse and sizeable base of customers for the newly expanded provision of mortgage financing business in an effective and efficient manner. Besides, the target customers of the Group's mortgage financing business will also include all property owners who are looking for cash-out refinancing services. Therefore, the Board considers that the provision of mortgage financing would broaden the Group's income sources and is beneficial to the Company and its Shareholders.

The Board also considers that the Placing and the Open Offer represent an opportunity for the Group to raise funding for the development of the mortgage financing business while broadening its shareholder and capital base thereby increasing the liquidity of the Shares. As such, the Directors (including the independent non-executive Directors) consider that the Placing Agreement and the Underwriting Agreement are entered into upon normal commercial terms and that the terms of the Placing Agreement and the Open Offer are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

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

(3) GENERAL

Since the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the twelve-month period immediately preceding this announcement and the Open Offer is fully underwritten by the Underwriter who is not a Director, chief executive or Substantial Shareholder (or an associate of any of them) pursuant to Rules 7.24(5) and 7.26(A) of the Listing Rules, the Open Offer is therefore not subject to Shareholders' approval requirement under the Listing Rules.

The Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders, and the Overseas Letter together with the Prospectus will be despatched to the Prohibited Shareholders for their information only on Thursday, 22 May 2014.

(4) WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Placing and the Open Offer are conditional upon the Placing Agreement and the Underwriting Agreement respectively having become unconditional and the Placing Agent and the Underwriter not having terminated the Placing Agreement and the Underwriting Agreement respectively in accordance with the terms thereof. Accordingly, the Placing and/or the Open Offer may or may not proceed.

The Shares will be dealt in on an ex-entitlement basis commencing from Thursday, 15 May 2014 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, unless the context otherwise required, the following terms and expressions shall have the following meanings when used herein.

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“Application Form(s)”	the form(s) of application to be used by the Qualifying Shareholders to apply for the Offer Shares in the agreed form
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding 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 or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the central Clearing and Settlement System established and operated by HKSCC

“Company”	21 Holdings Limited, a company incorporated in Bermuda with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange
“Company Act”	the Companies Act 1981 of Bermuda, as amended from time to time
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended from time to time)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the directors of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting held on 24 May 2013, among other things, to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the annual general meeting
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third parties who are not connected with or acting in concert (as defined in the Takeovers Code) with any directors, chief executive or Substantial Shareholder(s) or its subsidiaries of the Company and their respective associates
“Last Trading Day”	25 April 2014, being the last trading day for the Shares, being the date of this announcement
“Latest Time for Acceptance”	the latest time for acceptance for the Offer Shares at 4:00 p.m., on Friday, 6 June 2014 or such other time as may be agreed between the Company and the Underwriter
“Latest Time for Termination”	the latest time for terminating the Underwriting Agreement at 4:00 p.m., on Thursday, 12 June 2014, being the fourth Business Day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriter
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange
“Offer Shares”	not less than 160,379,617 new Shares and not more than 192,379,617 new Shares to be allotted and issued pursuant to the Open Offer
“Open Offer”	the proposed issue by way of open offer to the Qualifying Shareholders on the basis of one (1) Offer Share for every two (2) existing Shares held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Overseas Letter”	a letter from the Company to the Prohibited Shareholders explaining the circumstances in which the Prohibited Shareholders are not permitted to participate in the Open Offer
“Overseas Shareholder(s)”	the Shareholder(s) with registered address(es) (as shown in the register of members of the Company on the Record Date) are outside of Hong Kong
“Placees”	any independent professional, institutional or other investors procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of up to 64,000,000 Placing Shares by the Placing Agent pursuant to the terms of the Placing Agreement
“Placing Agent” or “Underwriter”	Kingston Securities Limited, a licensed corporation to carry on type 1 (dealing in securities) regulated activity for the purposes of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 25 April 2014 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.81 per Placing Share
“Placing Share(s)”	up to 64,000,000 new Shares to be placed by the Placing Agent pursuant to the terms of the Placing Agreement

“Prohibited Shareholder(s)”	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 is 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 Offer Shares to such Overseas Shareholders
“Prospectus”	the document containing details of the Open Offer to be despatched to the Qualifying Shareholders
“Prospectus Documents”	the Prospectus and the Application Form
“Prospectus Posting Date”	Thursday, 22 May 2014 or such later date as may be agreed between the Underwriter and the Company for the despatch of the Prospectus Documents to the Qualifying Shareholders (or the Prospectus only in case of Prohibited Shareholder(s))
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Prohibited Shareholders
“Record Date”	Wednesday, 21 May 2014, or such other date as may be agreed between the Company and the Underwriter for determining entitlements to the Open Offer
“Registrar”	Computershare Hong Kong Investor Services Limited, at Shops 1712–16, 17 th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, the branch share registrar and transfer office of the Company in Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.50 per Offer Share
“Substantial Shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“Thought Diamond”	Thought Diamond International Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly owned by Mr. Cheung Kwok Fan, an executive Director, as at the date of this announcement
“Thought Diamond Undertaking”	the irrevocable undertaking given by Thought Diamond to the Company and the Underwriter under the Underwriting Agreement to take up in full its entitlements under the Open Offer to subscribe for 47,950,000 Offer Shares
“Underwriting Agreement”	the underwriting agreement dated 25 April 2014 and entered into among the Company, the Underwriter and Thought Diamond in relation to the underwriting arrangement in respect of the Open Offer
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
21 Holdings Limited
Lei Hong Wai
Chairman

Hong Kong, 25 April 2014

As at the date of this announcement, the Board comprises Mr. Lei Hong Wai (Chairman), Mr. Ng Kai Man and Mr. Cheung Kwok Fan as executive Directors and Ms. Chio Chong Meng, Mr. Wong Tak Chuen and Mr. Man Kong Yui as independent non-executive Directors.