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21 Holdings Limited

21 控股有限公司*

(incorporated in Bermuda with limited liability)

(stock code: 1003)

**DISCLOSEABLE TRANSACTION
PROVISION OF FINANCIAL ASSISTANCE
AND
ADVANCE TO AN ENTITY**

PROVISION OF FINANCIAL ASSISTANCE AND ADVANCE TO AN ENTITY

The Board announces that, on 4 December 2014 (after trading hours of the Stock Exchange), the Loan Agreement was entered into between the Company as lender and Mastermind Capital as borrower. Pursuant to the Loan Agreement, the Company has conditionally agreed to grant the Loan in the principal amount of HK\$80 million to Mastermind Capital for a term of two years from the date of drawdown.

The principal terms and conditions of the Loan Agreement are set out in the paragraph headed “The Loan Agreement” in this announcement.

LISTING RULES IMPLICATIONS

As four of the relevant applicable percentage ratios (as defined under the Listing Rules) in respect of the grant of the Loan under the Loan Agreement are more than 5% but less than 25%, the grant of the Loan under the Loan Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is only subject to the announcement requirement of the Listing Rules.

Further, as the amount of the Loan exceeds 8% under the assets ratio defined under Rule 13.13 of the Listing Rules, the grant of the Loan is also subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

* *for identification purpose only*

PROVISION OF FINANCIAL ASSISTANCE

The Board announces that, on 4 December 2014 (after trading hours of the Stock Exchange), the Loan Agreement was entered into between the Company as lender and Mastermind Capital as borrower. Pursuant to the Loan Agreement, the Company has conditionally agreed to grant the Loan in the principal amount of HK\$80 million to Mastermind Capital for a term of two years from the date of drawdown.

The Loan Agreement

The principal terms and conditions of the Loan Agreement are summarised as follows:

Date	:	4 December 2014
Lender	:	the Company
Borrower	:	Mastermind Capital
Principal amount of the Loan	:	HK\$80 million
Interest rate	:	8.00% per annum, payable monthly
Default interest rate	:	16.00% per annum on the default payment from the date of default until the sum is paid.
Security	:	No security will be provided by Mastermind Capital.
Available period	:	The Loan is available for drawing during a period of 30 days (or such other number of days as the Company and Mastermind Capital may agree in writing) from the first business day after the fulfillment of all conditions precedent as set out below.
Repayment date	:	The date immediately after the expiry of a period of two years as from the date of drawdown.
Repayment	:	Mastermind Capital shall repay the principal amount of the Loan in full together with any accrued and unpaid interest on the repayment date.
Prepayment	:	Mastermind Capital may at any time during the term of the Loan prepay the Loan in full together with the accrued interest by giving not less than ten business days' prior written notice to the Company before the repayment date.

The Company shall have right at any time during the term of the Loan to demand Mastermind Capital to prepay the Loan in full together with the accrued interest by giving not less than ten business days' prior written notice to Mastermind Capital before the repayment date.

- Conditions precedent : The Loan Agreement is conditional upon the fulfilment of the following conditions:
- (a) the publication of an announcement of the Company in relation to the Loan Agreement and the transactions contemplated thereunder in compliance with Chapter 14 of the Listing Rules;
 - (b) all representations and warranties made by Mastermind Capital in the Loan Agreement or in connection therewith being true and correct with the same effect as though made on and as of the date of drawdown with reference to the facts and circumstances then subsisting;
 - (c) no event of default having occurred and no potential event of default having occurred (or being likely to occur as a result of the Loan being made); and
 - (d) the Company having received and found satisfactory such additional information and documents relating to Mastermind Capital may reasonably require.
- Long stop date : 11 December 2014 (or such later date as the Company and Mastermind Capital may agree in writing).

Funding of the Loan

The Loan will be financed by the internal resources of the Company.

Information on Mastermind Capital

Mastermind Capital is a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange under stock code: 905. The principal activity of Mastermind Capital is investment holding. Mastermind Capital and its subsidiaries principally invest in listed and unlisted companies in Hong Kong and in other parts of the People's Republic of China. To the best of the

knowledge, information and belief of the Directors having made all reasonable enquires, Mastermind Capital is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

Information on the Group

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

Reasons for and benefits of the grant of the Loan

As the Group currently has funds available for investment purpose and, in order to generate a higher return on such funds, the Directors have decided to grant the Loan to Mastermind Capital for a period of two years from the date of drawdown.

The terms of the Loan Agreement are negotiated on an arm's length basis between the Company and Mastermind Capital. The Directors are of the view that the terms and conditions of the Loan Agreement are on normal commercial terms. Given that (i) the Loan can generate a higher return to the Group comparing with the interest earned by making a Hong Kong dollars time deposit with financial institutions in Hong Kong and (ii) a stable interest income would be generated from the Loan during the term of the Loan Agreement, the Directors consider that the grant of Loan under the Loan Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

APPROVAL BY THE BOARD

Given Mr. Man Kong Yui, an independent non-executive Director, is also an independent non-executive director of Mastermind Capital, Mr. Man Kong Yui abstained from voting on the relevant resolutions to approve the Loan Agreement and the transactions contemplated thereunder at the meeting of the Board held on 4 December 2014.

LISTING RULES IMPLICATIONS

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Further, as the amount of the Loan exceeds 8% under the assets ratio defined under Rule 13.13 of the Listing Rules, the grant of the Loan is also subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

DEFINITIONS

In this announcement, the following words and expressions shall, unless the context otherwise requires, have the same meanings when used herein:

“Board”	the board of Directors
“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
“Director(s)”	the director(s) of the Company
“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
“Loan”	the loan in the principal amount of HK\$80 million
“Loan Agreement”	the conditional loan agreement dated 4 December 2014 and entered into between the Company as lender and Mastermind Capital as borrower relating to the grant of the Loan
“Mastermind Capital”	Mastermind Capital Limited, a company incorporated in the Cayman Islands with limited liability whose issued shares are listed on the Main Board of the Stock Exchange (stock code: 905)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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, 4 December 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.