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**21 Holdings Limited**

**21 控股有限公司\***

*(incorporated in Bermuda with limited liability)*

**(stock code: 1003)**

**DESPATCH OF CIRCULAR  
AND  
FURTHER INFORMATION IN RELATION TO THE FEE SHARES**

**DESPATCH OF CIRCULAR**

The Circular containing, among other things, information of the Subscription, the Whitewash Waiver and the Service Agreements, the recommendation of the Independent Board Committee and the letter of advice from the Independent Financial Adviser both advising on, among other things, the Subscription, the Whitewash Waiver and the Service Agreements, and a notice of convening the SGM, has been despatched to the Shareholders on 5 August 2015.

**FURTHER INFORMATION IN RELATION TO THE FEE SHARES**

As stated in the Announcements, RFML is the financial adviser to the Company which, subject to the approval of the Independent Shareholders at the SGM, will receive 30,000,000 Fee Shares as settlement for financial advisory services provided by RFML in respect of the Subscription. If the Shareholders do not approve the allotment and issue of the Fee Shares, the Company intends to settle the financial advisory services fee payable to RFML by cash. Such cash amount has yet to be determined and will be negotiated between the parties.

Independent Shareholders are advised to refer to the “Letter from the Independent Board Committee” and the “Letter from Somerley” (Somerley Capital Limited being the Independent Financial Adviser) contained in the Circular for their respective recommendation and advice on the Subscription, the Whitewash Waiver, the allotment and issue of the Fee Shares and the Service Agreements before deciding whether or not to vote for or against the resolutions relating to the Subscription, the Whitewash Waiver, the allotment and issue of the Fee Shares and the Service Agreements.

\* For identification purpose only

## INTRODUCTION

Reference is made to the announcements of 21 Holdings Limited (the “Company”) dated 13 May 2015, 3 June 2015, 30 June 2015 and 31 July 2015 (the “Announcements”) in relation to, among other things, the Subscription and the Whitewash Waiver. Capitalised terms used herein shall have the same meanings as defined in the Announcements unless the context requires otherwise.

## DESPATCH OF CIRCULAR

The Board is pleased to announce that the Circular containing, among other things, information of the Subscription, the Whitewash Waiver and the Service Agreements, the recommendation of the Independent Board Committee and the letter of advice from the Independent Financial Adviser both advising on, among other things, the Subscription, the Whitewash Waiver and the Service Agreements, and a notice of convening the SGM, has been despatched to the Shareholders on 5 August 2015.

Under Rule 26.1 of the Takeovers Code, the Subscribers would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by the Subscribers and parties acting in concert with the Subscribers, unless the Whitewash Waiver is obtained from the Executive. In this regard, Newwood (on its behalf and on behalf of the other Subscribers) has made an application to the Executive for the Whitewash Waiver in respect of the allotment and issue of the Subscription Shares. The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, approval of the Subscription (which is conditional upon satisfaction (or, if applicable, waiver) of the conditions precedent set out in the section headed “Conditions of the Subscription” in the “Letter from the Board” contained in the Circular), the Service Agreements and the Whitewash Waiver by the Independent Shareholders at the SGM by way of poll. Completion is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and the Subscription, the Service Agreements and the Whitewash Waiver being approved by the Independent Shareholders. The Whitewash Waiver, if granted, is subject to, among other things, the approval of the Independent Shareholders on a vote by way of poll at the SGM. Thought Diamond International Limited (which is wholly and beneficially owned by Mr. Cheung Kwok Fan, an executive Director, who was involved in the negotiation of the Subscription for and on behalf of the Company) will abstain from voting at the SGM in respect of the resolutions relating to the Subscription, the Whitewash Waiver, the allotment and issue of the Fee Shares and the Service Agreements. Save as disclosed above, no other Shareholders is interested or involved in the Subscription, the Whitewash Waiver, the allotment and issue of the Fee Shares and/or the Service Agreements as at the date of this announcement.

**If the Whitewash Waiver is granted by the Executive and approved by the Independent Shareholders and the Subscription becomes unconditional, the aggregate shareholding of the Subscribers and parties acting in concert with the Subscribers in the Company will exceed 50% upon Completion. The Subscribers and parties acting in concert with any of them may further increase their shareholding in the Company without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer.**

The SGM will be held at Meeting Room (Soho 2), 6/F., Ibis Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Friday, 28 August 2015 at 10:30 a.m., details of which are set out in the notice of SGM contained in the Circular.

## FURTHER INFORMATION IN RELATION TO THE FEE SHARES

As stated in the Announcements, RFML is the financial adviser to the Company which, subject to the approval of the Independent Shareholders at the SGM, will receive 30,000,000 Fee Shares as settlement for financial advisory services provided by RFML in respect of the Subscription. If the Shareholders do not approve the allotment and issue of the Fee Shares, the Company intends to settle the financial advisory services fee payable to RFML by cash. Such cash amount has yet to be determined and will be negotiated between the parties.

The table below sets out (i) the effect of the Subscription and the allotment and issue of the Fee Shares on the shareholding structure of the Company immediately upon Completion and the allotment and issue of the Fee Shares; and (ii) the effect of the Subscription on the shareholding structure of the Company immediately upon Completion, assuming no Shares will be issued or repurchased between the date of this announcement and Completion:

	As at the date of this announcement		Immediately upon Completion		Immediately upon Completion and the allotment and issue of the Fee Shares	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Thought Diamond International Limited ( <i>Notes 1 and 3</i> )	143,850,000	24.92%	143,850,000	6.31%	143,850,000	6.23%
<b>The Subscribers and their respective concert parties</b>						
Newwood	—	—	461,711,082	20.26%	461,711,082	20.00%
Numerous Joy	—	—	92,342,216	4.05%	92,342,216	4.00%
Pacific Wits	—	—	438,625,528	19.25%	438,625,528	19.00%
Tairong	—	—	438,625,528	19.25%	438,625,528	19.00%
Wise Dragon ( <i>Note 3</i> )	—	—	69,256,662	3.04%	69,256,662	3.00%
Gold Shine ( <i>Note 3</i> )	—	—	69,256,662	3.04%	69,256,662	3.00%
Dayunmony ( <i>Note 3</i> )	—	—	46,171,108	2.03%	46,171,108	2.00%
Concept Best ( <i>Note 3</i> )	—	—	46,171,108	2.03%	46,171,108	2.00%
RGL ( <i>Note 3</i> )	—	—	39,256,662	1.72%	39,256,662	1.70%
RFML ( <i>Notes 2 and 3</i> )	—	—	—	—	30,000,000	1.30%
<i>Subtotal</i>	—	—	1,701,416,556	74.67%	1,731,416,556	75.00%
Existing public Shareholders	433,288,852	75.08%	433,288,852	19.02%	433,288,852	18.77%
<b>Total</b>	<b>577,138,852</b>	<b>100.00%</b>	<b>2,278,555,408</b>	<b>100.00%</b>	<b>2,308,555,408</b>	<b>100.00%</b>

*Notes:*

1. These Shares were held by Thought Diamond International Limited, the entire issued share capital of which is wholly and beneficially owned by Mr. Cheung Kwok Fan, an executive Director. Upon Completion, Mr. Cheung Kwok Fan will resign as an executive Director and these Shares shall be counted as held in public hands for the purposes of Rule 8.08(1) of the Listing Rules.
2. RFML is the financial adviser to the Company which, subject to the approval of the Independent Shareholders at the SGM, will receive 30,000,000 Fee Shares as settlement for financial advisory services provided by RFML in respect of the Subscription.
3. Upon Completion, these Shares shall be counted as held in public hands for the purposes of Rule 8.08(1) of the Listing Rules as (i) none of Wise Dragon, Gold Shine, Dayunmony, Concept Best, RGL nor RFML will become a core connected person of the Company; (ii) none of Wise Dragon's, Gold Shine's, Dayunmony's, Concept Best's nor RGL's acquisition of the Subscription Shares will be financed directly or indirectly by a core connected person of the Company; and (iii) none of Wise Dragon, Gold Shine, Dayunmony, Concept Best, RGL nor RFML is accustomed to take instructions from a core connected person of the Company in relation to the acquisition, disposal, voting or other disposition of the Subscription Shares or the Fee Shares registered in their names or otherwise held by them.

Independent Shareholders are advised to refer to the "Letter from the Independent Board Committee" and the "Letter from Somerley" (Somerley Capital Limited being the Independent Financial Adviser) contained in the Circular for their respective recommendation and advice on the Subscription, the Whitewash Waiver, the allotment and issue of the Fee Shares and the Service Agreements before deciding whether or not to vote for or against the resolutions relating to the Subscription, the Whitewash Waiver, the allotment and issue of the Fee Shares and the Service Agreements.

By order of the Board  
**21 Holdings Limited**  
**Lei Hong Wai**  
Chairman

Hong Kong, 5 August 2015

*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.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information (other than that relating to the Subscribers and parties acting in concert with them) contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Subscribers and parties acting in concert with them) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*

*The director of Newwood Investments Limited, namely Mr. Dong Ping, accepts full responsibility for the accuracy of the information relating to him and Newwood Investments Limited contained in this announcement and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed by him and Newwood Investments Limited have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*

*The director of Numerous Joy Limited, namely Mr. Dong Ping, accepts full responsibility for the accuracy of the information relating to him and Numerous Joy Limited contained in this announcement and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed by him and Numerous Joy Limited have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*

*The director of Pacific Wits Limited, namely Mr. Ning Hao, accepts full responsibility for the accuracy of the information relating to him and Pacific Wits Limited contained in this announcement and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed by him and Pacific Wits Limited have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*

*The director of Tairong Holdings Limited, namely Mr. Xu Zheng, accepts full responsibility for the accuracy of the information relating to him and Tairong Holdings Limited contained in this announcement and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed by him and Tairong Holdings Limited have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*

*The director of Wise Dragon International Limited, namely Mr. Yeung Ning, accepts full responsibility for the accuracy of the information relating to him and Wise Dragon International Limited contained in this announcement and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed by him and Wise Dragon International Limited have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*

*The director of Gold Shine Investment Company Limited, namely Mr. Tse Yiu Lam, accepts full responsibility for the accuracy of the information relating to him and Gold Shine Investment Company Limited contained in this announcement and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed by him and Gold Shine Investment Company Limited have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*

*The director of Dayunmony Investment Corporation, namely Mr. Gao Zhikai, accepts full responsibility for the accuracy of the information relating to him and Dayunmony Investment Corporation contained in this announcement and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed by him and Dayunmony Investment Corporation have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*

*The director of Concept Best Limited, namely Mr. So Chak Kwong, accepts full responsibility for the accuracy of the information relating to him and Concept Best Limited contained in this announcement and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed by him and Concept Best Limited have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement relating to him and Concept Best Limited the omission of which would make any statement in this announcement misleading.*

*The directors of REORIENT Global Limited, namely Mr. Cecil Te-hwai Ho and Mr. Bryan C. Zolad, jointly and severally accept full responsibility for the accuracy of the information relating to REORIENT Global Limited contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed by them and REORIENT Global Limited have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement relating to REORIENT Global Limited the omission of which would make any statement in this announcement misleading. The directors of REORIENT Group Limited (the ultimate holding company of REORIENT Global Limited), namely Mr. Ko Chun Shun, Johnson, Mr. Brett McGonegal, Mr. Chen Shengjie, Mr. Tsoi Tong Hoo, Tony, Ms. Ko Wing Yan, Samantha, Mr. Dorian M. Barak, Mr. Liu Zhengui, Mr. Chu Chung Yue, Howard and Dr. Wong Yau Kar, David, BBS, JP, jointly and severally accept full responsibility for the accuracy of the information relating to REORIENT Group Limited contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed by them and REORIENT Group Limited have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*