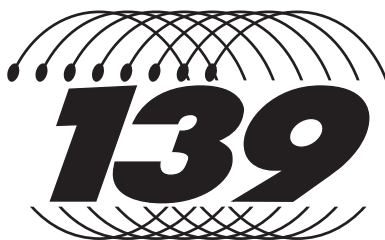


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139 HOLDINGS LIMITED

(139 控 股 有 限 公 司) *

(Incorporated in Bermuda with limited liability)

(Stock Code: 139)

PLACING OF NEW SHARES UNDER THE GENERAL MANDATE

On 17 October 2006, the Company entered into the Placing Agreement with the Placing Agent pursuant to which an aggregate of up to 226,640,000 new Shares will be placed by the Placing Agent on behalf of the Company, on a best effort basis, at the price of HK\$0.325 per Placing Share with at least six (6) independent investors.

The Placing is conditional upon listing of, and permission to deal in, the Placing Shares being granted by the Listing Committee of the Stock Exchange. Further announcement will be made upon the completion of the Placing.

Trading in Shares was suspended with effect from 9:34 a.m. on 16 October 2006 at the request of the Company pending the issue of an announcement in respect of a major transaction entered into by the Group involving the issue of the new Shares and convertible note.

Application has been made for the resumption of trading in Shares on the Stock Exchange with effect from 9:30 a.m. on 20 October 2006. For details regarding the major transaction, please refer to the announcement of the Company dated 19 October 2006.

PLACING AGREEMENT DATED 17 OCTOBER 2006

Placing Agent : Celestial Securities Limited. To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s), are independent of and not connected with any of the Directors, chief executive or substantial shareholder(s) of the Company or its subsidiaries or any of their respective associates and are not connected persons of the Company.

Placcees : Not less than six (6) institutional, professional and/or individual investors who will be independent of, and not connected with any of the Directors, chief executive or substantial shareholder(s) of the Company or its subsidiaries or any of their respective associates and are not connected person of the Company.

Number of Placing Shares: : An aggregate number of up to 226,640,000 new Shares, representing approximately 20% of the existing issued share capital of the Company and approximately 16.66% of the issued share capital of the Company as enlarged by the Placing. The Placing will be on a best effort basis.

The Placing Shares will be issued under the general mandate granted (the “**General Mandate**”) to the Directors pursuant to the resolution passed by the shareholders of the Company at the annual general meeting of the Company held on 28 August 2006. Since the grant of the General Mandate, no Shares have been allotted and issued under the General Mandate.

Placing Price : HK\$0.325 per Placing Share. Taking into account the relevant expenses, the net price to the Company of each Placing Share is approximately HK\$0.3197 per Placing Share.

The Placing Price was agreed after arm’s length negotiations and represents (i) a discount of approximately 8.45% to the closing price of HK\$0.355 per Share as quoted on the Stock Exchange on 13 October 2006, being the last trading day of the Shares immediately prior to the issue of this announcement; and (ii) a discount of approximately 11.44% to the average closing price of approximately HK\$0.367 per

- Share as quoted on the Stock Exchange from 9 October 2006 to 13 October 2006, both days inclusive, being the last five trading days of the Shares immediately before the date of the Placing Agreement.
- Placing commission : 1.5% of the aggregate Placing Price of the Placing Shares placed under the Placing
- Condition : The Placing is conditional upon listing of, and permission to deal in, the Placing Shares being granted by the Listing Committee of the Stock Exchange.
- If the condition is not fulfilled by 30 November 2006 (or such later date as may be agreed by the Company and the Placing Agent), all rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine and neither of the parties shall have any claim against the other in respect of the Placing save for any antecedent breach.
- Expected Completion Date : The third business day following the day on which the condition is fulfilled.
- Ranking : The Placing Shares, when fully paid, will rank pari passu in all respects with the Shares in issue at the time of issue and allotment of the Placing Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The principal activity of the Company is investment holding. The principal activities of the subsidiaries of the Company comprise the trading and distribution of electronic products and other merchandise and securities investment and trading.

The estimated expenses for the Placing are approximately HK\$1,200,000. The net proceeds arising from the Placing in the amount of approximately of HK\$72,458,000 are intended to used as the general work capital for the Group. As at the date of this announcement, the Board has not identified any transaction or investment for which the proceeds from the Placing will be used. The Directors consider that the Placing Price is fair and reasonable. Having explored the costs and effectiveness of other fund raising exercises, the Directors believe that the Placing is in the interests of the Company and its shareholders as a whole, as it represents a good opportunity to raise capital for the Company and to broaden the shareholders base and capital base of the Company and will strengthen the financial position of the Company.

EFFECTS ON SHAREHOLDING*

The effects of the Placing on the shareholding of the Company are as follows:

Name of Shareholders	Shareholding before the Placing		Shareholding after the Placing	
	No. of Shares	Approximate%	No. of Shares	Approximate%
Mr. Wong Howard, a Director	21,299,000	1.88%	21,299,000	1.57%
Mr. Wong Yat Fat, a Director	21,299,000	1.88%	21,299,000	1.57%
Mr. Wu Qing, a Director	21,299,000	1.88%	21,299,000	1.57%
Radford Capital Investment Limited (Stock Code: 901)	92,782,000	8.19%	92,782,000	6.82%
Other public Shareholders	976,564,047	86.17%	976,564,047	71.80%
Placees			226,640,000	16.67%
Total	<u>1,133,243,047</u>	<u>100.00%</u>	<u>1,359,883,047</u>	<u>100.00%</u>

*Note: The Company has entered into a major transaction involving the issue of new Shares and convertible note. For further details, please refer to the announcement of the Company dated 19 October 2006 in respect of a major transaction entered into by the Group. Please also note that the table above has not yet taken into account the effect of the major transaction including the issue of new Shares and the convertible note contemplated therein.

FUND-RAISING ACTIVITIES BY THE COMPANY DURING THE PAST 12 MONTHS

There have been no equity fund-raising activities conducted by the Company in the past 12 months prior to the date of this announcement.

The Board considers that the terms of the Placing Agreement, which were entered into after arm's strength negotiation between the Company and the Placing Agent, to be on normal commercial terms and that such terms are fair and reasonable and in the interest of the shareholders of the Company and the Company as a whole.

GENERAL

Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the Placing Shares. Further announcement will be made upon the completion of the Placing.

Trading in Shares was suspended with effect from 9:34 a.m. on 16 October 2006 at the request of the Company pending the issue of an announcement in respect of a major transaction entered into by the Group involving the issue of the new Shares and convertible note.

Application has been made for the resumption of trading in Shares on the Stock Exchange with effect from 9:30 a.m. on 20 October 2006. For details regarding the major transaction, please refer to the announcement of the Company dated 19 October 2006.

DEFINITION

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	139 Holdings Limited, a company incorporated in Bermuda, the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the placing of up to 226,640,000 new Shares at the Placing Price to at least six (6) independent investors pursuant to the Placing Agreement dated 17 October 2006
“Placing Agreement”	placing Agreement entered into between the Placing Agent and the Company dated 17 October 2006
“Placing Agent”	Celestial Securities Limited
“Placing Price”	HK\$0.325 per Placing Share
“Placing Shares”	226,640,000 new Shares to be placed pursuant to the Placing
“PRC”	The People’s Republic of China
“Share(s)”	the ordinary share(s) of the Company of HK\$0.01 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board
139 Holdings Limited
Wong Howard
Executive Director

Hong Kong, 19 October 2006

As at the date hereof, the executive Directors are Mr Wong Howard, Mr Wong Yat Fai and Mr Wu Qing and the independent non-executive Directors are Mr Li Chi Ming, Mr Tung Tat Chiu, Michael and Mr Wan Ngar Yin David.

* *For identification purposes only*