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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 CONVERTIBLE BONDS AND RESUMPTION OF TRADING

CB Placing Agreement

On 6 February 2007, the Company entered into the CB Placing Agreement with the Placing Agent for the placing of the Convertible Bonds, on a best effort basis, up to a maximum principal amount of HK\$101,962,500 on the terms and conditions set out in the CB Placing Agreement. The conversion price of the Convertible Bonds is HK\$0.375 per Share (subject to adjustment).

Completion of the CB Placing is subject to the fulfillment of certain conditions which include, inter alia, the granting of the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange by the Listing Committee of the Stock Exchange.

Application will be made for the listing of, and permission to deal in the Conversion Shares on the Stock Exchange.

Suspension and resumption of trading

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Wednesday, 7 February 2007 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on Thursday, 8 February 2007.

CB PLACING AGREEMENT DATED 6 FEBRUARY 2007

1. Parties to the CB Placing Agreement

Issuer : The Company
The Placing Agent : Taifook Securities Company Limited, an Independent Third Party

The conversion price of the Convertible Bonds was fixed on the date of the CB Placing Agreement. The placing commission under the CB Placing Agreement is 2.0% of the amount of the Convertible Bonds successfully placed through the Placing Agent pursuant to the CB Placing Agreement.

2. CB Placing

The Convertible Bonds will be placed to not less than six CB Placee(s) through the Placing Agent on a best effort basis.

3. Principal terms of the Convertible Bonds

Issuer : The Company
Principal amount : Up to a maximum principal amount of HK\$101,962,500
Conversion price : HK\$0.375 per Share (subject to adjustment as a result of, among others, any consolidation or sub-division of the Shares, the issue of (other than in lieu of a cash dividend) any Shares by the Company credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund), rights issue, grant of share options or warrants), representing:

- (i) a premium of approximately 1.35% over the closing price of HK\$0.370 per Share as quoted on the Stock Exchange on 6 February 2007, being the last trading day of the Shares on the Stock Exchange prior to the suspension of the trading in the Shares on the Stock Exchange pending the release of this announcement;

- (ii) a discount of approximately 4.09% over the average closing price of HK\$0.391 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including 6 February 2007; and
- (iii) a premium of approximately 19.05% over the audited consolidated net asset value per Share of approximately HK\$0.315 as at 31 March 2006.

The Conversion Price was determined after arm's length negotiations between the parties to the CB Placing Agreement.

Adjustment to conversion	:	Subject to adjustment provisions which are standard terms of convertible securities of similar type. The adjustment events will arise as a result of certain change in the share capital of the Company including consolidation or sub-division of Shares, capitalisation of profits and reserves and capital distribution in cash or specie.
Interest	:	2% per annum, payable semi-annually in arrears. Such interest rate was determined after arm's length negotiations between the parties to the CB Placing Agreement.
Conversion period	:	The Convertible Bonds may be converted in whole or in part at any time following the date of issue of the Convertible Bonds before the maturity date of the Convertible Bonds.
Maturity	:	The Company shall redeem the outstanding principal amount of the Convertible Bonds, together with interest accrued from the last interest payment date up to and including the date of maturity, which is on the expiry date of three years from the date of issue of the Convertible Bonds or, if such expiry date is not a business day, the next following business day.
Shares to be issued upon conversion	:	The Conversion Shares to be issued upon conversion of the Convertible Bonds will rank pari passu in all respects with the Shares in issue on the date of conversion.
Voting rights	:	The holders of the Convertible Bonds will not have any right to attend or vote at any meetings of the Company by virtue of their being holders of the Convertible Bonds.
Listing	:	No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchanges. An application will be made by the Company for the listing of, and the permission to deal in, the Conversion Shares to be issued upon exercise of the conversion rights attaching to the Convertible Bonds on the Stock Exchange.

The Convertible Bonds may not be assigned or transferred to the connected persons of the Company unless all the requirements under the Listing Rules have been fully complied with to the satisfaction of the Stock Exchange. Based on the placing commission of 2.0% under the CB Placing Agreement, the maximum net amount of the Convertible Bonds to be received by the Company (after deduction of the 2.0% placing commission) will be HK\$99,923,250.

The Conversion Shares will be issued pursuant to the general mandate granted to the Directors by a resolution of the Shareholders passed at a special general meeting of the Company held on 6 December 2006. The general mandate authorises the Company to allot and issue Shares from time to time not exceeding 20% of 1,359,883,047 Shares, being the aggregate number of the issued Shares as at 6 December 2006. As at the date of this announcement, the general mandate has not been utilised. Upon conversion of the Convertible Bonds in full and based on the conversion price of HK\$0.375 per Share (subject to adjustment), a maximum number of 271,900,000 Conversion Shares will be issued, which represents approximately 19.99% of the existing issued share capital of the Company of 1,359,883,047 Shares as at 6 February 2007 and approximately 16.66% of the issued share capital of the Company of 1,631,783,047 Shares as enlarged by the issue of the Conversion Shares.

4. Conditions of the CB Placing

Completion of the CB Placing is conditional upon the fulfillment of the conditions including:-

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange; and
- (ii) no event having occurred or occurring which would constitute an event of default or a potential event of default under the terms of the Convertible Bonds had the Convertible Bonds been issued.

If the conditions are not fulfilled on or before 6 July 2007 (or such later date as the parties to the CB Placing Agreement may agree), the CB Placing Agreement will lapse.

5. Completion of the CB Placing

Completion of the CB Placing is expected to take place on or before 10 July 2007, so as to allow adequate time for the Placing Agent to procure CB Placees. In the event the CB Placing does not reach up to the maximum principal amount of HK\$101,962,500, the Company shall have the discretion to decide whether to proceed with the Completion.

EFFECT OF THE CB PLACING ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table summarises the effect the CB Placing on the shareholding structure of the Company:

Name of Shareholders	Number of Shares held and approximate percentage of shareholding as at the date of this announcement		Number of Shares held and approximate percentage of shareholding immediately upon full conversion of the Convertible Bonds	
	Shares	%	Shares	%
Mr. Wong Howard, a Director	21,299,000	1.57%	21,299,000	1.31%
Mr. Wong Yat Fat, a Director	21,299,000	1.57%	21,299,000	1.31%
Mr. Wu Qing, a Director	21,299,000	1.57%	21,299,000	1.31%
Penta Investment Advisers Limited, an Independent Third Party	160,670,000	11.81%	160,670,000	9.85%
Other public Shareholders	1,135,316,047	83.48%	1,135,316,047	69.56%
CB Placees	–	–	271,900,000	16.66%
Total	<u>1,359,883,047</u>	<u>100.00%</u>	<u>1,631,783,047</u>	<u>100.00%</u>

Application will be made for the listing of, and permission to deal in the Conversion Shares on the Stock Exchange.

REASONS FOR THE CB PLACING AND USE OF PROCEEDS

The Company is an investment holding company. 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.

In order to secure a medium to long term financing resource and enhance the Group's cash position for its operation and future development, the Directors propose to issue the Convertible Bonds. Assuming that the Convertible Bonds are fully placed, the gross proceeds and the net proceeds from the CB Placing will be HK\$101,962,500 and HK\$99,923,250 respectively. The Group intends to use such net proceeds to finance new investment opportunities and as general working capital for the Group to maintain its ongoing operation and expansion. The expenses to be incurred in the CB Placing is estimated to be approximately HK\$2.15 million, which include placing commissions and other professional charges. In the event that the CB Placing Agreement lapses and the Company is not able to obtain the financing, the general working capital of the Group would not be affected.

Further announcement will be made by the Company in respect of completion of the CB Placing Agreement and/or whether the Company to proceed with the Completion.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE-MONTH PERIOD

On 19 October 2006, the board of directors of the Company announced that on 17 October 2006, the placing agent, Celestial Securities Limited, agreed to place 226,640,000 Shares at a price of HK\$0.325 per Share on a best effort basis. Such placing was completed on 1 November 2006. The net proceeds of such placing was HK\$72,458,000.

Other than disclosed above, the Company has not conducted any other fund raising activities in the past twelve months from the date of this announcement.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

Trading in the Shares on Stock Exchange was suspended with effect from 9:30 a.m. on Wednesday, 7 February 2007 at the request of the Company pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on Thursday, 8 February 2007.

DEFINITIONS

In this announcement, unless the content otherwise requires, the following expressions have the same meanings as set opposite thereto:

“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“CB Placee(s)”	professional, institutional or other investor(s), who is/are the Independent Third Party(ies) procured by the Placing Agent to purchase the Convertible Bonds
“CB Placing”	the placing of the Convertible Bonds through the Placing Agent pursuant to the CB Placing Agreement on a best effort basis
“CB Placing Agreement”	the placing agreement in relation to the CB Placing dated 6 February 2007 entered into between the Company and the Placing Agent
“Company”	139 Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Conversion Shares”	new Shares falling to be issued upon conversion of the Convertible Bonds
“Convertible Bonds”	convertible bonds to be issued by the Company to the CB Placee(s) up to a maximum principal amount of HK\$101,962,500 pursuant to the terms and conditions of the CB Placing Agreement
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	a person(s) or company(ies) who/which and the ultimate beneficial owner(s) of which (where applicable) is/are independent of and not connected with the directors, chief executive, substantial shareholders (as defined in the Listing Rules) and controlling shareholders (as defined in the Listing Rules) of the Company or its subsidiaries or any of their respective associates, and is/are not connected person(s) of the Company
“Listing Committee”	the listing sub-committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing Agent”	Taifook Securities Company Limited, a licensed corporation to carry out types 1, 3 and 4 regulated activities for the purpose of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the placing agent for the CB Placing
“PRC”	the People’s Republic of China, and, for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of a nominal value of HK\$0.01 each in the issued capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“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, 7 February 2007

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*