
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in 139 Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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139 Holdings Limited

139 控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 139)

**PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES OF THE COMPANY
AND
PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT
OF THE EXISTING SHARE OPTION SCHEME OF THE COMPANY
AND
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS OF THE COMPANY
AND
NOTICE OF THE ANNUAL GENERAL MEETING OF THE COMPANY**

A notice convening an annual general meeting of 139 Holdings Limited to be held at Falcon Room I, Luk Kwok Hotel, 72 Gloucester Road, Wanchai, Hong Kong on Tuesday, 28 August 2007 at 9:30 a.m. is set out on pages 17 to 20 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk) and the Company (www.139hk.com).

If you are not able to attend the annual general meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Share Registrar in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

* *for identification purposes only*

31 July 2007

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RESPONSIBILITY STATEMENT

This document includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

| | |
|---------------------------------|---|
| “Annual General Meeting” | an annual general meeting of the Company to be held at Falcon Room I, Luk Kwok Hotel, 72 Gloucester Road, Wanchai, Hong Kong on Tuesday, 28 August 2007 at 9:30 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 17 to 20 of this circular, or any adjournment thereof; |
| “Board” | the board of Directors; |
| “Buyback Mandate” | as defined in paragraph 2(a) of the Letter from the Board; |
| “Company” | 139 Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange; |
| “Current Bye-laws” | the current Bye-laws of the Company with the latest amendments made on 28 August 2006; |
| “Director(s)” | the director(s) of the Company; |
| “Existing Scheme Mandate Limit” | the maximum number of Shares which may be issued upon exercise of all options granted/to be granted under the Existing Share Option Scheme, being 10% of the issued share capital of the Company as at the date of adoption of the Existing Share Option Scheme, as subsequently adjusted by the Company’s capital reorganization in 2005; |
| “Existing Share Option Scheme” | the existing share option scheme adopted by the Company on 27 August 2003; |
| “Group” | the Company and its subsidiaries from time to time; |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong; |
| “Hong Kong” | The Hong Kong Special Administrative Region of the People’s Republic of China; |
| “Invested Entity” | any entity in which the Group holds any equity interest; |

DEFINITIONS

| | |
|---------------------------|--|
| “Issuance Mandate” | as defined in paragraph 2(b) of the Letter from the Board; |
| “Latest Practicable Date” | 26 July 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular; |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange; |
| “Participants” | any employees or directors of the Company, any of its subsidiaries or any Invested Entity (including executive directors, non-executive directors and independent non-executive directors of the Company, any of its subsidiaries or any Invested Entity); suppliers and customers of the Group or any Invested Entity; any person or entity that provides research, development or other technological support to the Group or any Invested Entity; and shareholders of the Group or any Invested Entity; |
| “SFO” | Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong; |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the capital of the Company or if there has been a subsequent subdivision, consolidation, reclassification or reconstruction of the share capital of the Company, share(s) forming part of the ordinary equity share capital of the Company; |
| “Shareholder(s)” | holder(s) of Share(s); |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Takeovers Code” | The Hong Kong Code on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong. |

LETTER FROM THE BOARD



139 Holdings Limited

139 控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 139)

Executive Directors:

Wong Howard (*Chairman and Chief Executive Officer*)

Wong Yat Fai

Wu Qing

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent Non-executive Directors:

Li Chi Ming

Tung Tat Chiu, Michael

Wan Ngar Yin, David

*Principal Place of Business
in Hong Kong:*

Room 1603-5

Harcourt House

39 Gloucester Road

Wanchai

Hong Kong

31 July 2007

To the Shareholders

Dear Sir or Madam

**PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES OF THE COMPANY
AND**

**PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT
OF THE EXISTING SHARE OPTION SCHEME OF THE COMPANY
AND**

**PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS OF THE COMPANY
AND**

NOTICE OF THE ANNUAL GENERAL MEETING OF THE COMPANY

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) the granting of the Buyback Mandate to the Directors; (ii) the granting of the Issuance Mandate to the

* *for identification purposes only*

LETTER FROM THE BOARD

Directors; (iii) the extension of the Issuance Mandate by adding to it the aggregate nominal amount of the Shares repurchased by the Company under the Buyback Mandate; (iv) the refreshment of the Existing Scheme Mandate Limit; and (v) the re-election of the retiring Directors.

2. PROPOSED GRANTING OF THE BUYBACK AND ISSUANCE MANDATES

At the annual general meeting of the Company held on 28 August 2006, the Shareholders passed, among other matters, ordinary resolutions to grant to the Directors the general mandates to allot, issue and deal with not more than 226,648,609 Shares, being 20% of the total share capital of the Company in issue on the date of passing of such resolution (the “2006 Issuance Mandate”), and to repurchase its own Shares in accordance with the Listing Rules. In October 2006, the Company has utilized the 2006 Issuance Mandate by allotting and issuing a total of 226,640,000 Shares.

At the special general meeting of the Company held on 6 December 2006, the independent Shareholders passed an ordinary resolution to grant to the Directors a new general mandate to allot, issue and deal with not more than 271,976,609 Shares, being 20% of the total share capital of the Company in issue on the date of passing of such resolution (the “Refreshed Issuance Mandate”). The Refreshed Issuance Mandate will lapse at the conclusion of the Annual General Meeting. As at the Latest Practicable Date, the Company has utilized the Refreshed Issuance Mandate by allotting and issuing a total of 271,900,000 Shares.

At the Annual General Meeting, ordinary resolutions will be proposed to approve the granting of new general mandates to the Directors:

- (a) to purchase Shares on the Stock Exchange of an aggregate nominal amount of up to 10% of the total nominal amount of the issued share capital of the Company on the date of passing of such resolution (i.e. an aggregate nominal amount of the Shares up to HK\$1,631,783.04 (equivalent to 163,178,304 Shares) on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting) (the “Buyback Mandate”);
- (b) to allot, issue or deal with Shares of an aggregate nominal amount of up to 20% of the total nominal amount of the share capital of the Company in issue on the date of passing of such resolution (i.e. an aggregate nominal amount of the Shares up to HK\$3,263,566.09 (equivalent to 326,356,609 Shares) on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting) (the “Issuance Mandate”); and
- (c) to extend the Issuance Mandate by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to and in accordance with the Buyback Mandate.

LETTER FROM THE BOARD

The Buyback Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the Annual General Meeting or any earlier date as referred to in ordinary resolutions nos. 4 and 5 set out in the notice of the Annual General Meeting. With reference to the Buyback Mandate and the Issuance Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any Shares pursuant thereto.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Buyback Mandate. The explanatory statement as required by the Listing Rules in connection with the Buyback Mandate is set out in Appendix I to this circular.

3. PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT OF THE EXISTING SHARE OPTION SCHEME

Pursuant to the resolution passed by the Shareholders at the annual general meeting of the Company held on 27 August 2003, the Existing Share Option Scheme was adopted. The purpose of the Existing Share Option Scheme is to enable the Company to grant options to the Participants as incentives and/or rewards for their contribution to the Group.

Pursuant to Chapter 17 of the Listing Rules, the total number of securities which may be issued upon exercise of all options to be granted under a share option scheme and any other schemes of a listed issuer must not in aggregate exceed 10% of the relevant class of securities of the listed issuer in issue as at the date of approval of the scheme. The listed issuer may seek approval by its shareholders in general meeting for “refreshing” the 10% limit under the scheme. However, the total number of securities which may be issued upon exercise of all options to be granted under all of the schemes of the listed issuer under the limit as “refreshed” must not exceed 10% of the relevant class of securities in issue as at the date of approval of the refreshed limit. Options previously granted under the schemes (including those outstanding, cancelled, lapsed in accordance with the scheme or exercised options) will not be counted for the purpose of calculating the limit as “refreshed”. The Listing Rules also provide that the limit on the number of securities which may be issued upon exercise of all outstanding options granted and yet to be exercised under the scheme and any other schemes must not exceed 30% of the relevant class of securities of the listed issuer in issue from time to time.

On the date of adoption of the Existing Share Option Scheme, the Existing Scheme Mandate Limit was approved by the Shareholders. Pursuant to the Existing Scheme Mandate Limit, the Directors may grant options up to 10% of the issued share capital of the Company as at the date of adoption of the Existing Share Option Scheme, i.e. not exceeding 86,193,604 Shares (after adjustment made upon the capital reorganization of the Company in 2005). Up to the Latest Practicable Date, no options under the Existing Share Option Scheme have been granted since its date of adoption, and therefore no share options have been granted pursuant to the Existing Scheme Mandate Limit.

LETTER FROM THE BOARD

Due to the recent placing of shares of the Company, the number of options that can be granted under the Existing Scheme Mandate Limit only represents approximately 5.3% of the issued share capital of the Company as at the Latest Practicable Date. Therefore, the Directors consider that the Company should refresh the Existing Scheme Mandate Limit so that the Company could have more flexibility to provide incentives to the Participants by way of granting share options to them. If the refreshment of the Existing Scheme Mandate Limit is approved at the Annual General Meeting, based on the 1,631,783,047 Shares in issue as at the Latest Practicable Date and assuming that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, the Company will be allowed under the “refreshed limit” to grant further options carrying the rights to subscribe for up to a total of 163,178,304 Shares, representing 10% of the issued share capital of the Company as at the date of the Annual General Meeting.

Apart from the Existing Share Option Scheme, the Company has no other share option schemes currently in force.

The refreshment of the Existing Scheme Mandate Limit is conditional upon:

- (i) the passing of an ordinary resolution at the Annual General Meeting to approve the said refreshment; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the options that may be granted under the refreshed limit of the Existing Share Option Scheme up to 10% of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution at the Annual General Meeting.

Application will be made to the Listing Committee of the Stock Exchange for granting the listing of, and permission to deal in any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the options that may be granted under the refreshed limit of the Existing Share Option Scheme up to 10% of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution at the Annual General Meeting. A copy of the Existing Share Option Scheme will be available for inspection at the Company’s principal place of business in Hong Kong at Room 1603-05, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong during normal business hours from the date hereof up to and including the date of the Annual General Meeting.

LETTER FROM THE BOARD

4. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Bye-law 98 of the Current Bye-laws, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation, provided that every Director (including those appointed for a specific term or holding office as Chairman of the Board) shall be subject to retirement by rotation at least once every three years. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election at the relevant annual general meeting.

Pursuant to the aforesaid, Mr Li Chi Ming and Mr Tung Tat Chiu, Michael shall retire by rotation at the Annual General Meeting. Both of the above retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting. Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting. The requisite details of Mr Li Chi Ming and Mr Tung Tat Chiu, Michael are set out in Appendix III to this circular.

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 17 to 20 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the granting of the Buyback Mandate and the Issuance Mandate, the extension of the Issuance Mandate by the addition thereto of the aggregate nominal amount of the Shares repurchased by the Company pursuant to the Buyback Mandate, the refreshment of the Existing Scheme Mandate Limit and the re-election of the retiring Directors.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.139hk.com). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the Company's Share Registrar in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof if you so wish.

LETTER FROM THE BOARD

6. RECOMMENDATION

The Directors consider that the proposed granting of the Buyback Mandate and the granting/extension of the Issuance Mandate, the refreshment of the Existing Scheme Mandate Limit and the re-election of the retiring Directors are in the interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

7. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix I (Explanatory Statement on the Buyback Mandate), Appendix II (Procedure by which the Shareholders may demand a poll at a general meeting pursuant to the Current Bye-laws) and Appendix III (Details of the retiring Directors proposed to be re-elected at the Annual General Meeting) to this circular.

Yours faithfully
On behalf of the Board
Wong Howard
Chairman

APPENDIX I EXPLANATORY STATEMENT ON THE BUYBACK MANDATE

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Buyback Mandate.

1. REASONS FOR SHARE BUYBACK

The Directors believe that the proposed granting of the Buyback Mandate is in the interests of the Company and the Shareholders as a whole.

Repurchases of Shares may, depending on market conditions and funding arrangements at the time, result in an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Buyback Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,631,783,047 Shares.

Subject to the passing of the ordinary resolution no. 4 set out in the notice of the Annual General Meeting in respect of the granting of the Buyback Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, the Directors would be authorised under the Buyback Mandate to repurchase an aggregate nominal amount of the Shares up to HK\$1,631,783.04 (equivalent to 163,178,304 Shares), representing 10% of the aggregate nominal amount of the Shares in issue as at the date of the Annual General Meeting, during the period in which the Buyback Mandate remains in force.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and bye-laws, the laws of Bermuda and/or any other applicable laws.

The Company is empowered by its memorandum of association and Current Bye-laws to repurchase its shares. The laws of Bermuda provide that the amount of capital paid in connection with a share repurchase by a company may only be paid out of either the capital paid up on the relevant shares, or the funds of the company which would otherwise be available for dividend or distribution or the proceeds of a fresh issue of shares made for such purpose. The amount of premium payable on repurchase may only be paid out of funds of the company which would otherwise be available for dividend or distribution or out of the share premium account of the company before the shares are repurchased.

4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 March 2007) in the event that the Buyback Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Buyback Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Buyback Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any repurchases to be made under the Buyback Mandate.

6. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make any repurchases of shares pursuant to the Buyback Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so in the event that the granting of the Buyback Mandate is approved by the Shareholders.

APPENDIX I EXPLANATORY STATEMENT ON THE BUYBACK MANDATE

7. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which the Shares have traded on the Stock Exchange during each of the following months were as follows:

| Month | Highest HK\$ | Lowest HK\$ |
|---|-------------------------|------------------------|
| 2006 | | |
| July | 0.148 | 0.100 |
| August | 0.345 | 0.105 |
| September | 0.390 | 0.270 |
| October | 0.420 | 0.300 |
| November | 0.440 | 0.325 |
| December | 0.570 | 0.365 |
| 2007 | | |
| January | 0.530 | 0.350 |
| February | 0.465 | 0.330 |
| March | 0.385 | 0.220 |
| April | 0.330 | 0.210 |
| May | 0.310 | 0.212 |
| June | 0.320 | 0.230 |
| July (<i>Up to the Latest Practicable Date</i>) | 0.375 | 0.210 |

8. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the previous six months (whether on the Stock Exchange or otherwise).

**APPENDIX II PROCEDURE BY WHICH THE SHAREHOLDERS
MAY DEMAND A POLL AT A GENERAL MEETING
PURSUANT TO THE CURRENT BYE-LAWS**

The following paragraphs set out the procedure by which the Shareholders may demand a poll at a general meeting of the Company (including the Annual General Meeting) pursuant to the Current Bye-laws.

According to Bye-law 79 of the Current Bye-laws, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (i) the chairman of such meeting; or
- (ii) at least three Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (iv) any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares of the Company conferring that right.

In addition, in compliance with the Listing Rules, any vote of shareholders at a general meeting will be taken on a poll where:

- (a) the chairman of the general meeting and/or the directors individually or collectively hold proxies in respect of shares representing 5% or more of the total voting rights at the general meeting, and the meeting votes, on a show of hands, in the opposite manner to that instructed in those proxies unless it is apparent from the total proxies held that a vote taken on a poll will not reverse the vote taken on a show of hands;
- (b) the meeting is to approve connected transactions;
- (c) the meeting is to approve transactions that are subject to independent shareholders' approval pursuant to the Listing Rules;
- (d) the meeting is to approve granting of options to a substantial shareholder or an independent non-executive director of the issuer, or any of their respective associates, as required under the Listing Rules; or

APPENDIX II**PROCEDURE BY WHICH THE SHAREHOLDERS
MAY DEMAND A POLL AT A GENERAL MEETING
PURSUANT TO THE CURRENT BYE-LAWS**

- (e) the meeting is to approve any other transactions in which a shareholder has a material interest and is therefore required to abstain from voting at the general meeting.

Pursuant to the Listing Rules, the details of the Directors who will retire at the Annual General Meeting according to the Current Bye-laws and will be proposed to be re-elected at the Annual General Meeting are provided below.

(1) Mr Li Chi Ming, aged 49

Position & experience

Mr Li Chi Ming (“Mr Li”) is an independent non-executive Director, the Chairman of the Remuneration Committee and a member of the Audit Committee of the Company. Other than the aforesaid, Mr Li does not hold any position in the Company or in any member of the Group. Mr Li holds an Honorary Bachelor of Laws (LLB) and Postgraduate Certificate in Laws (PCLL) from The University of Hong Kong, and Master of Laws (LLM) from City University of Hong Kong. He joined the Group in February 2000. Mr Li has been a Partner of Messrs. Poon, Yeung & Li, Solicitors over 17 years. He has not held any other directorships in listed public companies in the last three years.

Length of service

Pursuant to the letter of appointment issued by the Company to Mr Li, Mr Li has been appointed for a term of one year commencing from 27 September 2006, subject to the retirement and re-election provisions as set out in the Current Bye-laws. The provisions of the Current Bye-laws in respect of directors’ retirement and re-election have been set out in paragraph 4 of the Letter from the Board in this circular.

Interests in shares

As at the Latest Practicable Date, Mr Li did not have or was not deemed to have any interests in the shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Relationships

Mr Li does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Director’s emoluments

Pursuant to the letter of appointment issued by the Company to Mr Li, Mr Li is entitled to receive a fixed director’s fee of HK\$150,000 per annum, which is determined by the Board by reference to the remuneration benchmark in the industry and the prevailing market conditions.

Information needs to be disclosed and matters need to be brought to the attention of the Shareholders

Save as disclosed above, there is no information which is discloseable nor is/was Mr Li involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr Li that need to be brought to the attention of the Shareholders.

(2) Mr Tung Tat Chiu, Michael, aged 45

Position & experience

Mr Tung Tat Chiu, Michael (“Mr Tung”) is an independent non-executive Director, the Chairman of the Audit Committee and a member of the Remuneration Committee of the Company. Other than the aforesaid, Mr Tung does not hold any position in the Company or in any member of the Group. Mr Tung holds a Bachelor of Arts degree in law and accounting from The University of Manchester. He joined the Group in September 2000. Mr Tung is a practising solicitor in Hong Kong and is the company secretary of various listed companies in Hong Kong. Mr Tung has acted as an independent non-executive director of Global Flex Holdings Limited (which company and its executive directors have publicly been censured by the Stock Exchange on 7 February 2007 for breach of Rule 13.09 of the Listing Rules and breach of Director’s Undertaking respectively) and a non-executive director of Carico Holdings Limited during the last three years. Save as aforesaid, he has not held any other directorships in listed public companies in the last three years.

Length of service

Pursuant to the letter of appointment issued by the Company to Mr Tung, Mr Tung has been appointed for a term of one year commencing from 27 September 2006, subject to the retirement and re-election provisions as set out in the Current Bye-laws. The provisions of the Current Bye-laws in respect of directors’ retirement and re-election have been set out in paragraph 4 of the Letter from the Board in this circular.

Interests in shares

As at the Latest Practicable Date, Mr Tung did not have or was not deemed to have any interests in the shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Relationships

Mr Tung does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Director's emoluments

Pursuant to the letter of appointment issued by the Company to Mr Tung, Mr Tung is entitled to receive a fixed director's fee of HK\$150,000 per annum, which is determined by the Board by reference to the remuneration benchmark in the industry and the prevailing market conditions.

Information needs to be disclosed and matters need to be brought to the attention of the Shareholders

Save as disclosed above, there is no information which is discloseable nor is/was Mr Tung involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr Tung that need to be brought to the attention of the Shareholders.

NOTICE OF THE ANNUAL GENERAL MEETING



139 Holdings Limited

139 控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 139)

NOTICE IS HEREBY GIVEN that an Annual General Meeting of 139 Holdings Limited (the “Company”) will be held at Falcon Room I, Luk Kwok Hotel, 72 Gloucester Road, Wanchai, Hong Kong on Tuesday, 28 August 2007 at 9:30 a.m. for the following purposes:

1. To receive and consider the Audited Consolidated Financial Statements and the Reports of the Directors and Auditors for the year ended 31 March 2007;
2. To re-elect Directors, to fix the maximum number of Directors, to authorise the Board of Directors to appoint additional Directors not exceeding the maximum number determined and to authorise the Board of Directors to fix the Directors’ remuneration;
3. To appoint Auditors and to authorise the Board of Directors to fix their remuneration;
4. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
- (b) the total nominal amount of issued shares of the Company to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and

* for identification purposes only

NOTICE OF THE ANNUAL GENERAL MEETING

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or the Bermuda laws to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution in general meeting.”;

5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorised and unissued shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company, or the exercise of subscription or conversion rights attaching to any securities which are convertible into ordinary shares of the Company; and
 - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company,

shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of this resolution and this approval shall be limited accordingly; and

NOTICE OF THE ANNUAL GENERAL MEETING

(d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the bye-laws of the Company or the Bermuda laws to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange).”;

6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of resolutions nos. 4 and 5 set out in the notice convening this meeting (the “Notice”), the general mandate referred to in resolution no. 5 set out in the Notice be and is hereby extended by the addition to the aggregate nominal amount of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of shares purchased by the Company pursuant to the mandate referred to in resolution no. 4 set out in the Notice, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution.”; and

7. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the shares to be issued upon exercise of any options to be granted under the Refreshed Limit (as defined below) pursuant to the share option scheme (“Share Option Scheme”) of the Company adopted by the resolution of the shareholders of the Company passed on 27 August 2003, the existing scheme mandate limit under the Share Option Scheme be refreshed so that the aggregate nominal amount of share capital of the Company to be allotted and issued upon exercise of any

NOTICE OF THE ANNUAL GENERAL MEETING

options to be granted under the Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme) shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution (“Refreshed Limit”) and that the Directors of the Company be and are hereby authorised to grant options up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options.”.

On behalf of the Board
Szeto Pui Tong, Patrick
Company Secretary

Hong Kong, 31 July 2007

Notes:

- (a) Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. A shareholder who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (b) To be effective, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company’s Share Registrar in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (c) The register of members of the Company will be closed from Thursday, 23 August 2007 to Tuesday, 28 August 2007, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending the above meeting of the Company, unregistered holders of shares of the Company should ensure that all transfers of shares of the Company accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company’s Share Registrar in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 22 August 2007.
- (d) In relation to the ordinary resolutions nos. 4, 5 and 6 set out in the above notice, the Directors wish to state that they have no immediate plan to issue any new shares or repurchase any existing shares of the Company.
- (e) In respect of the ordinary resolution no. 7 set out in the above notice, approval is being sought to refresh the scheme mandate limit under the Company’s existing share option scheme to give more flexibility to the Directors to grant options to eligible participants under the existing share option scheme of the Company.