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

If you have sold or transferred all your shares in 139 Holdings Limited (to be renamed as “GR Vietnam Holdings Limited”), you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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This circular is for your information purpose only and does not constitute an invitation or offer to acquire or subscribe for the securities of 139 Holdings Limited (to be renamed as “GR Vietnam Holdings Limited”).



139 Holdings Limited

(to be renamed as “GR Vietnam Holdings Limited”)

139 控股有限公司*

(將更改為「越南控股有限公司」)

(Incorporated in Bermuda with limited liability)

(Stock Code: 139)

DISCLOSEABLE TRANSACTION FORMATION OF JOINT VENTURE

A letter from the Board of Directors of 139 Holdings Limited (to be renamed as “GR Vietnam Holdings Limited”) giving the details of the transaction in issue is set out on pages 3 to 7 of this circular.

* For identification purpose only

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DEFINITIONS

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

“Assets”	land use right and the structure erected thereon to be identified and transferred to the JV Company by Food Company and valued by an independent property valuer to be agreed by GR Vietnam and Food Company jointly
“associate”	has the same meaning as defined in the Listing Rules
“Board”	the board of Directors
“Company”	139 Holdings Limited (to be renamed as “GR Vietnam Holdings Limited”), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Food Company”	Food Company of Ho Chi Minh City, a company incorporated in Vietnam and a wholly-owned member of Vietnam Southern Food Corporation, which is the largest rice exporter in Vietnam
“Group”	the Company and its subsidiaries
“GR Vietnam”	GR Vietnam Retails Limited, a wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party/Parties”	a party who is not a connected person (as defined in the Listing Rules) of the Company and who together with its ultimate beneficial owner are independent of the Company and of connected persons (as defined in the Listing Rules) of the Company
“Interested Party’s Loan”	the aggregate amounts of all loan(s) made by GR Vietnam, Food Company or any other person who becomes a member of the JV Company to the JV Company and all interests (if any) accrued thereon for the time being and all rights and claims in connection therewith

DEFINITIONS

“JV Agreement”	a joint venture agreement dated 13 November 2007 entered into between GR Vietnam and Food Company in relation to the establishment of the JV Company
“JV Company”	an equity joint venture established by GR Vietnam and Food Company under the laws of Vietnam
“Latest Practicable Date”	3 December 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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 issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	has the same meaning as defined in the Listing Rules
“Third Party”	any other individual, partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“Vietnam”	Socialist Republic of Vietnam
“%”	per cent

Unless otherwise specified, the US\$ amounts shown in this circular have been translated into the HK\$ amount at an exchange rate of US\$1.00 = HK\$7.8 for reference purpose only.

LETTER FROM THE BOARD



139 Holdings Limited

(to be renamed as “GR Vietnam Holdings Limited”)

139 控股有限公司*

(將更改為「越南控股有限公司」)

(Incorporated in Bermuda with limited liability)

(Stock Code: 139)

Executive Directors:

Wong Howard (*Chairman and Chief Executive Officer*)

Wong Yat Fai

Wu Qing

Anthony Sai-Ho Lam

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:

Room 1603-5

Harcourt House

39 Gloucester Road

Wanchai

Hong Kong

5 December 2007

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION FORMATION OF JOINT VENTURE

INTRODUCTION

On 14 November 2007, the Board made an announcement that the Group had entered into the JV Agreement for the formation of the JV Company. GR Vietnam, a wholly-owned subsidiary of the Company, entered into the JV Agreement with Food Company on 13 November 2007 for the establishment of the JV Company in Vietnam. The transaction as contemplated by the JV Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The purpose of this circular is to provide you with further information on the JV Agreement and the formation of the JV Company.

* For identification purpose only

LETTER FROM THE BOARD

JV AGREEMENT

Date

13 November 2007

Parties

1. GR Vietnam, a wholly-owned subsidiary of the Company; and
2. Food Company, a company incorporated in Vietnam. Food Company is a wholly-owned member of Vietnam Southern Food Corporation as at the Latest Practicable Date. To the Directors' best knowledge, information and belief having made all reasonable enquiry, each of Food Company and its ultimate beneficial owners of Food Company is an Independent Third Party.

Co-operation

Pursuant to the JV Agreement, GR Vietnam and Food Company agreed to establish the JV Company in Vietnam to engage in the operation of convenience retail store(s), other retail and commercial businesses together with other activities as may be approved by the board of directors of the JV Company.

The JV Company has a term of fifty (50) years commencing from the date of establishment of the JV Company. Upon formation, the JV Company will become a jointly controlled entity of the Group.

Conditions Precedent

Completion of the JV Agreement is subject to, inter alia, the following conditions:-

- (a) the JV Company having duly established under the laws of Vietnam;
- (b) a legal opinion given by lawyers practicing in Vietnam on the issues arising from or in connection with the JV Agreement and the transactions contemplated hereby;
- (c) the Shareholders having approved the formation of the JV Company and the transactions (or any of them) contemplated herein;
- (d) Food Company having obtained all necessary approval(s) or permit(s) from the relevant government authority(ies) in Vietnam to approve the transaction contemplated herein; and
- (e) if necessary, all approvals from government and regulatory authorities in Hong Kong, Vietnam or any where else, corporate approvals and consents and Third Party consents for the transactions contemplated under the JV Agreement.

LETTER FROM THE BOARD

If any of the above conditions has not been satisfied within six (6) months from the date of the JV Agreement, the JV Agreement will lapse and have no further effect.

As Shareholders' approval for the formation of the JV Company is not required, GR Vietnam and Food Company have agreed to waive condition (c) above.

Capital contribution

The total invested capital of the JV Company will be US\$22,000,000 (approximately HK\$171,600,000) and the total legal capital of the JV Company will be US\$11,000,000 (approximately HK\$85,800,000). The total equity interest in the JV Company will be held as to 49% by GR Vietnam and as to 51% by Food Company.

GR Vietnam agreed to contribute to the JV Company US\$5,390,000 (approximately HK\$42,042,500) by way of cash, representing 49% total equity interests of the JV Company. The contribution of Food Company to the JV Company will be in the form of (a) the Assets and (b) cash so that the total contribution made by Food Company will amount to US\$5,610,000 (approximately HK\$43,758,000), representing 51% total equity interests of the JV Company. Location of the Assets will be identified by Food Company. The property proposed to be injected will be shops in nature for retailing business of the JV Company or rental purpose, depending on the size, location and surrounding environment of the property. The JV Company will be jointly controlled by GR Vietnam and Food Company.

At the request of the JV Company, GR Vietnam and Food Company agreed to contribute by way of Interested Party's Loan in proportion to their respective interest in the JV Company up to US\$11,000,000 (approximately HK\$85,800,000), in aggregate, to the JV Company.

Option of acquisition

Food Company further agreed to grant to GR Vietnam an option to require Food Company to sell its equity interests in the JV Company to GR Vietnam such that the aggregate amount of equity interest in the JV Company held by GR Vietnam will represent 75% of the entire equity interest in the JV Company as may be permitted by the then prevailing laws and regulations of Vietnam. The price for the exercise of the option granted by Food Company will be calculated at US\$110,000 (approximately HK\$858,000) for each 1% of the entire interest of the JV Company.

Upon the establishment of the JV Company, Food Company will procure the JV Company to enter into an option agreement with GR Vietnam whereby the JV Company will grant to GR Vietnam an option, which is exercisable at the discretion of GR Vietnam, to require the JV Company to create or accept GR Vietnam to obtain such percentage of equity interest in the JV Company such that the aggregate amount of equity interest held by GR Vietnam in the JV Company shall represent 75% of the entire equity interests in the JV Company (as enlarged by the acquisition of the new equity interests in the JV Company). The price for the exercise of the option granted by the JV Company will be calculated at US\$110,000 (approximately HK\$858,000) for each 1% of the entire interest of the JV Company.

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A further announcement will be made by the Company in compliance with Chapter 14 of the Listing Rules upon exercise of the option by GR Vietnam to acquire up to 75% interest in the JV Company.

Restriction on the sale and right of first refusal

Each of the parties to the JV Agreement may not sell, assign, pledge, encumber or dispose of any of their interests in the JV Company unless, inter alia, (a) the transferee has agreed in writing to be bound by the terms and conditions of the JV Agreement pursuant to a deed of adherence, (b) a proportionate amount of the loan(s) made by the transferor to the JV Company or its subsidiaries shall also be transferred at the same time, and (c) such transfer complies in all respects with applicable securities laws and regulations.

In the event that either GR Vietnam or Food Company intends to sell any of their interest in the JV Company, the other party will be entitled to a right of first refusal to purchase such interest and a tag-along right to sell its interest at the same price of that party.

Board of directors

The board of JV Company shall be composed of 5 directors, of which 3 will be appointed by Food Company and 2 will be appointed by GR Vietnam. Food Company shall have the right to nominate one of its appointees as the chairman of the board of the JV Company and GR Vietnam shall have the right to nominate one of its appointees as the chief executive director of the JV Company.

In the event that GR Vietnam holds 50% or more of the entire interest in the JV Company, after either the option granted by Food Company or the JV Company is exercised, GR Vietnam shall have the right to appoint three (3) directors to the board of the JV Company and Food Company shall have the right to appoint two (2) directors. GR Vietnam shall have the right to nominate one of its appointees as the chairman of the board of the JV Company.

FINANCIAL EFFECTS OF THE JV AGREEMENT

In respect of effect on earnings of the Group, upon completion of the JV Agreement, the Group's investment in the JV Company will be accounted for by proportionate consolidation, which involves recognising its interests in the JV Company's assets, liabilities, income and expenses with similar in the consolidated financial statements on a line-by-line basis. As the JV Company has not yet commenced its operation, it is expected that the joint venture arrangement contemplated under the JV Agreement will not bring any profit contribution to the Group immediately.

In addition, as the contribution to the JV Company will be made by way of cash, the Group will also record a decrease in cash balances. The formation of the JV Company would not have any material effect on the assets and liabilities of the Group. The contribution to the JV Company will be financed by the Group's internal resources without further financing.

LETTER FROM THE BOARD

REASONS FOR ENTERING INTO THE JV AGREEMENT

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 Directors view that electronic products market remains highly competitive in terms of rising raw material costs and the competing price pressures. On the other hand, the economy of Vietnam is growing rapidly in particular after Vietnam has joined as one of the members of the World Trade Organisation on 11 January 2007. It is anticipated that the positive global economic environment and rapid economic growth in Vietnam will bring various investment opportunities throughout the region.

The Directors believe that the entry into different industry sectors in different countries will effectively diversify the existing business and revenue streams. It is also a suitable timing to develop its business in Vietnam to keep in line with the rapid economic growth of Vietnam. Food Company is a wholly-owned member of Vietnam Southern Food Corporation, which is the largest rice exporter in Vietnam. Vietnam Southern Food Corporation is a state owned enterprise organized by the Government of Vietnam. Aside from being Vietnam's largest rice exporter, it also carries out exports of various agricultural and aquatic products, imports of fertilizer and farming machinery and processing of certain consumer food products. The Group therefore views that to have a strategic partner like Food Company will enhance the Group's position in exploration of business opportunities in Vietnam, and thus the earnings growth of the Group. Accordingly, the Directors consider the establishment of the JV Company as an attractive alternative investment from a long term perspective for the Company to boost its revenue sources and diversify its business risks.

The Directors (including the independent non-executive Directors) are of the view that the terms of the JV Agreement are fair and reasonable and in the interest of the Shareholders as a whole.

IMPLICATION UNDER THE LISTING RULES

The transaction as contemplated by the JV Agreement constitutes discloseable transaction of the Company.

OTHER INFORMATION

Your attention is drawn to the general information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board of
139 HOLDINGS LIMITED
(to be renamed as "GR Vietnam Holdings Limited")
Wong Howard
Chairman

Head office and principal place of business in Hong Kong:
Room 1603-5
Harcourt House
39 Gloucester Road
Wanchai
Hong Kong

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular 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.

DISCLOSURE OF INTEREST**(a) Directors' interests in Shares**

As at the Latest Practicable Date, save as disclosed below, none of the Directors or chief executive of the Company has interests or short positions in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange:

Long positions in ordinary shares of the Company:

Name of director	Capacity	Number of ordinary shares held	Percentage of the Company's issued share capital
Mr. Wong Howard	Beneficial owner	21,299,000	0.75%
Mr. Wong Yat Fai	Beneficial owner	21,299,000	0.75%
Mr. Wu Qing	Beneficial owner	21,299,000	0.75%

In addition to the above, as at the Latest Practicable Date, certain Director(s) had non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the previous requirement of having a minimum of two shareholders.

(b) Substantial Shareholders' interests in Shares

As at the Latest Practicable Date, save as disclosed below, so far as is known to the Board, no persons (not being a Director or chief executive of the Company) had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of substantial shareholder	Position	Capacity	Note	Number of ordinary shares	Percentage of the Company's issued share capital
Golden Resources Development International Limited	Long	Beneficial owner	(i)	680,000,000	24.09%
High Super Enterprises Limited	Long	Interests held by a controlled corporation	(i)	680,000,000	24.09%

Notes:

- (i) High Super Enterprises Limited was deemed to be interested in the 680,000,000 Shares held by Golden Resources Development International Limited, a corporation wholly controlled by High Super Enterprises Limited.

MATERIAL ADVERSE CHANGE

The Directors confirmed that there was no material adverse change in the financial or trading position of the Company and its subsidiaries since 31 March 2007, being the date to which the latest published audited accounts of the Company and its subsidiaries were made up to.

LITIGATION

None of the Company and its subsidiaries was at present engaged in any litigation or arbitration of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Company and its subsidiaries as at the Latest Practicable Date.

DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered into or proposed to enter into any service contract with the Company which will not expire or may not be terminated by the Company within a year without payment of any compensation (other than statutory compensation).

Mr. Wong Howard has a service contract with the Company for a term of two years commencing on 1 February 2007, which is subject to termination by either party giving not less than three months' written notice.

The Company has service agreements with Mr. Wong Yat Fai and Mr. Wu Qing for a term of two years and of 16 months respectively commencing on 1 April 2007. These agreements are subject to termination by either party giving not less than three months' written notice.

DIRECTORS' INTERESTS IN CONTRACTS

As at the Latest Practicable Date, no Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective associates has interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules.

MISCELLANEOUS

- (a) The registered address of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company is Room 1603-05, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.
- (b) The Hong Kong branch share registrars and transfer office of the Company is Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong
- (c) The company secretary and qualified accountant of the Company is Mr. Szeto Pui Tong, Patrick. Mr. Szeto is an associate member of the Hong Kong Institute of Certified Public Accountants, the Hong Kong Institute of Chartered Secretaries, the Chartered Institute of Management Accountants and the Institute of Chartered Secretaries and Administrators.
- (d) In the case of any discrepancy, the English text of this circular shall prevail over the Chinese text.