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139 HOLDINGS LIMITED (139 控股有限公司)*

(Incorporated in Bermuda with limited liability)
(Stock Code: 139)

LAPSE OF THE BEST EFFORT PLACING AGREEMENT

Reference is made to the Announcements dated 27 January 2005 and 27 June 2005 in relation to, among other things, the placing of a maximum of 2,000,000,000 new shares of HK\$0.01 each in the capital of the Company on a best effort basis.

As informed by the Placing Agent, the Best Effort Placing at the Placing Price has not been successful. As at the date of this announcement, the closing price per Share is HK\$0.128, which is substantially lower than the Placing Price of HK\$0.320 per Share (after taken into account of the share consolidation as published in the announcement of the Company dated 21 June 2005 and becoming effective on 29 July 2005). The Best Effort Placing has not become unconditional on 2 September 2005, being the extended deadline for the fulfillment of the conditions of the Best Effort Placing. Accordingly, the Best Effort Placing Agreement has automatically lapsed according to the terms thereof and the Best Effort Placing will not proceed to completion.

Reference is made to the announcements (the “**Announcements**”) of the Company dated 27 January 2005 and 27 June 2005 in relation to, among other things, the placing of a maximum of 2,000,000,000 new shares of HK\$0.01 each in the capital of the Company on a best effort basis. Unless otherwise defined in this announcement, terms used herein shall have the same meanings as those defined in the Announcements.

As informed by the Placing Agent, the Best Effort Placing at the Placing Price has not been successful. As at the date of this announcement, the closing price per share (the “**Share**”) of HK\$0.10 each in the capital of the Company is HK\$0.128, which is substantially lower than the Placing Price of HK\$0.320 per Share (after taken into account of the share consolidation as published in the announcement of the Company dated 21 June 2005 and becoming effective on 29 July 2005). The Best Effort Placing has not become unconditional on 2 September 2005, being the extended deadline for the fulfillment of the conditions of the Best Effort Placing. Accordingly, the Best Effort Placing Agreement has automatically lapsed according to the terms thereof and the Best Effort Placing will not proceed to completion.

As set out in the announcement of the Company dated 27 June 2005, the proceeds from the Best Effort Placing will be used as the general working capital of the Group. The Directors consider that the Group has sufficient working capital for its present requirement and the lapse of the Best Effort Placing Agreement will not have an adverse effect on the financial position and the operations of the Group.

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

Hong Kong, 5 September 2005

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 Ngai Yin, David.

* For identification purposes only

Please also refer to the published version of this announcement in The Standard.