

Please also refer to the published version of this announcement in the Hong Kong iMail.



139 HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

PLACING OF NEW SHARES

UNDER GENERAL MANDATE

The Company has conditionally agreed to place, through its placing agent, Tai Fook, 997,000,000 Placing Shares to investors who are **independent of and not connected with the directors, chief executive or substantial shareholder of the Company, and any of their subsidiaries or any of their respective associates**, at a price of HK\$0.02 per Placing Share.

The Placing is fully underwritten by Tai Fook and will be subject to certain termination events as set out below.

The Placing Shares represent approximately 19.98% of the existing issued share capital of the Company of 4,988,800,478 Shares and approximately 16.66% of the Company's issued share capital as enlarged by the issue of the Placing Shares. The net proceeds from the Placing of approximately HK\$19.30 million will be used for additional working capital of the Company.

The Placing is conditional upon the Stock Exchange granting listing of, and permission to deal, in the Placing Shares.

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139 Holdings Limited (the “Company”) has conditionally agreed to place, through its placing agent, Tai Fook Securities Company Limited (“Tai Fook”), 997,000,000 new ordinary shares (“Placing Shares”) of HK\$0.01 each in the share capital of the Company (“Shares”) to investors who are independent of and not connected with the directors, chief executive or substantial shareholder of the Company, and any of their subsidiaries or any of their respective associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules” and the “Stock Exchange” respectively)), at a price of HK\$0.02 per Placing Share (“Placing”).

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PLACING AGREEMENT DATED 12TH JANUARY, 2001 (THE “PLACING AGREEMENT”)

Placing agent and underwriter:

Tai Fook is the placing agent and underwriter and will receive a placing and underwriting commission of 2.0% on the gross proceeds of the Placing. Tai Fook is independent of and not connected with the directors, chief executive or substantial shareholder of the Company, and any of their subsidiaries or any of their respective associates (as defined in the Listing Rules).

Placees:

More than six placees (independent individual and institutional investors) who are independent of and not connected with the directors, chief executive or substantial shareholder of the Company, and any of their subsidiaries or any of their respective associates (as defined in the Listing Rules).

Placing price:

The placing price is HK\$0.02 per Placing Share. This price was agreed after arm's length negotiations and represents (i) a discount of approximately 13.04% to the closing price of HK\$0.023 per Share quoted on the Stock Exchange on 12th January, 2001; and (ii) a discount of approximately 20.63% to the average closing price of approximately HK\$0.025 per Share as quoted on the Stock Exchange from 29th December, 2000 to 12th January, 2001, both dates inclusive, being the last ten full trading days immediately before the issue of this announcement.

Rights

The Placing Shares will when issued and fully paid rank pari passu in all respects with the then existing issued Shares.

Number of Shares to be placed

997,000,000 new Shares are to be placed, representing approximately 19.98% of the existing issued share capital of the Company of 4,988,800,478 Shares and approximately 16.66% of the issued capital of the Company as enlarged by the issue of 997,000,000 Placing Shares. The Placing Shares are fully underwritten by Tai Fook.

General Mandate:

The Placing Shares will be issued pursuant to the general mandate to allot, issue and deal with Shares granted to the directors of the Company by resolution of its shareholders passed at the Company's general meeting held on 22nd September, 2000 and the then issued share capital of the Company was 4,988,800,478 Shares.

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Use of Proceeds

The net proceeds from the Placing of approximately HK\$19.30 million referred to herein will be used for additional working capital of the Company.

Condition of the Placing

The Placing is conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Placing Shares (“Condition”).

Completion

The Placing is to be completed on the second business days after satisfaction of the Condition. The Placing Agreement will lapse if the Condition is not satisfied by 12th February, 2001 unless the parties agree otherwise.

Termination Events

Notwithstanding anything contained in the Placing Agreement, if at any time on or prior to 4:00 p.m. on the following date of fulfilment of the Condition (“Expiry Date”):-

- (A) in the reasonable opinion of Tai Fook there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or
- (B) any material breach of any of the representations and warranties by the Company as set out in the Placing Agreement comes to the knowledge of Tai Fook or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of completion which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (C) the suspension of trading of the Company's shares on the Stock Exchange for 5 consecutive days or more,

then and in any such case, Tai Fook may after consultation with the Company (to the extent that the same is reasonably practicable) terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to the Expiry Date.

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Application for listing

Application will be made by the Company to the Stock Exchange for listing of and permission to deal in the Placing Shares.

Reason for the Placing

In view of the current market conditions, the directors of the Company consider that the Placing represents an opportunity to raise capital for the Company while broadening the shareholder base and the capital base of the Company.

General

As at the date hereof, the Company has not been notified of any interests in the Company's issued share capital amounting to 10% or more of the ordinary shares in issue, which is required to be recorded in the register required to be kept under section 16(1) of the Securities (Disclosure of Interests) Ordinance, Cap 396 of the laws of Hong Kong.

By order of the board of directors of
139 Holdings Limited
Wong Howard
Director
Hong Kong, 12th January, 2001