
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 AMENDMENTS TO THE BYE-LAWS OF THE COMPANY
AND
PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES 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 Grand I and II, Main Lobby, Grand Hyatt Hong Kong, One Harbour Road, Wanchai, Hong Kong on Monday, 28 August 2006 at 9:30 a.m. is set out on pages 15 to 19 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 website of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk).

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*

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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 Grand I and II, Main Lobby, Grand Hyatt Hong Kong, One Harbour Road, Wanchai, Hong Kong on Monday, 28 August 2006 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 15 to 19 of this circular, or any adjournment thereof;
“Board”	the board of Directors;
“Buyback Mandate”	as defined in paragraph 3(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 approved by the Shareholders in the Company’s annual general meeting held on 25 August 2005;
“Director(s)”	the director(s) of the Company;
“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;
“Issuance Mandate”	as defined in paragraph 3(b) of the Letter from the Board;
“Latest Practicable Date”	26 July 2006, 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;
“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;

DEFINITIONS

“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 2006

To the Shareholders

Dear Sir or Madam

**PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY
AND
PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES 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 amendments to the Current Bye-laws; (ii) the granting of the Buyback Mandate to the Directors; (iii) the granting of the Issuance Mandate to the Directors; (iv) 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; and (v) the re-election of the retiring Directors.

* *for identification purposes only*

LETTER FROM THE BOARD

2. PROPOSED AMENDMENTS TO THE CURRENT BYE-LAWS

The Stock Exchange has announced amendments to the Listing Rules which include, among other things, amendment to Appendix 3 of the Listing Rules that came into effect on 1 March 2006. Under the amended provision of Appendix 3 of the Listing Rules, an issuer, where not otherwise provided by law, shall have power by ordinary resolution to remove any director before the expiration of his period of office. For the purpose of complying with such amended provision of the Listing Rules, the Directors proposed to amend Bye-laws 102 and 110 of the Current Bye-laws such that the Company shall have power by ordinary resolution instead of special resolution to remove any Director before expiration of his/her term of office.

The proposed amendments to the Current Bye-laws are stated in the proposed special resolution set out in item 4 of the notice convening the Annual General Meeting as contained in pages 15 to 19 of this circular. A copy of the Current Bye-laws will be available for inspection at the Company's principal place of business in Hong Kong at Room 1603-5, 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.

3. PROPOSED GRANTING OF THE BUYBACK AND ISSUANCE MANDATES

On 25 August 2005, general mandates were given to the Directors to exercise the powers of the Company to repurchase Shares and to issue new Shares respectively. Such mandates will lapse at the conclusion of the Annual General Meeting.

Ordinary resolutions will be proposed at the Annual General Meeting 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 (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 (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.

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. 5 and 6 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 of this circular.

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.

According to Bye-law 98 of the Current Bye-laws, Mr Wong Yat Fai and Mr Wu Qing 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 Wong Yat Fai and Mr Wu Qing are set out in Appendix III of this circular.

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 15 to 19 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the amendments to the Current Bye-laws, 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 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 website of the Stock Exchange (www.hkex.com.hk). 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 amendments to the Current Bye-laws, the proposed granting of the Buyback Mandate and the granting/extension of the Issuance Mandate 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

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 1,133,243,047 Shares.

Subject to the passing of the ordinary resolution no. 5 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 of up to HK\$1,133,243.04 (equivalent to 113,324,304 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 2006) 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.

As the Latest Practicable Date, Radford Capital Investment Limited (the Company's substantial Shareholder), through its wholly owned subsidiary "Winning Horse Limited", was interested in 92,782,000 Shares, representing approximately 8.19% of the total issued share capital of the Company. On the basis that the issued share capital of the Company and the shareholding of Radford Capital Investment Limited and Winning Horse Limited remain unchanged on the date of the Annual General Meeting, in the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the relevant ordinary resolution to be proposed at the Annual General Meeting, the interests of Radford Capital Investment Limited and Winning Horse Limited would be increased to approximately 9.10% of total issued share capital of the Company. 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.

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 <i>HK\$</i>	Lowest <i>HK\$</i>
2005		
July	0.180	0.100
August	0.137	0.100
September	0.155	0.116
October	0.122	0.055
November	0.094	0.060
December	0.088	0.070
2006		
January	0.077	0.050
February	0.096	0.073
March	0.127	0.076
April	0.130	0.095
May	0.120	0.079
June	0.105	0.072
July (Up to the Latest Practicable Date)	0.148	0.101

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).

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
- (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 Wong Yat Fai, aged 46

Position & experience

Mr Wong Yat Fai (“Mr Wong”) is an executive Director and a member of Executive Committee of the Company. Mr Wong is also a director of certain subsidiaries of the Company. Other than that, Mr Wong does not hold any position in the Company or in any member of the Group. Mr Wong graduated from the Hong Kong Polytechnic major in Banking. Mr Wong joined the Group in February 2000. Prior to joining the Group, Mr Wong has over 13 years of experience in an international banking group. Mr Wong is an independent non-executive director of The Cross-Harbour (Holdings) Limited (stock code: 32), Y.T. Realty Group Limited (stock code: 75) and Yugang International Limited (stock code: 613), all companies listed on the Main Board of the Stock Exchange. Save as disclosed above, Mr Wong has not held any other directorships in listed public companies in the last three years.

Length of service

Mr Wong entered into a service agreement with the Company for a term of office from 1 April 2005 to 31 March 2007, which are subject to termination by either party giving not less than three months’ written notice. Mr Wong’s appointment is also 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 far as the Directors are aware, as at the Latest Practicable Date, Mr Wong was interested in 21,299,000 Shares, representing approximately 1.88% of the issued share capital of the Company, pursuant to Part XV of the SFO. Save as disclosed above, Mr Wong 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

As far as the Directors are aware, Mr Wong 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 service agreement entered into between Mr Wong and the Company, he is entitled to receive the following emoluments:–

- (i) a fixed salary of HK\$75,000 per month, excluding any other sums receivable as director's fees or other remuneration to which he may be or become entitled as a director of the Company or of any of its subsidiaries or associates;
- (ii) an end-of-year bonus equal to his then monthly salary to be payable at the end of each calendar year provided that if his employment is less than a completed year, such entitlement (if any) shall be determined and paid as the Board may determine; and
- (iii) an incentive bonus based on the individual performance.

The total director's emoluments of Mr Wong for the year ended 31 March 2006 were HK\$975,000. Apart from the aforesaid, Mr Wong is also eligible to participate in the Company's share option scheme. The emoluments of Mr Wong are determined by the Board by reference to his skills and experience, the remuneration benchmark in the industry and the prevailing market conditions.

Information need 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 Wong involved in any of the matters required to be disclosed pursuant to any of the requirement under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr Wong that need to be brought to the attention of the Shareholders.

(2) Mr Wu Qing, aged 49*Position & experience*

Mr Wu Qing (“Mr Wu”) is an executive Director and a member of Executive Committee of the Company. Mr Wu is also a director of certain subsidiaries of the Company. Other than that, Mr Wu does not hold any position in the Company or in any member of the Group. Mr Wu holds a Ph.D. degree of computer science from the University Bonn of Germany. Mr Wu joined the Group in February 2000. In 1994, Mr Wu joined a holding company as the R & D manager. During that time, he was in charge of the research and development and engaged in the marketing study of application softwares and e-commerce. Mr Wu has not held any other directorships in listed public companies in the last three years.

Length of service

Mr Wu entered into a service agreement with the Company for a term of office from 1 December 2005 to 31 March 2007, which are subject to termination by either party giving not less than three months’ written notice. Mr Wu’s appointment is also 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 far as the Directors are aware, as at the Latest Practicable Date, Mr Wu was interested in 21,299,000 Shares, representing approximately 1.88% of the issued share capital of the Company, pursuant to Part XV of the SFO. Save as disclosed above, Mr Wu 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 Wu 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 service agreement entered into between Mr Wu and the Company, he is entitled to receive the following emoluments:–

- (i) a fixed salary of HK\$50,000 per month, excluding any other sums receivable as director’s fees or other remuneration to which he may be or become entitled as a director of the Company or of any of its subsidiaries or associates;

- (ii) an end-of-year bonus equal to his then monthly salary to be payable at the end of each calendar year provided that if his employment is less than a completed year, such entitlement (if any) shall be determined and paid as the Board may determine; and
- (iii) an incentive bonus based on the individual performance.

The total director's emoluments of Mr Wu for the year ended 31 March 2006 were HK\$650,000. Apart from the aforesaid, Mr Wu is also eligible to participate in the Company's share option scheme. The emoluments of Mr Wu are determined by the Board by reference to his skills and experience, the remuneration benchmark in the industry and the prevailing market conditions.

Information need 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 Wu involved in any of the matters required to be disclosed pursuant to any of the requirement under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr Wu 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 the Company will be held at Grand I and II, Main Lobby, Grand Hyatt Hong Kong, One Harbour Road, Wanchai, Hong Kong on Monday, 28 August 2006 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 2006;
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 a special resolution:

“**THAT** the Bye-laws of the Company be and are hereby amended in the following manner:

- (i) Bye-law 102

By deleting the existing Bye-law 102 in its entirety and substituting therefor the following new Bye-law 102:–

“102. The Company may by Ordinary Resolution at a special general meeting called for the purpose remove any Director (including the Managing Director or other executive Director but without prejudice to any claim he may have for damages under any contract between him and the Company) before the expiration of his period of office notwithstanding anything in these Bye-laws or in any agreement between the Company and such Director provided that notice of any such meeting shall be served on the Director concerned not less than fourteen (14) days before the meeting and such Director shall be entitled to be heard at such meeting on the motion of his removal. The Company may by Ordinary Resolution elect another person in his stead. Any person so elected shall hold office only until the first general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting provided that any Director who

* *for identification purposes only*

NOTICE OF THE ANNUAL GENERAL MEETING

so retires shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation at such meeting pursuant to Bye-law 98.”;

(ii) Bye-law 110

By deleting the existing Bye-law 110 in its entirety and substituting therefor the following new Bye-law 110:–

“110. A Director shall vacate his office:

- (1) if he becomes bankrupt or has a receiving order made against him or suspends payment or makes any arrangement or composition with his creditors generally;
 - (2) if he becomes a lunatic or of unsound mind;
 - (3) if he absents himself from meetings of the Board or his office as a Director during a continuous period of six (6) months, without special leave of absence from the Board, whether or not any alternate Director appointed by him attends such meeting of the Board and the Board resolves that he has by reason of such absence vacated his office;
 - (4) if he becomes prohibited from acting as a Director by law or by reason of any order made by any court of competent jurisdiction;
 - (5) if he resigns his office by notice in writing delivered to the Company at its Head Office or submitted to a meeting of the Board;
 - (6) if, having been appointed to an office under Bye-law 112, he is dismissed or removed therefrom by the Board under Bye-law 113; or
 - (7) if he shall be removed from office pursuant to these Bye-laws.”;
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 (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;

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(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

(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 Bermuda law 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 meetings.”;

6. 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; 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

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(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 Bermuda law 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 meetings;

“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).”; and

7. 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. 5 and 6 set out in the notice convening this meeting (the “Notice”), the general mandate referred to in resolution no. 6 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. 5 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.”.

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

Hong Kong, 31 July 2006

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.

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- (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 Wednesday, 23 August 2006 to Monday, 28 August 2006, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending the above annual general meeting of the Company, 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 Tuesday, 22 August 2006.
- (d) Concerning the special resolution no. 4 set out in the above notice, approval is being sought to amend the Company's Bye-laws in order to conform to the amended Appendix 3 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The details of such amendments are set out in the Company's circular dated 31 July 2006.
- (e) In relation to the ordinary resolutions nos. 5, 6 and 7 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.