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北方興業控股有限公司

NORTHERN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code : 736)

PROPOSED OPEN OFFER OF NEW SHARES ON THE BASIS OF ONE OFFER SHARE FOR EVERY SHARE HELD ON RECORD DATE

AND RESUMPTION OF TRADING

Financial adviser to the Company



KINGSTON CORPORATE FINANCE LIMITED

Underwriter



KINGSTON SECURITIES LIMITED

PROPOSED OPEN OFFER

The Company proposes to raise approximately not less than HK\$97.3 million and not more than HK\$97.7 million before expenses, by issuing not less than 4,869,957,705 and not more than 4,889,257,705 Offer Shares at a price of HK\$0.020 per Offer Share by way of the Open Offer, payable in full on application, on the basis of one Offer Share for every Share held on the Record Date.

The Open Offer will not be available to the Excluded Shareholders. To qualify for the Open Offer, all transfers of Shares must be lodged for registration with the Secretaries Limited by 4:00 p.m. on Thursday, 3 March 2005.

Win Channel has undertaken to take up all its entitlement under the Open Offer (being 1,300,000,000 Offer Shares).

The estimated net proceeds from the Open Offer will be approximately not less than HK\$94.0 million and will be used for possible investment, including but not limited to investment in gaming and entertainment business in Macau or elsewhere. However, as at the date of this announcement, the Directors have not yet started seeking for any specific items of the above possible investment. The net proceeds from the Open Offer will be retained as general working capital of the Group before any of the above investment is identified.

The Open Offer is conditional. In particular, it is subject to the Underwriter not terminating the Underwriting Agreement (see "Termination of the Underwriting Agreement" below). Accordingly, the Open Offer may or may not proceed.

A circular containing, among other things, details of the Open Offer, the recommendations of the independent board committee in relation to the Open Offer and a letter of advice from the independent financial adviser to the independent board committee and the Independent Shareholders in relation to the Open Offer and a notice convening the SGM, will be despatched to the Shareholders as soon as possible.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in Shares on the Stock Exchange has been suspended from 9:30 a.m. on Friday, 21 January 2005 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in Shares on the Stock Exchange with effect from 9:30 a.m. on Monday, 31 January 2005.

PROPOSED OPEN OFFER

Issue statistics:

Basis of the Open Offer	:	One Offer Share for every Share held on the Record Date
Number of Shares in issue as at the date of this announcement	:	4,869,957,705 Shares
Number of Shares upon the exercise of the Options in full	:	4,889,257,705 Shares

Number of Offer Shares	:	Not less than 4,869,957,705 and not more than 4,889,257,705 Offer Shares
Number of Shares in issue upon completion of the Open Offer		Not less than 9,739,915,410 and not more than 9,778,515,410 Shares
Number of Offer Shares undertaken to be taken up by Win Channel		1,300,000,000 Offer Shares, being the full entitlement of Win Channel under the Open Offer
Number of Offer Shares underwritten by the Underwriter		up to 3,589,257,705 Offer Shares

As at the date of this announcement, the Company has outstanding options for the holders of Options to subscribe for a total of 19,300,000 Shares at the exercise price of HK\$0.01 per Share, subject to adjustment.

Save for the Options, the Company has no derivatives, options, warrants and conversion rights or other similar rights which are convertible into Shares.

Qualifying Holders:

The Company will send (i) the Prospectus Documents to the Qualifying Holders; and (ii) the Prospectus, for information only, to the Excluded Shareholders. To qualify for the Open Offer, Shareholders must be registered as members of the Company on the register of members of the Company on the Record Date and not be Excluded Shareholders and holders of the Options must exercise their respective Options in accordance with the relevant procedures specified in the share option scheme of the Company on or before Thursday, 3 March 2005, be registered as members of the Company on the register of members of the Company on the Record Date and not be Excluded Shareholders.

In order to be registered as members of the Company on the Record Date, Shareholders must lodge any transfer of Shares (with the relevant Share certificates) for registration with the Registrar by 4:00 p.m. on Thursday, 3 March 2005. The Registrar is:

Secretaries Limited
Ground Floor, Bank of East Asia Harbour View Centre
56 Gloucester Road, Wanchai, Hong Kong

The invitation to subscribe for the Offer Shares to be made to the Qualifying Holders will not be transferable. There will not be any trading in nil-paid entitlements on the Stock Exchange and the Qualifying Holders will not be entitled to subscribe for any Offer Shares in excess of their respective entitlements to subscribe for the Offer Shares. The Directors consider that such structure of the Open Offer, which will involve less administrative work and costs, is in the best interest of the Company and the Shareholders as a whole.

Closure of register of members:

The register of members of the Company will be closed from Friday, 4 March 2005 to Tuesday, 8 March 2005 (both dates inclusive) to determine the eligibility of Shareholders to the Open Offer. No transfer of New Shares will be registered during this period.

Subscription Price:

HK\$0.020 per Offer Share, payable in full on application. The Subscription Price represents:

- (i) a discount of approximately 33.3% to the closing price of HK\$0.03 per Share as quoted on the Stock Exchange on 20 January 2005, being the last trading day before the suspension of trading in the Shares pending the publication of this announcement;
- (ii) a discount of approximately 20.0% to the theoretical ex-entitlement price of approximately HK\$0.025 per Share based on the aforesaid closing price per Share;
- (iii) a discount of approximately 32.0 % to the average closing price of HK\$0.0294 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including 20 January 2005;
- (iv) a discount of approximately 31.3 % to the average closing price of HK\$0.0291 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including 20 January 2005; and
- (v) a premium of approximately 61.3% over the net asset value per Share of approximately HK\$0.0124 with reference to the latest published audited financial statements of the Group as at 31 March 2004.

The Subscription Price has been determined based on arm's length negotiations between the Company and the Underwriter, with reference to the prevailing market prices of the Shares. The Board considers that the terms of the Open Offer are fair and reasonable and the discount of the Subscription Price as compared to the recent market prices of Shares would encourage Shareholders to participate in the Open Offer and accordingly the future growth of the Group.

Status of the Offer Shares:

The Offer Shares, when allotted and issued, will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Offer Shares. Holders of the Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid in respect thereof on or after the date of allotment and issue of such Offer Shares.

Certificates for the Offer Shares:

Subject to fulfillment of the conditions of the Open Offer, share certificates for the Offer Shares are expected to be posted on or before Thursday, 7 April 2005 to those Qualifying Holders who have validly applied and paid for the Offer Shares at their own risks.

Rights of Excluded Shareholders:

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong and Bermuda. Based on the Company's register of members as at the date of this announcement, there is one Shareholder (holding 86,120 Shares and with registered address located in the British Virgin Islands) with registered address outside Hong Kong. The Company will comply with all necessary requirements specified in rule 13.36(2)(a) (including notes 1 & 2) of the Listing Rules and will only exclude from the Open Offer Shareholders whose addresses on the register of members of the Company on the Record Date are outside Hong Kong and who the Directors, after making enquiry regarding the legal restrictions under the laws of the relevant places and the requirements of the relevant regulatory bodies or stock exchanges, consider it necessary or expedient to do so. The basis of exclusion of such Shareholders from the Open Offer, if any, will be disclosed in the Prospectus.

The Company will send the Prospectus to the Excluded Shareholders for their information only. The Company will not send the Application Forms to the Excluded Shareholders. Those entitlements of the Excluded Shareholders under the Open Offer will be taken up by the Underwriter. The Excluded Shareholders will be entitled to attend and vote at the SGM.

Application for listing:

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares. Dealings in the Offer Shares will be subject to the payment of stamp duty in Hong Kong.

Underwriting Agreement:

Pursuant to the Underwriting Agreement, the Underwriter has agreed to underwrite up to 3,589,257,705 Offer Shares.

The Underwriter and its ultimate beneficial owners are not connected persons (as defined in the Listing Rules) of the Company and are independent of the Company or its connected persons (as defined in the Listing Rules). The Company will pay to the Underwriter an underwriting commission calculated at 2.0 % of the aggregate Subscription Price of the 3,589,257,705 Underwritten Shares (being the maximum number of the Underwritten Shares).

Undertaking of Win Channel:

Win Channel, which as at the date of this announcement is beneficially interested in 1,300,000,000 Shares (representing about 26.69% of the issued share capital of the Company as at the date of this announcement), has undertaken to the Company and the Underwriter that:

- (a) it will up to and inclusive of the latest date for application of the Offer Shares remain the beneficial owner of at least 1,300,000,000 Shares and will subscribe for the entitlement in full in respect of such Shares under the Open Offer; and
- (b) it will procure that votes in respect of the aforesaid Shares be cast in favour of all the necessary resolution(s) to implement the Open Offer.

Win Channel is beneficially wholly owned by Mr. Chim Pui Chung.

Termination of the Underwriting Agreement:

The Underwriter may terminate the Underwriting Agreement by notice in writing to the Company if, prior to 4:00 p.m. on the third business day immediately after the latest date for acceptance of the Offer Shares, any of the following grounds of termination happens:

- (a) there develops or occurs:
 - (i) the coming into force of any new law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affects the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affects the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
 - (iii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Underwriter is materially adverse in the context of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
 - (iv) any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Underwriter materially and adversely affects the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of the Company or its major subsidiaries or the destruction of any material asset of the Group; or
 - (v) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than five consecutive business days, excluding any suspension in connection with the clearance of this announcement or other documents in connection with the Open Offer, or
- (b) there comes to the notice of the Underwriter any matter or event showing any of the representations and warranties given by the Company under the Underwriting Agreement to be untrue or inaccurate in any respect which the Underwriter considers to be material.

If the Underwriter terminates the Underwriting Agreement, the Open Offer will not proceed.

CONDITIONS OF THE OPEN OFFER

The Open Offer is conditional upon:

- (a) the approval of shareholders of the Company (other than the Directors (except for independent non-executive directors of the Company), chief executive of the Company and their respective associates) at a general meeting to be held at which the voting shall be taken on a poll and in accordance with the Listing Rules;
- (b) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Offer Shares;
- (c) compliance with the undertaking to take up all its entitlement under the Open Offer given by Win Channel referred to above; and
- (d) the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and the Underwriting Agreement not being terminated in accordance with its terms or otherwise.

None of the above conditions can be waived.

WARNING OF RISKS OF DEALING IN SHARES

The Open Offer is conditional upon the obligations of the Underwriter under the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Shareholders and potential investors should therefore exercise caution when dealing in Shares, and if they are in any doubt about their positions, they should consult their professional advisers.

Shareholders should note that Shares will be dealt in on an ex-entitlement basis commencing from Wednesday, 2 March 2005 and that dealings in Shares will take place while the conditions to which the Open Offer is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be Friday, 1 April 2005), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares who is in any doubt about his/her/its position is recommended to consult his/her/its own professional adviser.

Shareholding structure of the Company:

The following is the shareholding structure of the Company immediately before and after completion of the Open Offer (assuming none of the Options will be exercised before the Record Date):

	Immediately before completion of the Open Offer		Immediately after completion of the Open Offer (assuming all Qualifying Holders take up their respective entitlements under the Open Offer)		Immediately after completion of the Open Offer (assuming no Qualifying Holder takes up his/her/its entitlement under the Open Offer except for Win Channel)	
	Shares	Per cent. (approximately)	Shares	Per cent. (approximately)	Shares	Per cent. (approximately)
Win Channel (Note 1)	1,300,000,000	26.69	2,600,000,000	26.69	2,600,000,000	26.69
Mr. Chong Sing Yuen (Notes 2&5)	31,581,047	0.65	63,162,094	0.65	31,581,047	0.32
Mr. Wong Siu Keung Joe (Notes 2&3)	8,000,000	0.16	16,000,000	0.16	8,000,000	0.08
Mr. Chu Kiu Fat (Note 2)	40,000	0.00	80,000	0.00	40,000	0.00
Public:						
Underwriter (Note 4)	–	–	–	–	3,569,957,705	36.65
Other public Shareholders	3,530,336,658	72.50	7,060,673,316	72.50	3,530,336,658	36.26
Total	<u>4,869,957,705</u>	<u>100.00</u>	<u>9,739,915,410</u>	<u>100.00</u>	<u>9,739,915,410</u>	<u>100.00</u>

The following is the shareholding structure of the Company immediately before and after completion of the Open Offer (assuming the Options will have been exercised in full before the Record Date):

	Immediately before completion of the Open Offer		Immediately after completion of the Open Offer (assuming all Qualifying Holders take up their respective entitlements under the Open Offer)		Immediately after completion of the Open Offer (assuming no Qualifying Holder takes up his/her/its entitlement under the Open Offer except for Win Channel)	
	Shares	Per cent. (approximately)	Shares	Per cent. (approximately)	Shares	Per cent. (approximately)
Win Channel (Note 1)	1,300,000,000	26.59	2,600,000,000	26.59	2,600,000,000	26.59
Mr. Chong Sing Yuen (Notes 2&5)	31,581,047	0.65	63,162,094	0.65	31,581,047	0.32
Mr. Wong Siu Keung Joe (Notes 2&3)	25,000,000	0.51	50,000,000	0.51	25,000,000	0.26
Mr. Chu Kiu Fat (Note 2)	40,000	0.00	80,000	0.00	40,000	0.00
Holder of the Options (other than Mr. Wong Siu Keung Joe (Note 3))	2,300,000	0.04	4,600,000	0.04	2,300,000	0.02
Public:						
Underwriter (Note 4)	-	-	-	-	3,589,257,705	36.71
Other public Shareholders	3,530,336,658	72.21	7,060,673,316	72.21	3,530,336,658	36.10
Total	4,889,257,705	100.00	9,778,515,410	100.00	9,778,515,410	100.00

Notes:

1. Win Channel is a company incorporated in the British Virgin Islands and beneficially wholly owned by Mr. Chim Pui Chung. Save for the holding of the 1,300,000,000 Shares and being a substantial shareholder of the Company, each of Win Channel, Mr. Chim Pui Chung and their respective associates is independent of and not connected with the Company or any connected person (as defined in the Listing Rules) of the Company. According to Win Channel and Mr. Chim Pui Chung, none of them has been a controlling shareholder (as defined in the Listing Rules) of the Company or an associate of any controlling shareholder (as defined in the Listing Rules) of the Company or other connected persons (as defined in the Listing Rules) of the Company.
2. An executive Director.
3. As at the date of this announcement, the Company has outstanding options for the holders of Options to subscribe for a total of 19,300,000 Shares at the exercise price of HK\$0.01 per Share. Mr. Wong Siu Keung, Joe, being an executive Director, has options to subscribe for 17,000,000 Shares and the remaining options are held by certain employees of the Group.
4. According to the Underwriter, as at the date of this announcement, the Underwriter has entered into a sub-underwriting agreement with independent sub-underwriter, to sub-underwrite 670,000,000 Underwritten Shares, representing about 6.85% of enlarged issued share capital of the Company immediately upon the completion of the Open Offer (assuming all the Options will have been exercised before the Record Date). Therefore the Underwriter will at no time hold 30% or more interests in the Company upon the completion of the Open Offer. It is the intention of the Underwriter to place down any the Offer Shares to be taken up by it under the Open Offer.
5. As at the date of this announcement, Mr. Chong Sing Yuen has beneficial interests in 29,231,047 Shares and his spouse has interests in 2,350,000 Shares.

Reasons for the Open Offer and use of proceeds:

The Group is principally engaged in the business of manufacture and sale of snap off blade cutters and electronic consumer products, including toys and home appliances, as well as property investment in Hong Kong and the PRC.

The Board considers that the Open Offer will enable the Group to strengthen its capital base and to enhance its financial position. Since the Open Offer will allow the Qualifying Shareholders to maintain their shareholdings in the Company, the Board considers raising capital through the Open Offer is in the interests of the Company and the Shareholders as a whole.

The estimated net proceeds from the Open Offer will be approximately not less than HK\$94.0 million and will be used for possible investment, including but not limited to investment in gaming and entertainment business in Macau or elsewhere. However, as at the date of this announcement, the Directors have not yet started seeking for any specific items of the above possible investment. The net proceeds from the Open Offer will be retained as general working capital of the Group before any of the above investment is identified.

The estimated expense of the Open Offer is about HK\$3.2 million, which will be borne by the Company.

There are no other equity fund raising activities of the Company during the 12 months ended immediately before the date of this announcement.

EXPECTED TIMETABLE

Despatch of the circular to the Shareholders relating to the Open Offer, containing, among things, a notice convening the SGM	Friday, 18 February 2005
Last day of dealings in Shares on cum-entitlement basis	Tuesday, 1 March 2005
First day of dealings in Shares on ex-entitlement basis	Wednesday, 2 March 2005
Latest time for lodging transfers of Shares in order to be entitled to the Open Offer	4:00 p.m. on Thursday, 3 March 2005
	Friday, 4 March 2005

Register of members closes (both dates inclusive)	to Tuesday, 8 March 2005
Latest time for lodging forms of proxy for the purpose of the SGM (48 hours before the SGM)	10:00 a.m. on Sunday, 6 March 2005
SGM to be held	10:00 a.m. on Tuesday, 8 March 2005
Record Date	Tuesday, 8 March 2005
Register of members reopens	Wednesday, 9 March 2005
Despatch of the Prospectus Documents	Friday, 11 March 2005
Latest time for lodging application for the Offer Shares and payment	4:00 p.m. on Tuesday, 29 March 2005
Latest time for the Open Offer to become unconditional	4:00 p.m. on Friday, 1 April 2005
Announcement of results of the Open Offer	Wednesday, 6 April 2005
Despatch of certificates for the Offer Shares	Thursday, 7 April 2005
Dealings in Offer Shares commence	Monday, 11 April 2005

Dates stated in this announcement for events mentioned in the timetable are indicative only and may be extended or varied. Any change to the expected timetable for the Open Offer will be announced as appropriate.

GENERAL

The SGM will be held to consider and, if thought fit, passing the resolution (with voting to be taken by a poll) to approve the Open Offer.

Under the Listing Rules, any controlling shareholders and their associates or, where there are no controlling shareholders, Directors (excluding independent non-executive directors of the Company), the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution relating to the Open Offer. Therefore, Mr. Chong Sing Yuen, Mr. Wong Siu Keung Joe and Mr. Chu Kiu Fat, being the executive Directors, and their respective associates (including the spouse of Mr. Chong Sing Yuen who holds interests in 2,350,000 Shares as at the date of this announcement) will abstain from voting in favour of the resolution relating to the Open Offer pursuant to the Listing Rules.

An independent board committee will be established to make recommendations to the Independent Shareholders in relation to the Open Offer and an independent financial adviser will be appointed to advise the independent board committee and the Independent Shareholders in relation to the Open Offer.

A circular containing, among other things, details of the Open Offer, the recommendations of the independent board committee in relation to the Open Offer and a letter of advice from the independent financial adviser to advise the independent board committee and the Independent Shareholders in relation to the Open Offer and a notice convening the SGM, will be despatched to the Shareholders as soon as possible in accordance with the Listing Rules.

ADJUSTMENT TO THE OPTIONS

Under the terms of the share option scheme of the Company pursuant to which the Options were granted, adjustment to the exercise price or number of the options granted is required upon the completion of the Open Offer. Such adjustment(s) will be set out in the Company's announcement of results of acceptance of the Open Offer.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in Shares on the Stock Exchange has been suspended from 9:30 a.m. on Friday, 21 January 2005 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in Shares on the Stock Exchange with effect from 9:30 a.m. on Monday, 31 January 2005.

DEFINITIONS

“Application Form(s)”	the application form(s) for use by the Qualifying Holders to apply for the Offer Shares
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Company”	Northern International 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
“Director(s)”	the director(s) of the Company, including the independent non-executive directors of the Company
“Excluded Shareholders”	the Shareholders who are excluded from the Open Offer as mentioned in the section headed “Rights of Excluded Shareholders” in this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders not being Directors (other than independent non-executive directors of the Company), chief executive of the Company and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Shares”	Not less than 4,869,957,705 new Shares and not more than 4,889,257,705 new Shares to be issued under the Open Offer

“Open Offer”	the proposed issue of the Offer Shares by way of open offer to the Qualifying Holders on the terms to be set out in the Prospectus Documents and summarised herein
“Options”	Outstanding options granted to a Director and certain employees of the Group under the share option scheme adopted by the Company on 4 October 2002 to subscribe for an aggregate of 19,300,000 Shares at the exercise price of HK\$0.01 per Share, subject to adjustment
“PRC”	the People’s Republic of China
“Prospectus”	the Open Offer prospectus
“Prospectus Documents”	the Prospectus and the Application Form
“Qualifying Holders”	the Shareholders whose names appear on the register of members of the Company on the Record Date and not being the Excluded Shareholders
“Record Date”	8 March 2005
“Registrar”	Secretaries Limited of Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, the Company’s branch share registrar in Hong Kong
“SGM”	the special general meeting of the Company to be convened to approve the Open Offer
“Shares”	Share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.020 per Offer Share under the Open Offer
“Underwriter”	Kingston Securities Limited, a licensed corporation to carry on business in types 1, 4, 6 and 9 regulated activities (dealing in securities, advising on securities and corporate finance and asset management) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Underwriting Agreement”	the underwriting agreement dated 20 January 2005 between the Company and the Underwriter in relation to the Open Offer
“Underwritten Shares”	up to 3,589,257,705 Offer Shares underwritten by the Underwriter
“Win Channel”	Win Channel Investments Limited, a company incorporated in the British Virgin Islands and is wholly owned by Mr. Chim Pui Chung
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Chong Sing Yuen
Chairman

Hong Kong, 28 January 2005

** For identification purposes only*

As at the date of this announcement, the executive directors of the Company are Mr. Chong Sing Yuen, Mr. Chu Kiu Fat, Mr. Wong Siu Keung, Joe, Mr. Chong Chun Kwok, Piggy and Mr. Chong Chun Hing and the independent non-executive directors are Mr. Chan Ping Yim, Mr. Chan Shun and Mr. Cheng Kwok Hing, Andy.

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