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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 CONSOLIDATION OF SHARES AND CHANGE IN BOARD LOT SIZE

It is proposed that 20 existing issued and unissued shares of HK\$0.01 each of the Company be consolidated into one share of HK\$0.2 each.

It is also proposed that the board lot size for trading on the Stock Exchange be changed from 50,000 Shares to 5,000 New Shares upon the Consolidation taking effect.

It is expected that the Consolidation will become effective on 5 May, 2005 subject to fulfilment of the conditions set out below.

CONSOLIDATION OF SHARES

The board of directors of Northern International Holdings Limited (the “Company”) announces that it is proposed that 20 existing issued and unissued shares of HK\$0.01 each of the Company be consolidated into one share of HK\$0.2 each (the “Consolidation”).

The existing authorised share capital of the Company is HK\$300 million divided into 30 billion shares of HK\$0.01 each (“Shares”), 4,869,957,705 Shares of which have been issued and fully paid as at the date of this announcement. As at the date of this announcement, the Company has outstanding options granted to 8 holders under the share option scheme of the Company to subscribe for a total of 19,300,000 Shares. The

Company has also announced a proposed open offer (the “Open Offer”). Assuming the Open Offer would become unconditional, 4,869,957,705 Shares (“Offer Shares”) will be issued under the Open Offer. Upon implementation of the Consolidation, the authorised share capital of the Company will remain at HK\$300 million, but divided into 1.5 billion shares (including issued and unissued) of HK\$0.2 each arising from the Consolidation (“New Shares”). Assuming the options are fully exercised and the Offer Shares are issued under the Open Offer prior to the implementation of the Consolidation, the Company will have 487,960,770.5 issued New Shares and 1,012,039,229.5 unissued New Shares immediately after the Consolidation. Assuming none of the options are exercised and the Offer Shares are issued prior to implementation of the Consolidation, the Company will have 486,995,770.5 issued New Shares and 1,013,004,229.5 unissued New Shares immediately after the Consolidation. Assuming the options are not exercised and the Offer Shares are not issued under the Open Offer prior to implementation of the Consolidation, the Company will have 243,497,885.25 issued New Shares and 1,256,502,114.75 unissued New Shares immediately after the Consolidation. The New Shares will rank pari passu in all respects with each other.

Fractions of New Shares arising from the Consolidation will be aggregated and sold for the benefit of the Company.

REASONS FOR THE CONSOLIDATION

Shares have been traded on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) near HK\$0.02 for some time. The Consolidation will increase the market price per share of the Company 20 times theoretically. Further, the Consolidation will reduce the handling cost of the Company and the transaction cost of shareholders.

CONDITIONS OF THE CONSOLIDATION

The Consolidation is conditional upon:

- (a) the approval of the Consolidation by the shareholders of the Company at a special general meeting; and
- (b) the Listing Committee of the Stock Exchange granting a listing of and permission to deal in the New Shares (arising from the Consolidation).

It is expected that the Consolidation will become effective on 5 May, 2005.

EFFECT OF THE CONSOLIDATION

The Consolidation has no impact on the underlying assets, business, operation or financial position of the Company and its subsidiaries (other than the expenses in connection with the Consolidation estimated at approximately HK\$400,000 to be incurred by the Company). It will not change the respective shareholdings of the shareholders or result in any change in the relative rights of the shareholders.

CHANGE IN BOARD LOT SIZE

It is also proposed that the board lot size for trading on the Stock Exchange be changed from 50,000 Shares to 5,000 New Shares upon the implementation of the Consolidation.

LISTING

Application will be made to the Stock Exchange for the listing of and permission to deal in the New Shares (arising from the Consolidation).

EXPECTED TIMETABLE

2005

Despatch of circular	13 April
Latest time for lodging forms of proxy for the special general meeting	10:00 a.m. on 2 May
Special general meeting	10:00 a.m. on 4 May
Effective date of the Consolidation	5 May
Closure of original counter for trading the existing Shares (in the form of existing share certificates) in board lot of 50,000 Shares temporarily	9:30 a.m. on 5 May
Commencement of trading in shares of the Company in board lot of 2,500 New Shares in temporary counter (in the form of existing share certificates)	9:30 a.m. on 5 May
Commencement of trading in shares of the Company in board lot of 5,000 New Shares in original counter (in the form of new share certificates)	9:30 a.m. on 20 May

Commencement of parallel trading of New Shares in the form of existing share certificates and new share certificates	9:30 a.m. on 20 May
Cessation of parallel trading of New Shares in the form of existing share certificates and new share certificates	4:00 p.m. on 10 June
Closure of temporary counter for trading in shares of the Company (in the form of existing share certificates) in board lot of 2,500 New Shares	4:00 p.m. on 10 June
Odd lots matching service	from 5 May to 10 June
Free exchange for new share certificates	from 5 May to 15 June

EXISTING SHARE CERTIFICATES

Based on the aforesaid expected timetable, the existing certificates for the Shares will cease to be valid for trading and settlement purpose after 10 June, 2005. However, such certificates will remain effective as documents of title on the basis that every 20 Shares will be equal to 1 New Share after the Consolidation taking effect.

EXCHANGE OF SHARE CERTIFICATES

Subject to the Consolidation becoming effective, shareholders may during the period from 5 May, 2005 up to 4:00 p.m. of 15 June, 2005 (both dates inclusive) submit the existing share certificates to the Company's Hong Kong branch share registrar, Secretaries Limited of Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, for exchange for new share certificates free of charge, and thereafter at usual charge of HK\$2.50 (or such amount as the Stock Exchange may approve from time to time) per new share certificate issued. It is expected that new share certificates will be available for collection 10 business days after submission of the existing share certificates to the Hong Kong branch share registrar for exchange.

ARRANGEMENT FOR ODD LOT TRADING

In order to facilitate the trading of odd lots of New Shares as a result of the Consolidation, the Company has appointed Kingston Securities Limited (the "Agent") to provide a

“matching service” to those shareholders who wish to top-up or sell their holding of odd lots of New Shares.

The Agent will provide the service to match the sale and purchase of odd lots of New Shares during the period from 5 May, 2005 to 10 June, 2005 (both dates inclusive). Holders of New Shares in odd lots who wish to take advantage of this facility either to dispose of or top-up their odd lots to a new board lot of 5,000 New Shares may directly or through their broker contact Ms. Rosita Kiu of the Agent at Suite 2801, 28th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong (Telephone: 2298-6215) during such period. Shareholders should note that successful matching of the sale and purchase of odd lots of New Shares is not guaranteed.

Shareholders are recommended to consult their professional advisers if they are in any doubt about the facility described above.

GENERAL

Further announcement will be made on the adjustment to be made to the exercise price/entitlement in terms of shares of the abovementioned outstanding options upon in the Consolidation taking effect.

A circular relating to the above proposals and incorporating a notice of a special general meeting of the Company to approve the Consolidation will be despatched to the shareholders of the Company as soon as practicable.

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

By Order of the Board
Chong Sing Yuen
Chairman

Hong Kong, 23 March, 2005

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