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北方興業控股有限公司[#]

NORTHERN INTERNATIONAL HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(the “Company”)

**CHANGE OF SINGLE LARGEST SHAREHOLDER
AND
RESUMPTION OF TRADING OF SHARES**

On 10th March, 2004, Mr Chong Sing Yuen (the chairman of the Company) completed the sale of 1.3 billion shares of the Company, representing approximately 28.60% of its issued share capital, to Win Channel Investments Limited (a company wholly and beneficially owned by Mr Chim Pui Chung) at an aggregate consideration of HK\$30,000,000. The Sale Shares were held as to 1.2 billion shares by Mr Chong as trustee for Twin Base Limited (a company wholly and beneficially owned by Mr Chong) and 100 million shares by Mr Chong personally.

As a result of the Disposal, interest of Mr Chong (together with Twin Base and his spouse) in the Company reduced from approximately 29.20% to approximately 0.60%. Mr Chong Chun Man, a son of Mr Chong and an executive director of the Company, has 0.04% interest in the Company.

At the request of the Company, trading in shares of the Company on the Stock Exchange has been suspended from 9:30 a.m. on 9th March, 2004. Application has been made for the resumption of trading in shares of the Company on the Stock Exchange from 9:30 a.m. on 17th March, 2004.

SALE AND PURCHASE OF 1.3 BILLION SHARES

On 10th March, 2004, the Company was informed by Mr Chong Sing Yuen (“Mr Chong”) that he completed the sale of a total of 1.3 billion shares of HK\$0.01 each of the Company (the “Sale Shares”), representing about 28.60% of its issued share capital as at the date of this announcement, to Win Channel Investments Limited (the “Purchaser”) at an aggregate consideration of HK\$30,000,000 (representing approximately HK\$0.023 per share) (the “Disposal”) on that day pursuant to an oral agreement entered into between Mr Chong and the Purchaser on 8th March, 2004.

The Sale Shares were held as to 1.2 billion shares by Mr Chong as trustee for Twin Base Limited (“Twin Base”) (a company wholly and beneficially owned by Mr Chong) and 100 million shares by Mr Chong personally. The Company has been informed by Mr Chong that negotiation of the Disposal was first contemplated on 29th February, 2004.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is a table showing the shareholding structure of the Company immediately prior to and after the Disposal:

Name	Immediately prior to the Disposal		Immediately after the Disposal	
	No. of shares	Percentage of shareholding	No. of shares	Percentage of shareholding
The Purchaser	-	-	1,300,000,000	28.60%
Twin Base	1,200,000,000	26.40%	-	-
Mr Chong* and his spouse	127,081,047	2.80%	27,081,047	0.60%
Mr Chong Chun Man* (Note)	1,830,000	0.04%	1,830,000	0.04%
Mr Chu Kiu Fat*	40,000	0.00%	40,000	0.00%
Public shareholders	3,215,906,658	70.76%	3,215,906,658	70.76%
Total	<u>4,544,857,705</u>	<u>100.00%</u>	<u>4,544,857,705</u>	<u>100.00%</u>

Note: Mr Chong Chun Man is a son of Mr Chong.

* *Executive directors of the Company*

INFORMATION ABOUT MR CHONG

Mr Chong is an executive director and the chairman of the Company. As mentioned in the announcement of the Company dated 27th February, 2004, Mr Chong sold 326,050,000 shares of the Company (representing about 7.17% of the issued share capital of the Company) in the market on that day, whereby reducing his interest (together with those of Twin Base and his spouse) in the Company from about 36.37% to about 29.20%.

Prior to the Disposal, Mr Chong, together with Twin Base and his spouse, was the single largest shareholder of the Company. After the Disposal, Twin Base ceased to be a shareholder of the Company and the interest of Mr Chong and his spouse in the Company reduced to approximately 0.60%.

Mr Chong Chun Man, a son of Mr Chong and an executive director of the Company, has 0.04% interest in the Company.

INFORMATION ABOUT THE PURCHASER

The Company has been informed by the Purchaser and Mr Chim Pui Chung (“Mr Chim”) that:

- (a) the Purchaser is a company incorporated in the British Virgin Islands on 2nd January, 2002;
- (b) Mr Chim is its sole beneficial owner and director;
- (c) the Purchaser’s principal business activity is investment holding and it does not have any subsidiary;
- (d) Mr Chim has been engaged in financial and securities industry for over 30 years. He has also been active with public services and had served The Legislative Council and The Provisional Legislative Council for approximately 7 years from October 1991 to September 1998; and
- (e) the Purchaser and Mr Chim are not acting in concert with any shareholder of the Company and neither the Purchaser, Mr Chim or their respective associates had any shareholding in the Company immediately prior to the acquisition of the Sale Shares.

Save for the holding of the Sale Shares, the Purchaser, its beneficial owner and their respective associates are independent of and not connected with the Company, the directors, chief executive or substantial shareholders of the Company or its subsidiaries, or any of their respective associates.

INTENTIONS OF THE PURCHASER ABOUT THE COMPANY

The Company has been informed by the Purchaser that for the time being:

- (a) it has no intention to change the principal activities of the Company and its subsidiaries (the “Group”) but reserves the right to make such changes deem necessary;

- (b) it has no intention to inject any asset/business into or dispose of any asset/business of the Group but reserves the right to do so should circumstances change, and that any such injection or disposal will be made in accordance with the Listing Rules; and
- (c) it intends to nominate Mr Chim as a non-executive director and the chairman of the Company, and that save as aforesaid, it and Mr Chim have no intention to change the composition of the board of directors of the Company but reserves the right to make such changes deem necessary.

Mr Chong indicated that he intends to remain as an executive director of the Company for the time being but will cease to be the chairman of the Company upon the appointment of Mr Chim to such post.

In view of the above, the directors of the Company consider that the Disposal will not have any material impact on the business and operation of the Group for the time being.

If the Company remains a listed company, The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) has the discretion to require the Company to issue a circular to its shareholders irrespective of the size of the proposed transaction, particularly when such proposed transaction represents a departure from the principal activities of the Company. The Stock Exchange also has the power to aggregate a series of transactions and any such transactions may result in the Company being treated as if it were a new listing applicant.

INFORMATION ABOUT THE GROUP

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

SUSPENSION AND RESUMPTION OF TRADING IN THE COMPANY

At the request of the Company, trading in shares of the Company on the Stock Exchange has been suspended from 9:30 a.m. on 9th March, 2004. Application has been made for the resumption of trading in shares of the Company on the Stock Exchange from 9:30 a.m. on 17th March, 2004.

By order of the Board
Chu Kiu Fat
Director

Hong Kong, 16th March, 2004

for identification purpose only

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