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If you are in doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Northern International Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.



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**

A notice of a special general meeting to be held at 10:00 a.m. on 4 May, 2005 at Luk Kwok Hotel, Function Room 1, Basement, 72 Gloucester Road, Wanchai, Hong Kong is set out on page 7 of this circular.

Please complete the form of proxy and return it to the principal office of the Company in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the meeting, whether or not you intend to be present at the meeting.

* *For identification only*

EXPECTED TIMETABLE

Set out below is the expected timetable on the Consolidation:

2005

Latest time for lodging forms of proxy for the Special General Meeting	10:00 a.m. on 2 May
Holding of the 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 services	from 5 May to 10 June
Free exchange for new share certificates	from 5 May to 15 June

If there is any change to the above timetable, press announcement on the change(s) will be released.

Note: Capitalised terms used above have the same meanings as defined in the section "Letter from the Board" of this circular.

LETTER FROM THE BOARD



北方興業控股有限公司*
NORTHERN INTERNATIONAL HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code : 736)

Executive Directors:

Mr. Chong Sing Yuen
Mr. Chong Chun Hing
Mr. Chu Kiu Fat
Mr. Wong Siu Keung, Joe
Mr. Chong Chun Kwok, Piggy

Independent non-executive Directors:

Mr. Chan Ping Yim
Mr. Chan Shun
Mr. Cheng Kwok Hing, Andy

Registered Office:

Clarendon House
Church Street
Hamilton HM11
Bermuda

Principal place of business:

Block A, 2nd Floor
Man Foong Industrial Building
7 Cheung Lee Street
Chaiwan
Hong Kong

13 April, 2005

To the shareholders

Dear Sir or Madam,

PROPOSED CONSOLIDATION OF SHARES AND CHANGE IN BOARD LOT SIZE

INTRODUCTION

On 23 March, 2005, the directors of Northern International Holdings Limited (the “Company”) announced a proposal on consolidation of 20 issued and unissued shares of HK\$0.01 each into 1 share of HK\$0.20 (the “Consolidation”) and change in board lot size for trading on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) upon the implementation of the Consolidation.

The purpose of this circular is to give you further details of the Consolidation and to convene a special general meeting (the “Special General Meeting”) to consider and, if thought fit, approve the resolution in respect of the Consolidation.

* For identification only

LETTER FROM THE BOARD

This circular also provides information on the proposed change in board lot size for trading on the Stock Exchange, details of the relevant trading arrangements and arrangement on exchange of share certificates after the Consolidation.

CONSOLIDATION OF SHARES

It is proposed to consolidate every 20 existing issued and unissued shares of the Company of HK\$0.01 each (“Shares”) into 1 share of the Company of HK\$0.20 (“New Share(s”).

The existing authorised share capital of the Company is HK\$300 million divided into 30 billion shares of HK\$0.01 each, 4,869,957,705 of which have been issued and fully paid as at 11 April, 2005, the latest practicable date for ascertaining certain information included in this circular before its bulk-printing (the “Latest Practicable Date”). As at the Latest Practicable Date, the Company had 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 becomes 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\$0.20 each arising from the Consolidation. Assuming the outstanding options granted under the share option scheme of the Company 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 is 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. Save for the aforesaid, the Company did not have any other securities which are convertible into Shares as at the Latest Practicable Date.

The New Shares will rank pari passu in all respects with each other.

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

REASONS FOR THE CONSOLIDATION

Recently, Shares have been traded on the Stock Exchange near HK\$0.02 for some time. The Consolidation will increase the market price per share of the Company, up to 20 times of the existing market price per share of the Company, theoretically. Further, the Consolidation will reduce the handling cost of the Company and the transaction cost of investors.

LETTER FROM THE BOARD

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.

The Company has been advised by its Bermuda legal advisers that no governmental approval is required to be obtained in Bermuda for the Consolidation.

Assuming the above conditions are fulfilled on 4 May, 2005, being the date of the Special General Meeting, the Consolidation will become effective on the next day, being 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

Currently, Shares are traded in board lot of 50,000 Shares. The directors propose to change the board lot size from 50,000 Shares to 5,000 New Shares upon implementation of the Consolidation. As compared with a board lot size of 2,500 New Shares, being the corresponding downward adjustment of board lot size in connection with the Consolidation, the Company effectively will increase the board lot value of its shares by changing the board lots size to 5,000 New Shares, which will reduce the transaction costs for dealing in the Company's shares after the Consolidation taking effect. This change in board lot size will take effect from the date of the commencement of the parallel trading period mentioned below.

LISTING

Application has been made to the Stock Exchange for listing of and permission to deal in the New Shares.

Subject to the granting of listing of, and permission to deal in, the New Shares on the Stock Exchange, the New Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited ("HKSCC") for deposit, clearance and settlement in the Central Clearing and Settlement System ("CCASS") with effect from the commencement date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

LETTER FROM THE BOARD

TRADING AND EXCHANGE OF CERTIFICATES

Trading arrangements

The following arrangements will apply upon the implementation of the Consolidation :

- (1) as from 9:30 a.m. on 5 May, 2005 (or such later date as may be notified to shareholders) the present original counter for trading in the existing Shares in board lot of 50,000 Shares will be closed temporarily and a temporary counter for trading in the New Shares in board lot of 2,500 New Shares will be set up. Only the existing share certificates denominated in the HK\$0.01 form in orange can be traded at this counter;
- (2) as from 9:30 a.m. on 20 May, 2005 (or such later date as may be notified to shareholders) when the new share certificates denominated in the HK\$0.20 form are made available for trading, the present original counter will be re-opened and used as a counter for trading in New Shares in board lot of 5,000 New Shares (in the form of new share certificates). Only new share certificates denominated in the HK\$0.20 form in pink can be traded at this counter; and
- (3) as from 20 May, 2005 up to and including 10 June, 2005 (or such later date as may be notified to shareholders) there will be parallel trading in the above two counters. After the end of the parallel trading period at 4:00 p.m. on 10 June, 2005, the temporary counter for trading in the New Shares in board lot of 2,500 New Shares (in the form of existing share certificates) will be removed. With effect from 9:30 a.m. on 13 June, 2005, trading will only be in board lot of 5,000 New Shares in the original counter. The existing share certificates denominated in the HK\$0.01 form will then cease to be acceptable for trading and settlement purposes but such certificates will remain effective as documents of title on the basis that every 20 Shares will be equal to 1 New Share.

Exchange of share certificates

Subject to the Consolidation becoming effective, as from 5 May, 2005, new share certificates will be issued in board lots of 5,000 New Shares (except for odd lots or where the Company's Hong Kong branch share registrar are otherwise instructed). Existing share certificates can be submitted 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 during the period from 5 May, 2005 to 4:00 p.m. on 15 June, 2005, both days inclusive and thereafter the usual charge of HK\$2.50 (or such amount as the Stock Exchange may approve from time to time) per new share certificate issued will apply. 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. The new certificates for New Shares will be in pink in order to distinguish them from existing certificates for Shares which are orange in colour.

LETTER FROM THE BOARD

ARRANGEMENT FOR ODD LOT TRADING

In order to facilitate 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.

Subject to the Consolidation becoming effective, 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.

SPECIAL GENERAL MEETING

You will find on page 7 of this circular a notice of the Special General Meeting to be held at 10:00 a.m. on 4 May, 2005 at Luk Kwok Hotel, Function Room 1, Basement, 72 Gloucester Road, Wanchai, Hong Kong at which an ordinary resolution will be proposed to consider, and, if thought fit, to approve the Consolidation. No shareholder is required to abstain from voting at the Special General Meeting.

There is enclosed a form of proxy for use at the Special General Meeting. You are requested to complete the form of proxy and return it to the registered office of the Company in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the meeting (or adjournment thereof), whether or not you intend to be present at the meeting. The completion and return of the form of proxy will not prevent you from attending and voting in person should you so wish.

According to the bye-laws of the Company, before or on declaration by the chairman of the meeting of the result of voting on a show of hands on a resolution at the Special General Meeting, a poll may be demanded by:

- (a) at least three members present in person or, in the case of a member being a corporation, by its duly authorised representative or by proxy entitled to vote at the meeting; or
- (b) any member or members present in person or, in the case of a member being a corporation, by its duly authorised representative or by proxy and representing not less than 10% of the total voting rights of all the members having the right to vote at the meeting; or
- (c) any member or members present in person or, in the case of a member 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 10% of the total sum paid up on all the shares conferring that right.

LETTER FROM THE BOARD

RECOMMENDATION

The directors believe that the Consolidation is in the best interest of the Company and the shareholders. Accordingly, your board recommends you to vote in favour of the resolution to be proposed at the Special General Meeting.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Rules Governing the Listing of Securities on the Stock Exchange for the purpose of giving information with regard to the Company. The directors of the Company collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries and that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

Yours faithfully,
Chong Sing Yuen
Chairman

NOTICE OF THE SPECIAL GENERAL MEETING



北方興業控股有限公司*
NORTHERN INTERNATIONAL HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code : 736)

NOTICE IS HEREBY GIVEN that a special general meeting of the above mentioned company (the “Company”) will be held at Luk Kwok Hotel, Function Room 1, Basement, 72 Gloucester Road, Wanchai, Hong Kong on 4 May, 2005 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“**THAT** on and subject to the terms and conditions set out in the circular of the Company dated 13 April, 2005 (a copy of which has been produced to the meeting and initialled by the Chairman for the purposes of identification), every 20 shares of HK\$0.01 each in the existing issued and unissued share capital of the Company be consolidated into 1 share of HK\$0.20 (the “Consolidation”), and that the Consolidation shall take effect on the day immediately after fulfilment of all the conditions of the Consolidation and the directors of the Company be and are hereby authorised generally to do all acts as they consider appropriate to effect and implement the Consolidation.”

By Order of the Board
Jennifer Cheung Mei Ha
Secretary

Hong Kong, 13 April, 2005

Principal office:

Block A, 2nd Floor
Man Foong Industrial Building
7 Cheung Lee Street
Chaiwan
Hong Kong

Notes :

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be deposited at the Company’s principal office together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.

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