

---

**THE 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 your licensed securities dealer or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**北方興業控股有限公司\***  
**NORTHERN INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 736)

**PROPOSED CHANGE OF COMPANY NAME;  
GRANT OF OPTION TO A CONTROLLING SHAREHOLDER UNDER  
THE SHARE OPTION SCHEME;  
GRANT OF SPECIFIC OPTIONS TO PARTICIPANTS UNDER  
THE SHARE OPTION SCHEME;  
PROPOSED REFRESHMENT OF THE 10% LIMIT  
ON THE GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME;  
PROPOSED REFRESHMENT OF GENERAL MANDATE  
TO ISSUE SHARES  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**Financial Adviser to Northern International Holdings Limited**



**Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders**



**Oriental Patron Asia Limited**

---

A letter from the Independent Board Committee is set out on page 14 of this circular and a letter from Oriental Patron to the Independent Board Committee and the Independent Shareholders is set out on pages 15 to 20 of this circular.

A notice convening the SGM to be held at Plaza I-III, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong at 9:30 a.m. on 28 November 2007 is set out on pages 28 to 31 of this circular. A form of proxy for use at the meeting is enclosed. Whether or not you intend to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrars of the Company in Hong Kong, Tricor Secretaries 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 meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so desire.

\* For identification purpose only

5 November 2007

---

## CONTENTS

---

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	4
<b>LETTER FROM THE INDEPENDENT BOARD COMMITTEE</b> .....	14
<b>LETTER FROM ORIENTAL PATRON</b> .....	15
<b>APPENDIX I – PARTICULARS OF THE GRANT OF THE CHAIRMAN OPTION                   UNDER THE SHARE OPTION SCHEME</b> .....	21
<b>APPENDIX II – PARTICULARS OF THE GRANT OF THE SPECIFIC OPTIONS                   UNDER THE SHARE OPTION SCHEME</b> .....	23
<b>APPENDIX III – GENERAL INFORMATION</b> .....	27
<b>NOTICE OF SPECIAL GENERAL MEETING</b> .....	28

---

## DEFINITIONS

---

*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Adoption Date”	4 October 2002, being the date on which the Share Option Scheme was adopted by the Company;
“AGM”	the annual general meeting of the Company held on 20 June 2007;
“associates”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Bye-Laws”	the bye-laws of the Company;
“Chairman Mandate”	a specific mandate proposed to be granted to issue new Shares upon exercise of the Chairman Option;
“Chairman Option”	the option granted to Mr. Zhao (subject to Independent Shareholders’ approval) to subscribe for 55,890,000 Shares at an exercise price of HK\$0.60 per Share;
“Company”	Northern International Holdings Limited (stock code: 736), a company incorporated in Bermuda with limited liability, and the shares of which are listed on the main board of the Stock Exchange;
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Date of Grant”	23 October 2007, being the date of the meeting of the Board at which the Chairman Option and Specific Options were proposed to be granted subject to the Independent Shareholders’ approval and the Shareholders’ approval respectively
“Director(s)”	the director(s) of the Company;
“Independent Board Committee”	an independent committee of the Board comprising Mr. Wang Dong, Mr. Yeung Yuen Hei and Ms. Chan Mei Bo, Mabel, the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in relation to the refreshment of the New Issue Mandate;
“Independent Shareholders”	the Shareholders other than Profit Key, Mr. Zhao, Ms. Pan Chien Pu and their respective associates;
“Latest Practicable Date”	1 November 2007, being the latest practicable date prior to the printing of this circular;

---

## DEFINITIONS

---

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Zhao”	Mr. Zhao Qing Ji, the executive Director and Chairman of the Company and a controlling Shareholder interested in approximately 31.9% of the issued Shares as at the Latest Practicable Date;
“New Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise the power of the Company to issue new Shares on the terms set out in the Notice;
“Notice”	the notice convening the SGM;
“Open Offer”	the issue of offer shares to the Shareholders on the basis of three offer shares for every share as set out in the prospectus of the Company dated 3 September 2007 and completed on 20 September 2007;
“Option(s)”	the option(s) to subscribe for Shares granted pursuant to the Share Option Scheme;
“Oriental Patron”	Oriental Patron Asia Limited, a licensed corporation carrying out Type 1 (dealing in securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the refreshment of New Issue Mandate;
“Participants”	Mr. Lu Xiao Dong, Ms. Yu Wai Fong, Mr. Au Tat On, Mr. Ong King Keung, Mr. Qiu Fang, Mr. Zhou Hong Tao, Mr. Li Ying, Mr. Shen Lu Jun, Mr. Huan Jing and Mr. Yao Nai Wei;
“PRC”	the People’s Republic of China;
“Previous General Mandate”	the general mandate granted to the Directors on the AGM to exercise the power of the Company to issue new Shares;
“Profit Key”	Profit Key Group Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Zhao;
“Proposed Scheme Refreshment”	the proposed refreshment of the Scheme Mandate Limit under the Share Option Scheme;
“Scheme Mandate Limit”	the maximum number of Shares which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and other such schemes of the Company which initially shall not in aggregate exceed 10% of the Shares in issue as at the Adoption Date and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders;

---

## DEFINITIONS

---

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“SGM”	the special general meeting of the Company to be convened and held at Plaza I-III, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong at 9:30 a.m. on 28 November 2007 to approve the change of company name, the proposed grant of Chairman Option and Specific Options, the Chairman Mandate, the Specific Mandate, the proposed refreshment of New Issue Mandate and the Proposed Scheme Refreshment;
“Shanghai Xiang Chen Hang”	Shanghai Xiang Chen Hang Place The Industry Co Ltd, a wholly owned subsidiary of the Company;
“Share(s)”	share(s) of par value of HK\$0.01 each in the capital of the Company;
“Share Consolidation”	the consolidation of share on the basis of 20 shares into 1 share as set out in the announcements of the Company dated 23 March 2005 and 5 May 2005;
“Shareholder(s)”	holder(s) of the Share(s);
“Share Option Scheme”	the share option scheme adopted by the Company on 4 October 2002;
“Specific Options”	the Options granted to the Participants (subject to Shareholders’ approval);
“Specific Mandate”	a specific mandate proposed to be granted to issue new Shares upon exercise of the Specific Options;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong Special Administrative Region of the PRC;
“%”	per cent.

---

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)

**Board of Directors:**

*Executive:*

Mr. Zhao Qing Ji  
Mr. Au Tat On  
Mr. Lu Xiao Dong

*Independent non-executive:*

Mr. Wang Dong  
Mr. Yeung Yuen Hei  
Ms. Chan Mei Bo, Mabel

**Registered office:**

Clarendon House  
Church Street  
Hamilton HM 11  
Bermuda

**Head office and principal  
place of business:**

Room 2001, 20/F  
Lippo Centre  
Tower Two  
89 Queensway  
Hong Kong

5 November 2007

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED CHANGE OF COMPANY NAME;  
GRANT OF OPTION TO A CONTROLLING SHAREHOLDER UNDER  
THE SHARE OPTION SCHEME;  
GRANT OF SPECIFIC OPTIONS TO PARTICIPANTS UNDER  
THE SHARE OPTION SCHEME;  
PROPOSED REFRESHMENT OF THE 10% LIMIT  
ON THE GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME;  
PROPOSED REFRESHMENT OF GENERAL MANDATE  
TO ISSUE SHARES  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

The Board announced on 17 October 2007 that it proposed to change the English name of the Company from “Northern International Holdings Limited” to “China Properties Investment Holdings Limited” and adopt the Chinese name of “中國置業投資控股有限公司” in lieu of “北方興業控股有

\* For identification purpose only

---

## LETTER FROM THE BOARD

---

限公司” for identification purpose. The Board also proposes the following resolutions, among other things, at the forthcoming SGM to be held on 28 November 2007:

- (a) to approve the grant of option to Mr. Zhao to subscribe for and the issue of 55,890,000 Shares at an exercise price of HK\$0.60 per Share;
- (b) to approve the grant of options to each of the Participants to subscribe for and the issue of 17,635,000 Shares at an exercise price of HK\$0.60 per Shares, representing a total of 176,350,000 Shares;
- (c) to grant to the Directors a general mandate to allot, issue and deal with additional Shares and to make or grant offers, agreements, options and warrants not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing such resolution; and
- (d) to refresh the 10% limit on the grant of options under the Share Option Scheme.

The purpose of this circular is to provide you with information relating to: (i) the proposed change of name of the Company; (ii) the grant of the Chairman Option and the issue of the new Shares upon exercise of the Chairman Option under the Share Option Scheme; (iii) the grant of the Specific Options and the issue of the new Shares upon exercise of the Specific Options under the Share Option Scheme; (iv) the refreshment of general mandates to issue Shares; (v) the recommendation from the Independent Board Committee and the recommendation from Oriental Patron to the Independent Board Committee and the Independent Shareholders as regards the New Issue Mandate; and (vi) the refreshment of the Scheme Mandate Limit under the Share Option Scheme, and to give you notice of the SGM.

### **PROPOSED CHANGE OF NAME OF THE COMPANY**

Following the acquisition of three commercial properties in Shanghai, the PRC in August 2007 (details of such acquisition were disclosed in the announcement and circular of the Company dated 20 July 2007 and 14 August 2007 respectively), the Company has further diversified its property portfolio in the PRC. The Company will keep on looking for new opportunities in properties investment in the PRC. In order to better reflect the core business and long term expansion strategy of the Company, the Board purposes to change the name of the Company.

The proposed change of name of the Company is subject to approval of the Shareholders by passing a special resolution at a general meeting of the Company and approval for such change of name being granted by the Registrar of Companies in Bermuda. The proposed change of the English name of the Company will only take effect upon the new English name being entered on the register in place of the existing English name by the Bermuda Registrar of Companies.

The proposed change of Company name will not affect any rights of the existing Shareholders. All existing share certificates in issue bearing the present name of the Company shall continue to be evidence of title to such shares and valid for trading, settlement and registration purposes. There will not be any arrangement for exchange of the existing share certificates. Once the change of Company name becomes effective, new share certificates will be issued under the new name of the Company.

---

## LETTER FROM THE BOARD

---

### GRANT OF OPTION TO A CONTROLLING SHAREHOLDER UNDER THE SHARE OPTION SCHEME

On 23 October 2007, the Company proposed to grant, pursuant to the Share Option Scheme, the Chairman Option to Mr. Zhao. The new Shares to be issued upon exercise would represent approximately 3.2% of the issued share capital of the Company as at the Latest Practicable Date and approximately 3.1% of the issued share capital of the Company as enlarged by such new Shares. The grant of the Chairman Option to Mr. Zhao was approved by the independent non-executive Directors on 23 October 2007. The exercise price for the Chairman Option is HK\$0.60 per Share, which was determined on the Date of Grant. The mandate of the new Shares to be issued upon exercise of the Chairman Option will be granted under the Chairman Mandate to be approved at the SGM. Upon exercise in full of the Chairman Option, 55,890,000 new Shares will be issued to Mr. Zhao representing approximately 3.2% of the issued share capital of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, Mr. Zhao did not hold any option under the Share Option Scheme and no option has been granted to Mr. Zhao within 12 months from the Date of Grant.

Immediately after the Adoption Date, 454,445,771 shares (before adjustments of the Share Consolidation and the Open Offer) were the maximum number of shares which may be issued upon exercise of all Options under the Share Option Scheme and other schemes of the Company, being 10% of the shares in issue at that time. During the period from the Adoption Date to the Latest Practicable Date, the Company had in total granted 345,350,000 options (before adjustment of Share Consolidation and Open Offer), representing approximately 76.0% of the new Shares which may be issued under the 10% limit of the Share Option Scheme, and which have been exercised, lapsed or cancelled.

Pursuant to Rules 17.03(4) and 17.04(1) of the Listing Rules, any grant of options to each participant in any 12-month period exceeding 1% of the issued share capital of the Company, or to a substantial shareholder or independent non-executive directors or any of their respective associates exceeding 0.1% of the total number of Shares in issue and having an aggregate value in excess of HK\$5 million, requires shareholders' approval in general meeting. Accordingly, the grant of Chairman Option should be approved by the Shareholders where all connected persons of the Company shall abstain from voting in favour at the SGM. All connected persons (including Profit Key, Mr. Zhao, Ms. Pan Chien Pu (a party acting in concert with Mr. Zhao) and their respective associates) of the Company will abstain from voting in favour of the resolution to approve the grant of the Chairman Option at SGM. Any vote taken at the SGM to approve the grant of the Chairman Option will be taken on a poll.

Further details regarding the proposed grant of the Chairman Option are set out in Appendix I to this circular.

An ordinary resolution will be proposed to the Independent Shareholders at the SGM to approve the grant of Chairman Option and the grant of Chairman Mandate under the Share Option Scheme so as to allow the Directors to grant the Chairman Option entitling Mr. Zhao to subscribe for, in aggregate up to 55,890,000 Shares, representing approximately 3.2% of the issued share capital of the Company as at the date of the SGM.



---

## LETTER FROM THE BOARD

---

Pursuant to the Listing Rules, the Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company at any time will not exceed 30% of the Shares in issue from time to time. No Options shall be granted under any scheme(s) of the Company or any of its subsidiaries if this will result in the 30% limit being exceeded.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the new Shares, which may be issued upon the exercise of the Chairman Option.

### REASONS FOR THE GRANT OF THE CHAIRMAN OPTION

Mr. Zhao is an executive Director and Chairman who is primarily responsible for overall management of the Company including business strategy planning and business development. The Chairman Option proposed to be granted to him will serve as an incentive for his continuing commitment and contribution to the Company in the future.

Pursuant to the Share Option Scheme, the Company had in total granted 345,350,000 options (before adjustment of Share Consolidation and Open Offer), which has been exercised, lapsed or cancelled as at the Latest Practicable Date. The Company has not adopted any other share options schemes other than the Share Option Scheme. The total number of the new Shares to be issued upon exercise of the Chairman Option is 55,890,000 Shares, representing approximately 3.2% of the issued share capital of the Company as at the Latest Practicable Date.

### GRANT OF OPTIONS TO PARTICIPANTS UNDER THE SHARE OPTION SCHEME

On 23 October 2007, the Company proposed to grant, pursuant to the Share Option Scheme, the Specific Options to each of the Participants of 17,635,000 Shares. The aggregate new Shares to be issued upon exercise would be 176,350,000 Shares representing approximately 10.0% of the issued share capital of the Company as at the Latest Practicable Date and approximately 9.1% of the issued share capital of the Company as enlarged by such new Shares. The exercise price for the Specific Options is HK\$0.60 per Share, which was determined on the Date of Grant. The mandate of the new Shares to be issued upon exercise of the Specific Options will be granted under the Specific Mandate to be approved at the SGM. Upon exercise in full of the Specific Options, a total of 176,350,000 new Shares will be issued to the Participants, representing approximately 10.0% of the issued share capital of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, the Participants did not hold any Shares nor option under the Share Option Scheme and no option has been granted to the Participants within 12 months from the Date of Grant.

As at the Latest Practicable Date, options carrying right to subscribe for up to a total of 345,350,000 shares (before adjustments of Share Consolidation and Open Offer), representing approximately 76.0% of the maximum number of Shares which may be issued upon exercise of all Options under the Share Option Scheme, have been granted and has been exercised, lapsed or cancelled. Therefore, the Company proposes a resolution to the Shareholders to grant a Specific Mandate to the Company to issue the new Shares upon exercise of the Specific Options. If the Specific Mandate is approved by the Shareholders at the SGM, based on 1,763,698,191 Shares in issue as at the Latest Practicable Date and assuming no

---

## LETTER FROM THE BOARD

---

further issue of Shares prior to the SGM, the Company will grant the Specific Options entitling each Participant to subscribe for up to a maximum of 17,635,000 Shares. As a result, a total of 176,350,000 Shares will be issued upon exercise of the Specific Options, representing approximately 10% of the Shares in issue as at the SGM. The grant of options to Mr. Au Tat On and Mr. Lu Xiao Dong, who are executive Directors, was approved by the independent non-executive Directors on 23 October 2007 in accordance with Rule 17.04(1) of the Listing Rules.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the new Shares, which may be issued upon the exercise of the Specific Options.

Further details regarding the proposed grant of Specific Options are set out in Appendix II to this circular.

### **REASONS FOR THE GRANT OF THE SPECIFIC OPTIONS**

The Participants are senior management and key managerial staff who are primarily responsible for the overall operation of the Company including execution of corporate policies, strategic planning for the PRC property investment, financial and internal control management. The Specific Options proposed to be granted to them will serve as an incentive for their continuing commitment and contribution to the Company in the future. The total number of the new Shares to be issued upon exercise of the Specific Options are 176,350,000 Shares, representing approximately 10% of the issued share capital of the Company as at the Latest Practicable Date. The total number of Shares to be issued upon exercise of Chairman Option and Specific Options is within the 30% limit as required under Note (2) to Rule 17.03(3) of the Listing Rules.

## LETTER FROM THE BOARD

### SHAREHOLDING IN THE COMPANY

The following is a summary of the shareholding of the Company as at the Latest Practicable Date; upon exercise of the Chairman Option in full; upon exercise of the Specific Options in full; and upon exercise of the Chairman Options and Specific Options in full:

Shareholders	As at the Latest Practicable Date		Upon exercise of the Chairman Option at the exercise price of HK\$0.60 in full		Upon exercise of the Specific Options at the exercise price of HK\$0.60 in full		Upon exercise of the Chairman Option and Specific Options at the exercise price of HK\$0.60 in full	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Profit Key (Note 1)	562,630,358.75	31.90	562,630,358.75	30.92	562,630,358.75	29.00	562,630,358.75	28.19
Pan Chien Pu (Note 1, 2)	58,000,000.00	3.29	58,000,000.00	3.19	58,000,000.00	2.99	58,000,000.00	2.91
Mr. Zhao	-	-	55,890,000	3.07	-	-	55,890,000	2.80
Profit Key and parties acting in concert with it	620,630,358.75	35.19	676,520,358.75	37.18	620,630,358.75	31.99	676,520,358.75	33.89
The Participants	-	-	-	-	176,350,000	9.09	176,350,000	8.84
Other public Shareholders	1,143,067,832.25	64.81	1,143,067,832.25	62.82	1,143,067,832.25	58.92	1,143,067,832.25	57.27
<b>Total</b>	<b>1,763,698,191</b>	<b>100.00</b>	<b>1,819,588,191</b>	<b>100.00</b>	<b>1,940,048,191</b>	<b>100.00</b>	<b>1,995,938,191</b>	<b>100.00</b>

Note:

- Profit Key is wholly owned by Mr. Zhao. Mr. Zhao and Ms. Pan Chien Pu are parties acting in concert in respect of the control of the Company.
- Ms. Pan Chien Pu is treated as public Shareholders as her shareholding in the Company is below 10%.

### REFRESHMENT OF THE SHARE OPTION SCHEME

#### Proposed Scheme Refreshment

Immediately after the Adoption Date, 454,445,771 shares (before adjustments of the Share Consolidation and the Open Offer) were the maximum number of shares which may be issued upon exercise of all Options under the Share Option Scheme and other schemes of the Company, being 10% of the shares in issue at that time. During the period from the Adoption Date to the Latest Practicable Date, the Company had in total granted 345,350,000 options (before adjustment of Share Consolidation and Open Offer), representing approximately 76.0% of new Shares which may be issued under the 10% limit of the Share Option Scheme, and which have been exercised, lapsed or cancelled.

---

## LETTER FROM THE BOARD

---

As at the Latest Practicable Date, there were no outstanding Options. Under the Share Option Scheme and after the aforesaid grant of Options, only 109,095,710 new options (before adjustment of Share Consolidation and Open Offer) can be granted by the Company. Taken account of the Share Consolidation, only 5,454,785.5 new options can be granted by the Company, representing approximately 0.3% of the issued share capital of the Company as at the Latest Practicable Date. In view of the enlarged issued share capital of the Company as a result of the Open Offer, the Company proposes to refresh the Scheme Mandate Limit based on the issued share capital of the Company as at the date of SGM.

If the Scheme Mandate Limit is refreshed, on the basis of 1,763,698,191 Shares in issue as at the Latest Practicable Date and assuming no Shares are issued by the Company prior to the SGM, the Scheme Mandate Limit will be re-set to 176,369,819 Shares and the Company will be allowed to grant further options under the Share Option Scheme and other share option schemes carrying rights to subscribe for a maximum of 176,369,819 Shares.

The Directors consider that it is in the interests of the Company to refresh the Scheme Mandate Limit to permit the grant of further Options under the Share Option Scheme so as to provide incentives to, and recognise the contributions of, the Group's employees and other selected grantees.

It is proposed that subject to the approval of the Shareholders at the SGM and such other requirements prescribed under the Listing Rules, the Scheme Mandate Limit will be refreshed so that the total number of securities which may be issued upon exercise of all Options to be granted under the Share Option Scheme and all other share option schemes of the Company under the Scheme Mandate Limit as refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the Proposed Scheme Refreshment by the Shareholders at the SGM, and Options previously granted under the Share Option Scheme and/or any other share option scheme(s) of the Company (including without limitation those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme or such other scheme(s) of the Company) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. For the avoidance of doubt, the Chairman Option and the Specific Options will also not be counted for the aforesaid purpose.

Pursuant to the Listing Rules, the Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company at any time will not exceed 30% of the Shares in issue from time to time. No Options shall be granted under any scheme(s) of the Company or any of its subsidiaries if this will result in the 30% limit being exceeded.

### **Conditions**

As required by the Share Option Scheme and the Listing Rules, an ordinary resolution will be proposed at the SGM to approve the Proposed Scheme Refreshment.

The adoption of the refreshed Scheme Mandate Limit is conditional upon:

- (a) the Shareholders passing an ordinary resolution to approve the Proposed Scheme Refreshment at the SGM; and
- (b) the Stock Exchange granting the approval of the listing of, and permission to deal in, the new Shares to be issued pursuant to the exercise of any Options that may be granted under the Share Option Scheme under the refreshed Scheme Mandate Limit not exceeding 10% of the number of Shares in issue as at the date of approval by the Shareholders.

---

## LETTER FROM THE BOARD

---

### Application for Listing

An application will be made to the Stock Exchange in respect of the approval referred to in (b) under the paragraph headed “Conditions” above.

### REFRESHMENT OF NEW ISSUE MANDATE

At the AGM held on 20 June 2007, the Directors were granted the Previous General Mandate to allot, issue and deal with new Shares up to 20% of the aggregate issued share capital of the Company as at the date of such meeting. As at the date of AGM, 419,392,885.25 Shares were in issue and accordingly, a maximum of 83,878,577.05 new Shares can be issued under the Previous General Mandate.

During the period from the date of the AGM to the Latest Practicable Date, certain of the Previous General Mandate has been utilised and 83,875,000 Shares have been issued under the Previous General Mandate under a placing conducted by the Company in October 2007. As stated in the announcement of the Company dated 10 October 2007, the Company intends to use the proceeds from the placing of approximately HK\$36.1 million for setting off part of the outstanding amount of HK\$41.5 million under the promissory note. Details of the placing are set out in the aforesaid announcement. As at the Latest Practicable Date, the net proceeds has been utilised as intended.

Immediately after completion of the Open Offer on 20 September 2007, the number of issued Shares was 1,677,571,541 Shares. However, under the Previous General Mandate and after the aforesaid utilisation, only 3,577.05 new Shares can be issued, representing approximately less than 0.1% of the issued share capital of the Company as enlarged by the Open Offer and the existing issued share capital of the Company.

In order to top up the number of Shares to be issued pursuant to the Previous General Mandate as a result of the Open Offer and to provide flexibility and discretion to the Directors to issue new Shares in the future, the Directors propose to the Shareholders a resolution to grant the New Issue Mandate such that the Directors can exercise the power of the Company to issue new Shares up to 20% of the issued share capital of the Company as at the date of SGM. The Company at present does not have any concrete plan regarding the utilization of the New Issue Mandate to be refreshed.

Subject to the approval of the Independent Shareholders for the refreshment of the New Issue Mandate, and assuming that no other Shares will be issued by the Company on or prior to the date of the SGM, the Shares in issue as at the date of the SGM would be 1,763,698,191 Shares, which means that under the New Issue Mandate (as refreshed) the Directors would be authorised to allot and issue a maximum of 352,739,638 Shares if the New Issue Mandate is refreshed.

### SGM

A notice convening the SGM with the resolutions, among other matters, is set out in this circular. Whether or not the Shareholders are able to attend the meeting or any adjourned meeting, they are requested to complete the accompanying form of proxy and return it to the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time of the meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting at the meeting should they wish to do so.

---

## **LETTER FROM THE BOARD**

---

According to the Listing Rules, any refreshment of the New Issue Mandate made before the next annual general meeting requires any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates to abstain from voting in favour of the ordinary resolution for the refreshment of the New Issue Mandate. As at the Latest Practicable Date, Profit Key and Ms. Pan Chien Pu were interested in 562,630,358.75 Shares and 58,000,000 Shares respectively, representing 31.9% and 3.3% of the issued share capital of the Company. Profit Key, Mr. Zhao, Ms. Pan Chien Pu and their respective associate(s) will abstain from voting at the SGM in relation to the resolution to approve the refreshment of the New Issue Mandate. The approval of resolution will be taken by poll.

### **PROCEDURES FOR DEMANDING A POLL**

According to Bye-law 66, resolution put to the vote of a 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:

- (a) by the chairman of the meeting; or
- (b) by 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
- (c) by a Shareholder or Shareholders 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 one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by a 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 shares conferring that right.

### **RECOMMENDATION**

The Directors are of the opinion that (i) the change of name of the Company; (ii) the grant of the Chairman Option and the issue of new Shares upon exercise of the Chairman Option; (iii) the grant of the Specific Options and the issue of new Shares upon exercise of the Specific Options; (iv) the Proposed Scheme Refreshment; and (v) the refreshment of the New Issue Mandate are in the interests of the Company and its Shareholders as a whole and accordingly recommend the Shareholders and the Independent Shareholders (as the case may be) to vote in favour of the relevant resolutions to be proposed at the SGM.

An Independent Board Committee has been formed to advise the Independent Shareholders in connection with the refreshment of the New Issue Mandate. Oriental Patron has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the refreshment of the New Issue Mandate. Oriental Patron considers the refreshment of the

---

## LETTER FROM THE BOARD

---

New Issue Mandate is justifiable so far as the Independent Shareholders are concerned and the New Issue Mandate is in the interests of the Company and the Shareholders in general. The text of the letter of advice from Oriental Patron containing its recommendation in respect of the refreshment of New Issue Mandate is set out on pages 15 to 20 of this circular.

The Independent Board Committee, having taken into account the advice of Oriental Patron, considers the refreshment of New Issue Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends that the Independent Shareholders should vote in favour of the relevant resolution to be proposed at the SGM to approve the refreshment of the New Issue Mandate. The full text of the letter from the Independent Board Committee is set out on page 14 of this circular.

### GENERAL

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,  
For and on behalf of  
**Northern International Holdings Limited**  
**Mr. Zhao Qing Ji**  
*Chairman*

---

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

---

*The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the proposed refreshment of the New Issue Mandate:*



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

5 November 2007

*To the Independent Shareholders*

Dear Sir or Madam,

### **REFRESHMENT OF NEW ISSUE MANDATE**

We have been appointed as the Independent Board Committee to consider and advise you on in connection with the proposed refreshment of the New Issue Mandate, details of which are set out in the circular dated 5 November 2007 issued by the Company to the Shareholders (the “Circular”), of which this letter forms part. Terms defined in the Circular will have the same meanings when used herein unless the context otherwise requires.

We wish to draw your attention to the letter from the Board and the letter of advice from Oriental Patron set out on pages 4 to 13 and pages 15 to 20 of the Circular accordingly.

Having taken into account the principal factors and reasons considered by the Oriental Patron, its conclusion and advice, we concur with the view of the Oriental Patron and consider that the terms of the refreshment of the New Issue Mandate are fair and reasonable so far as the Independent Shareholders are concerned and the New Issue Mandate is in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend you to vote in favour of the ordinary resolution to be proposed at the SGM to approve the refreshment of the New Issue Mandate and the transactions contemplated thereunder.

**Wang Dong**

Yours faithfully,

**Yeung Yuen Hei**

**Chan Mei Bo, Mabel**

*Independent Board Committee*

\* For identification purpose only



---

## LETTER FROM ORIENTAL PATRON

---

*The following is the full text of the letter from Oriental Patron setting out its advice to the Independent Board Committee and the Independent Shareholders in relation to refreshment of the New Issue Mandate, and is prepared for inclusion in this circular.*



27/F., Two Exchange Square,  
8 Connaught Place,  
Central, Hong Kong.

5 November 2007

*The Independent Board Committee and the Independent Shareholders*  
**Northern International Holdings Limited**  
Room 2001, 20/F.,  
Lippo Centre, Tower Two,  
89 Queensway Road,  
Hong Kong.

Dear Sirs,

### **PROPOSED REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES**

#### **INTRODUCTION**

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the New Issue Mandate, details of which are set out in “Letter from the Board” in this circular, of which this letter forms a part. We have been retained by the Company to advise the Independent Board Committee and the Independent Shareholders as to whether the refreshment of the New Issue Mandate is fair and reasonable and whether the grant of the New Issue Mandate to the Board to exercise the power of the Company to allot and issue Shares not exceeding 20% of the issued share capital of the Company as at the date of the SGM is in the interests of the Company and its Shareholders as a whole, and to advise Independent Shareholders on how to vote. Unless the context otherwise requires, capitalised terms used in this letter have the same meanings as those defined in this circular.

Pursuant to Rule 13.36(4)(a) of the Listing Rules, any refreshments of the New Issue Mandate made before the next annual general meeting requires any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates to abstain from voting in favour of the ordinary resolution for the refreshment of the New Issue Mandate. As at the Latest Practicable Date, Profit Key and its associate Ms. Pan Chien Pu were interested in 562,630,358.75 Shares and 58,000,000 Shares respectively, representing 31.9% and 3.3% of the issued share capital of the Company. Profit Key and their respective associates (including Mr. Zhao, Ms. Pan Chien Pu) shall abstain from voting at the SGM in relation to the resolution to approve the refreshment of the New Issue Mandate. The approval of resolution will be taken by poll.

---

## LETTER FROM ORIENTAL PATRON

---

The Independent Board Committee, comprising Mr. Wang Dong, Mr. Yueng Yuen Hei and Ms. Chan Mei Bo, Mabel, all being independent non- executive Directors, has been established to consider the terms of the New Issue Mandate and to advise the Independent Shareholders in relation to the refreshment of the New Issue Mandate.

### **BASIS OF OUR OPINION**

In formulating our opinions and recommendations, we have relied on the statements, information and facts supplied by, the opinions expressed by and the representations expressed by the Directors and/or the management of the Company, including those facts, opinions and representations set out in this circular. We have been advised by the Directors and/or the management of the Company that no material facts have been omitted from the information supplied and representations expressed to us and we are not aware of any facts or circumstances which would render such information and representations untrue, inaccurate or misleading. We have assumed that the information contained and representations made or referred to in this circular were complete, true and accurate at the time they were made and continue to be so at the date of despatch of the Circular. We have also discussed with the Directors and/or the management of the Company with respect to the terms of and reasons for the refreshment of New Issue Mandate and consider that we have reviewed sufficient information to enable us to reach an informed view and to provide a reasonable basis for our recommendation. We have no reason to doubt the completeness, truth or accuracy of the information and facts provided and representations made to us by the Directors and/ or management of the Company. We have not, however, conducted any independent verification of the information provided, nor have we carried out any form of independent investigation into the business and affairs of the Company or prospects of the market in which the Company operates.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving our opinions and recommendations in respect of the refreshment of the New Issue Mandate, we have taken into consideration the following factors and reasons:

#### **1. Background and reasons for the New Issue Mandate**

The Group is principally engaged in business activities in properties investment.

At the AGM held on 20 June 2007, the Directors were granted the Previous General Mandate to allot, issue and deal with new Shares up to 20% of the aggregate issued share capital of the Company as at the date of such meeting. As at the date of AGM, 419,392,885.25 Shares were in issue and accordingly, a maximum of 83,878,577.05 new Shares can be issued under the Previous General Mandate.

Over the past twelve months the Group has undertaken following major equity capital raising activities:

1. In December 2006, the Company issued approximately 69.90 million new Shares under the general mandate granted by the Shareholders on 30 August 2006 for net proceeds of approximately HK\$26.3 million for general working capital. As at the Latest Practicable Date, the net proceeds had been utilised as intended.

---

## LETTER FROM ORIENTAL PATRON

---

2. In August 2007, the Company raised net proceeds of approximately HK\$207 million by way of the Open Offer of approximately 1,258 million new Shares as to HK\$121.60 million for repayment of promissory notes and HK\$85.40 million for general working capital purpose. As at the Latest Practicable Date, HK\$121.60 million has been utilised for repayment of the promissory notes as intended;
3. In October 2007, the Company issued approximately 83.88 million new Shares (“2007 Placing”) under the Previous General Mandate for a net proceeds of approximately HK\$36.10 million for repayment of the outstanding promissory note of HK\$41.50million. As at the Latest Practicable Date, the net proceeds had been utilised as intended.

In addition, the Company also issued promissory notes with agreement amount of HK\$157.70 million and obtained a long term bank loan amounted to HK\$100 million as at 31 July 2007.

Following the 2007 Placing, practically the Previous General Mandate has been fully utilised and only 3,577.05 new Shares can be further issued under the Previous General Mandate, representing approximately less than 0.1% of the existing issued share capital of the Company.

In order to top up the number of Shares to be issued pursuant to the Previous General Mandate as a result of the additional 1,258 million Shares issued under the Open Offer and to provide flexibility and discretion to the Directors to issue new Shares in the future, the Directors propose to the Shareholders a resolution to grant the New Issue Mandate such that the Directors can exercise the power of the Company to issue new Shares up to 20% of the issued share capital of the Company as at the date of SGM. The Company at present does not have any concrete plan regarding the utilisation of the New Issue Mandate to be refreshed.

As at the Latest Practicable Date, there were 1,763,698,191 Shares in issue. Assuming that no other Shares would be issued and/or repurchased between the Latest Practicable Date and the date of the SGM, the New Issue Mandate, if granted, would empower the Directors to allot, issue or otherwise deal in up to a maximum of 352,739,638 Shares, representing 20% of the Shares in issue at the Latest Practicable Date.

### **2. Current Financial Resources**

Based on the Group latest published audited consolidated financial position for the year ended 31 March 2007 and taking into account the major financing activities since 31 March 2007 stated above as well as the acquisition of the three properties announced in August 2007, the Group is currently financing its working capital largely by way of its long term bank loan and banking facilities. Any future material debt financing activities without any further capitalization will inevitably increase the Group gearing ratio to a level that may not be regard as a prudent financing strategy.

---

## LETTER FROM ORIENTAL PATRON

---

### **3. Financing Options**

Having considered that the Group's principal activities is properties investment whose business nature demands relatively high capital requirements, it is reasonable for the Group to prepare for itself for a range of financing options including both debt and equity financing thereby maximizing its flexibility in its financial arrangement. The granting of the New Issue Mandate will prepare the Company to raise equity capital, if and when required, by way of issue of new Shares and to complement with the Group's other financing alternatives such as bonds, bank borrowings and other convertible instruments.

Without the granting of the New Issue Mandate, any further equity issues by the Company will require seeking specific mandate from Shareholders. As the time to obtain a specific mandate from Shareholders could take well over one month, this may put the Group in a disadvantageous position as the Group may be unable to obtain sufficient funding in a timely manner to finance potential investment when opportunities arise.

In this regard, we consider that it is prudent for the Company to get prepared for equity capital funding alternatives so as to enable the Group to achieve a desirable capital structure and cost of funding for its future development and in a timely manner.

### **4. Potential Dilution to Shareholdings of the Shareholders**

Shareholders should note that the New Issue Mandate if approved by the Independent Shareholders at the SGM will be and continue to be in force until the earliest of (i) the conclusion of the Company's next annual general meeting, (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held, and (iii) the revocation or variation of the authority given under the relevant resolutions to be proposed as ordinary resolutions of the Shareholders in general meeting. Such duration is in compliance with Rule 13.36(3) of the Listing Rules.

---

## LETTER FROM ORIENTAL PATRON

---

The table below sets out the potential dilution effect on the shareholding of the Company upon full utilisation of the New Issue Mandate.

Shareholders	As at the Latest Practicable Date		Assuming the full utilisation of the New Issue Mandate	
	No. of shares held	Approximately %	No. of shares held	Approximately %
Profit Key Group				
Limited (Note 1)	562,630,358.75	31.90	562,630,358.75	26.58
Pan Chien Pu				
(Note 1, 2)	58,000,000.00	3.29	58,000,000.00	2.74
Other public				
Shareholders	1,143,067,832.25	64.81	1,143,067,832.25	54.01
Shares to be issued under the New Issue Mandate	–	–	352,739,638.20	16.67
<b>Total</b>	<b>1,763,698,191.00</b>	<b>100</b>	<b>2,116,437,829.20</b>	<b>100</b>

Notes:

- Profit Key is wholly owned by Mr. Zhao Qing Ji, who is an executive Director and Chairman of the Company. Mr. Zhao Qing Ji and Ms. Pan Chien Pu are parties acting in concert in respect of the control of the Company.
- Ms. Pan Chien Pu is treated as public Shareholders as her respective shareholding in the Company is below 10%.

Assuming that (i) the proposed New Issue Mandate will be approved at the SGM; (ii) no Shares will be repurchased and no new Shares will be issued from the Latest Practicable Date up to the date of the SGM (both dates inclusive); and (iii) upon full utilisation of the New Issue Mandate, up to 352,739,638.20 Shares may be issued under the New Issue Mandate, representing 20% and approximately 16.67% of the existing issued share capital as at the Latest Practicable Date and the enlarged issued share capital of the Company respectively. The aggregate shareholding of the existing public Shareholders will be decreased from approximately 68.10% to approximately 56.75% upon full utilisation of the New Issue Mandate.

### 5. Protection of the Minimum Issue Price for Shares Issued under New Issue Mandate

Pursuant to Rule 13.36(5) of the Listing Rules, in the case of a placing of securities for cash consideration, the Company may not issue any securities pursuant to the general mandate given under rule 13.36(2)(b) of the Listing Rules if the relevant price represents a discount of 20% or more to the benchmarked price of the securities as detailed in the Listing Rules unless otherwise allowed by the Stock Exchange. We consider that such restriction can serve as a reasonable measure to govern any future fund raising exercises carried out pursuant to the New Issue Mandate, thereby safeguarding the interest of the Company and the Shareholders.

---

## LETTER FROM ORIENTAL PATRON

---

### RECOMMENDATION

Taking into account that (i) the New Issue Mandate will allow the increase in capital which may be raised by way of new equity issue under the New Issue Mandate; (ii) the New Issue Mandate will prepare the Company for equity capital funding alternatives so as to enable the Group to achieve a desirable capital structure and cost of funding for its future development and in a timely manner.; (iii) the fact that the shareholding of all the existing Shareholders will be diluted proportionally to their respective shareholdings upon utilisation of the New Issue Mandate; and (iv) the restriction imposed on the discount of issue price under the Listing Rules which itself can serve as a protective measure to safeguard the interest of the Company and the Shareholders, we consider that such maximum potential dilution to the shareholdings of the Shareholders to be justifiable.

Having considered the above principal factors and reasons and Directors' representations, we are of the opinion that the granting of the New Issue Mandate is justifiable so far as the Independent Shareholders are concerned and the New Issue Mandate is in the interest of the Company and the Shareholders in general. Accordingly, we advise the Independent Shareholders, and also recommend the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the resolution approving the granting of the New Issue Mandate at the SGM.

Yours faithfully,

For and on behalf of

**Oriental Patron Asia Limited**

**Jeffrey Chan**

**Ivan Tong**

*Director*

*Associate Director*

This Appendix provides information as required by the Listing Rules to be provided to the Shareholders for their consideration as to whether to vote for or against the resolution to be proposed at the SGM in relation to the grant of the Chairman Option to Mr. Zhao, which exceeds 0.1% of the issued share capital of the Company and has an aggregate value of over HK\$5 million.

#### PARTICIPANT AND PRINCIPAL TERMS OF THE CHAIRMAN OPTION

The principal terms of the Chairman Option are as follows:

Name of Grantee	Capacity	Number of Shares to be issued upon exercise of the Chairman Option	Percentage of Chairman Option exercisable	Exercise period (Note)	Exercise Price (Note)
Mr. Zhao	Executive Director and Chairman	55,890,000	100%	At any time on or after the Date of Grant up to and including 3 October 2012	HK\$0.60

*Note:* Pursuant to Rule 17.03(4) of the Listing Rules, 23 October 2007, the date of the meeting of the Board approving the Chairman Option, shall be taken as the Date of Grant for the purpose of calculating the exercise price under the Chairman Option. The proposed exercise price of the Chairman Option of HK\$0.60 represents the higher of (i) the closing price of the Shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant of 23 October 2007 (i.e. HK\$0.60) and (ii) a price being the average of the closing prices of the Shares in the daily quotations sheets of the Stock Exchange for the 5 business days immediately preceding 23 October 2007 (i.e. HK\$0.516).

The Chairman Option must be taken within 21 days from the Date of Grant. Mr. Zhao shall remit HK\$1.00 in favour of the Company upon acceptance of the grant of the Chairman Option.

Upon the passing of the resolution approving the grant of the Chairman Option as set out in the notice of the SGM, the total number of Shares to be issued upon the exercise of the Chairman Option and the percentage of total issued share capital of the Company, calculated based on the number of Shares in issue as at the Latest Practicable Date, is as follows:

Name of Grantee	Capacity	Number of Shares to be issued upon exercise of the Chairman Option	Percentage of total number of Shares in issue
Mr. Zhao	Executive Director and Chairman	55,890,000	3.2%

As at the Latest Practicable Date, Mr. Zhao did not hold any option under the Share Option Scheme and no option has been granted to Mr. Zhao within 12 months from the Date of Grant.

The Shares to be allotted and issued upon the exercise of the Chairman Option will rank pari passu with the fully paid Shares in issue at the relevant date of allotment except in respect of any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore is before the relevant date of allotment.



This Appendix provides information to the Shareholders for their consideration as to whether to vote for or against the resolution to be proposed at the SGM in relation to the grant of the Specific Options to the Participants.

**PARTICIPANT AND PRINCIPAL TERMS OF THE SPECIFIC OPTIONS**

The principal terms of the Specific Options are as follows:

<b>Name of Grantee</b>	<b>Capacity</b>	<b>Number of Shares to be issued upon exercise of the Specific Options</b>	<b>Percentage of Specific Options exercisable</b>	<b>Exercise period (Note)</b>	<b>Exercise Price (Note)</b>
Mr. Au Tat On	Executive Director	17,635,000	100%	At any time on or after the Date of Grant up to and including 3 October 2012	HK\$0.60
Mr. Lu Xiao Dong	Executive Director	17,635,000	100%	At any time on or after the Date of Grant up to and including 3 October 2012	HK\$0.60
Ms. Yu Wai Fong	Chief operation officer	17,635,000	100%	At any time on or after the Date of Grant up to and including 3 October 2012	HK\$0.60
Mr. Ong King Keung	Chief financial officer	17,635,000	100%	At any time on or after the Date of Grant up to and including 3 October 2012	HK\$0.60
Mr. Qiu Fang	Director and General Manager of Shanghai Xiang Chen Hang	17,635,000	100%	At any time on or after the Date of Grant up to and including 3 October 2012	HK\$0.60

**APPENDIX II****PARTICULARS OF THE GRANT OF THE SPECIFIC  
OPTIONS UNDER THE SHARE OPTION SCHEME**

<b>Name of Grantee</b>	<b>Capacity</b>	<b>Number of Shares to be issued upon exercise of the Specific Options</b>	<b>Percentage of Specific Option exercisable</b>	<b>Exercise period (Note)</b>	<b>Exercise Price (Note)</b>
Mr. Zhou Hong Tao	Director of Shanghai Xiang Chen Hang	17,635,000	100%	At any time on or after the Date of Grant up to and including 3 October 2012	HK\$0.60
Mr. Li Ying	Director of Shanghai Xiang Chen Hang	17,635,000	100%	At any time on or after the Date of Grant up to and including 3 October 2012	HK\$0.60
Mr. Shen Lu Jun	Deputy general manager	17,635,000	100%	At any time on or after the Date of Grant up to and including 3 October 2012	HK\$0.60
Mr. Huan Jing	Human resources manager	17,635,000	100%	At any time on or after the Date of Grant up to and including 3 October 2012	HK\$0.60
Mr. Yao Nai Wei	Property development manager of Shanghai Xiang Chen Hang	17,635,000	100%	At any time on or after the Date of Grant up to and including 3 October 2012	HK\$0.60

*Note:* Pursuant to Rule 17.03(4) of the Listing Rules, 23 October 2007, the date of the meeting of the Board approving the Specific Options, shall be taken as the Date of Grant for the purpose of calculating the exercise price under the Specific Options. The proposed exercise price of the Specific Options of HK\$0.60 represents the higher of (i) the closing price of the Shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant of 23 October 2007 (i.e. HK\$0.60) and (ii) a price being the average of the closing prices of the Shares in the daily quotations sheets of the Stock Exchange for the 5 business days immediately preceding 23 October 2007 (i.e. HK\$0.516).

The Specific Options must be taken within 21 days from the Date of Grant. The Participants shall each remit HK\$1.00 in favour of the Company upon acceptance of the grant of the Specific Options.

**APPENDIX II****PARTICULARS OF THE GRANT OF THE SPECIFIC  
OPTIONS UNDER THE SHARE OPTION SCHEME**

Upon the passing of the resolution approving the grant of the Specific Mandate as set out in the notice of the SGM, the total number of Shares to be issued upon the exercise of the Specific Options and the percentage of total issued share capital of the Company, calculated based on the number of Shares in issue as at the Latest Practicable Date, is as follows:

<b>Name of Grantee</b>	<b>Capacity</b>	<b>Number of Shares to be issued upon exercise of the Specific Options</b>	<b>Percentage of total number of Shares in issue</b>
Mr. Au Tat On	Executive Director	17,635,000	1%
Mr. Lu Xiao Dong	Executive Director	17,635,000	1%
Ms. Yu Wai Fong	Chief operation officer	17,635,000	1%
Mr. Ong King Keung	Chief financial officer	17,635,000	1%
Mr. Qiu Fang	Director and general manager of Shanghai Xiang Chen Hang	17,635,000	1%
Mr. Zhou Hong Tao	Director of Shanghai Xiang Chen Hang	17,635,000	1%
Mr. Li Ying	Director of Shanghai Xiang Chen Hang	17,635,000	1%
Mr. Shen Lu Jun	Deputy general manager of Shanghai Xiang Chen Hang	17,635,000	1%
Mr. Huan Jing	Human resources manager of Shanghai Xiang Chen Hang	17,635,000	1%
Mr. Yao Nai Wei	Property development manager of Shanghai Xiang Chen Hang	17,635,000	1%

As at the Latest Practicable Date, the Participants did not hold any share nor option under the Share Option Scheme and no option has been granted to the Participants within 12 months from the Date of Grant. Assuming no further issue of Shares prior to the SGM, the Company will grant the Specific Options entitling each of the Participants to subscribe for up to a maximum of 17,635,000 Shares, representing approximately 0.9% of the issued shares capital of the Company as enlarged by the Specific Mandate.

The Shares to be allotted and issued upon the exercise of the Specific Options will rank pari passu with the fully paid Shares in issue at the relevant date of allotment except in respect of any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore is before the relevant date of allotment.

### 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group.

The Directors collectively and individually accept the responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their information, knowledge and belief, there are no other facts not contained in this circular, the omission of which would make any statement herein misleading.

### 2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date were as follows:

<b>Authorised</b>	<i>HK\$</i>
<u>3,500,000,000</u> Shares as at the Latest Practicable Date	<u>35,000,000</u>
<b>Issued and fully paid or credited as fully paid</b>	
<u>1,763,698,191</u> Shares as at the Latest Practicable Date	<u>17,636,981.91</u>

### 3. GENERAL

- (a) The company secretary and the qualified accountant of the Company is Mr. Ong King Keung who is an associate member of the Hong Kong Institute of Certificate Public Accountants.
- (b) Copies of the Company's memorandum of association and Bye-Laws and the Share Option Scheme will be available for inspection at the principal place of business of the Company in Hong Kong at Room 2001, 20/F., Lippo Centre Tower Two, 89 Queensway, Hong Kong during normal business hours from the date of this circular up to and including the date of the SGM.
- (c) The English text of this circular and the accompanying form of proxy shall prevail over their respective Chinese text in the event of inconsistency.

---

## NOTICE OF 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 (the “**Meeting**”) of Northern International Holdings Limited (the “**Company**”) will be held at Plaza I-III, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong at 9:30 a.m. on Wednesday, 28 November 2007 for the purposes of considering and, if thought fit, passing the following resolutions of the Company:

### SPECIAL RESOLUTION

1. “**THAT** subject to and conditional upon the approval of the Registrar of Companies in Bermuda being obtained, the name of the Company be and is hereby changed from “Northern International Holdings Limited” to “China Properties Investment Holdings Limited”, and a new Chinese name “中國置業投資控股有限公司” be adopted for identification purpose to replace its existing Chinese name “北方興業控股有限公司” with effect from the date of entry of the new English name on the register maintained by the Registrar of Companies in Bermuda, and the directors (the “**Directors**”) of the Company be and are hereby authorised to do all such acts and things and execute all such documents as they consider necessary or expedient to give effect to the aforesaid change of names of the Company.”

### ORDINARY RESOLUTIONS

2. “**THAT:**
  - (a) the grant of option to Mr. Zhao Qing Ji to subscribe for 55,890,000 ordinary shares (the “**Shares**”) of par value of HK\$0.01 each in the share capital of the Company (the “**Chairman Option**”) at an exercise price of HK\$0.60 per Share, pursuant to the share option scheme of the Company adopted on 4 October 2002, be and are hereby approved and the Directors be and are hereby authorized to do all such acts and things, to sign and execute all such further documents and to take such steps as the Directors may in their discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the grant and exercise of the Chairman Option; and
  - (b) subject to the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the Chairman Option Shares (as defined below), the Directors be and are hereby authorized to allot and issue up to a maximum of not more than 55,890,000 Shares (the “**Chairman Option Shares**”) to Mr. Zhao Qing Ji in accordance with the terms and conditions of

\* For identification purpose only

---

## NOTICE OF SPECIAL GENERAL MEETING

---

the Chairman Option and the Directors be and are hereby authorized to do all such acts and things, to sign and execute all such further documents and to take such steps as the Directors may in their discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the allotment and issue of the Chairman Option Shares.”

3. **“THAT**

(a) the grant of options to each of Mr. Lu Xiao Dong, Mr. Au Tat On, Ms. Yu Wai Fong, Mr. Ong King Keung, Mr. Qiu Fang, Mr. Zhou Hong Tao, Mr. Li Ying, Mr. Shen Lu Jun, Mr. Huan Jing and Mr. Yao Nai Wei (collectively the **“Participants”**) to subscribe for 17,635,000 Shares (the **“Specific Options”**) at an exercise price of HK\$0.60 per Share, pursuant to the share option scheme of the Company adopted on 4 October 2002, be and are hereby approved and the Directors be and are hereby authorized to do all such acts and things, to sign and execute all such further documents and to take such steps as the Directors may in their discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the grant and exercise of the Specific Options; and

(b) subject to the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Specific Option Shares (as defined below), the Directors be and are hereby authorized to allot and issue up to a maximum of not more than 17,635,000 Shares (the **“Specific Option Shares”**) to each of the Participants in accordance with the terms and conditions of the Specific Options and the Directors be and are hereby authorized to do all such acts and things, to sign and execute all such further documents and to take such steps as the Directors may in their discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the allotment and issue of the Specific Option Shares.”

4. **“THAT** subject to and conditional upon the granting by the Listing Committee of the Stock Exchange of, the listing of and permission to deal in, the Shares to be issued pursuant to the exercise of options granted under the refreshed scheme mandate limit (the **“Scheme Mandate Limit”**) under the share option scheme adopted by written resolution of the Company on 4 October 2002 in the manner as set out in paragraph (a) of this resolution below,

(a) the refreshment of the Scheme Mandate Limit of up to 10% of the Shares of the Company in issue as at the date of passing of this resolution be and is hereby approved; and

(b) the Directors be and are hereby authorised do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement.”

---

## NOTICE OF SPECIAL GENERAL MEETING

---

5. “**THAT**, to the extent not already exercised, the mandate to allot and issue shares of the Company given to the Directors at the annual general meeting of the Company held on 20 June 2007 be and is hereby revoked and replaced by the mandate **THAT**:

- (a) subject to paragraph (c) below, pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on the Stock Exchange, the exercise by the Directors during the Relevant Period of all the powers of the Company to allot, issue and deal with unissued Shares and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which 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 (whether pursuant to options or otherwise), issued or dealt with by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of 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 the bye-laws the Company or any other applicable law of Bermuda to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;



---

## NOTICE OF SPECIAL GENERAL MEETING

---

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion 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, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

On behalf of the board of Directors  
**Northern International Holdings Limited**  
**Zhao Qing Ji**  
*Chairman*

Hong Kong, 5 November 2007

*Registered office:*  
Clarendon House  
Church Street  
Hamilton HM 11  
Bermuda

*Head office and principal place of business  
in Hong Kong:*  
Room 2001, 20/F  
Lippo Centre  
Tower Two  
89 Queensway  
Hong Kong

*Notes:*

1. A member entitled to attend and vote at the Meeting convened by the above notice is entitled to appoint one or more proxies to attend and, subject to the provisions of the bye-laws of the Company, vote in his stead. A proxy need not be a member of the Company but must be present in person to represent the member.
2. A form of proxy for use at the Meeting is enclosed. In order to be valid, the form of proxy attached to this circular must be duly completed and signed in accordance with the instructions printed thereon and deposited 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, at the offices of the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the Meeting or adjourned meeting. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the Meeting or at any adjournment thereof should he so wish.
3. Where there are joint holders of any share of the Company, any one of such holders may vote at the Meeting either personally or by proxy in respect of such share as if he were solely entitled thereto, but if more than one of such holders be present at the Meeting personally or by proxy, then the one of such holders whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for this purpose be deemed joint holders thereof.