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

(Incorporated in Bermuda with limited liability)

(Stock Code : 736)

Directors:

Chong Sing Yuen
Chong Chun Hing
Chu Kiu Fat
Wong Siu Keung, Joe
Chong Chun Kwok, Piggy
Chan Ping Yim*
Cheng Kwok Hing, Andy*
Yeung Yuen Hei*

Principal Office:

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

* *Independent non-executive directors*

6 September 2005

To the shareholders

Dear Sir or Madam,

**GENERAL MANDATE TO ISSUE SHARES
AMENDMENT OF BYE-LAWS
AND RE-ELECTION OF DIRECTORS**

INTRODUCTION

At the annual general meeting of Northern International Holdings Limited (the “Company”) for the year ended 31 March 2005 (“AGM”), resolutions will be proposed to grant to the directors of the Company a general mandate to issue shares of the Company and to amend the Bye-laws of the Company. The purpose of this circular is to give you further details of the abovementioned proposals.

* *For identification only*

Also, resolutions will be proposed at the AGM for re-election of directors. Particulars of such directors are set out in the section headed “Re-election of directors” of this circular.

GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution will be proposed to grant a general mandate to the directors of the Company to allot, issue and dispose of shares of the Company not exceeding 20 per cent. of the issued share capital of the Company as at the date of passing the relevant resolution to provide flexibility to the Company to raise fund by issue of shares efficiently.

AMENDMENT OF BYE-LAWS

It is proposed to amend Bye-law 87(1) of the Company’s Bye-laws in order to comply with the new requirement in paragraph A.4.2 of Appendix 14 of the rules governing the listing of securities on The Stock Exchange of Hong Kong Limited to the effect that all directors of the Company shall be subject to retirement by rotation at least once every three years.

ANNUAL GENERAL MEETING

You will find on pages 5 to 6 of this circular a notice of the AGM to be held at 10:00 a.m. on 29 September 2005 at Novotel Century Hong Kong, Plaza IV, Lower Lobby, 238 Jaffe Road, Wanchai, Hong Kong.

Resolution no. 4A will be proposed as an ordinary resolution to give a general mandate to the directors to allot, issue and deal with shares of the Company with an aggregate nominal value not exceeding 20 per cent. of the share capital of the Company in issue as at the date of the resolution.

Resolution no. 4B will be proposed as a special resolution to approve the proposed amendment of the Bye-laws of the Company.

There is enclosed a form of proxy for use at the AGM. You are requested to 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. 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 the declaration of the result of voting on a show of hands on a resolution at the AGM, 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 for the time being 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 per cent. 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 per cent. of the total sum paid up on all the shares conferring that right.

RE-ELECTION OF DIRECTORS

Resolutions will be proposed at the AGM for re-election of Messrs. Chu Kiu Fat (“Mr. Chu”), Chan Ping Yim (“Mr. Chan”), Cheng Kwok Hing, Andy (“Mr. Cheng”) and Yeung Yuen Hei (“Mr. Yeung”) as directors according to the Company’s Bye-laws. Their particulars are as follows:

Mr. Chu Kiu Fat, aged 38, was appointed executive director of the Company in 2000. He is responsible for the corporate administration of the Group. Mr. Chu holds a bachelor’s degree in accountancy (1st class honours) from the Hong Kong Polytechnic University and has extensive experience in accounting, corporate finance and administration. Mr. Chu is also the assistant general manager – administration of Goodfit Products Company Limited, a wholly owned subsidiary of the Company (“Goodfit”). He is interested in 2,000 shares of the Company under Part XV of the Securities and Futures Ordinance.

Mr. Chan Ping Yim, aged 58, was appointed independent non-executive director of the Company in September 2004. He is a certified public accountant (practising). He is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Chan is a partner of W. Y. Lam, Dominic Chan & Co., Certified Public Accountants. Mr. Chan was an independent non-executive director of Massive Resources International Corporation Limited from September 2004 to January 2005, a company listed on the main board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Mr. Cheng Kwok Hing, Andy, aged 34, was appointed independent non-executive director of the Company in September 2004. He is a director of a company in Hong Kong which is engaged in distribution of Chinese herbal medicine. He has extensive experience in distribution of Chinese herbal medicine.

Mr. Yeung Yuen Hei, aged 41, was appointed independent non-executive director of the Company on 18 August 2005. He is a solicitor practising in Hong Kong and holds a bachelor of laws degree from the University of London and a postgraduate certificate in laws from the University of Hong Kong. Mr. Yeung is a partner of Yeung and Tsang, Solicitors and he serves as honorary legal adviser to the Parent Teacher Association of Kwong Ming School – PM session, a sport association and an association on building management consultation in Yuen Long district.

Save as disclosed above, none of the aforesaid directors (i) is connected with any directors, senior management or substantial or controlling shareholders of the Company or (ii) has any interests in the shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between the Company and each of the aforesaid directors. Mr. Chu has no fixed term of service with the Company, Mr. Chan, Mr. Cheng and Mr. Yeung have fixed term of service for three years from the day of appointment. All the aforesaid directors will be subject to the general requirement of retirement by rotation under the Bye-laws of the Company. No salary is paid by the Company to Mr. Chu, but an annual salary of HK\$392,600 is paid by Goodfit to Mr. Chu. The respective annual director's fees for Mr. Chan and Mr. Yeung have been fixed at HK\$60,000. The annual director's fee for Mr. Cheng has been fixed at HK\$30,000. Their emoluments are determined with reference to the market rates.

RECOMMENDATION

The directors consider that the proposed granting of the mandate to issue shares of the Company and amendment of the Bye-laws are in the interest of the Company and so recommend you to vote in favour of all resolutions at the AGM. The directors will vote all their shareholdings in favour of the resolutions.

Yours faithfully,
By order of the Board
Chong Sing Yuen
Chairman



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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the abovenamed company (the “Company”) will be held at 10:00 a.m. on 29 September 2005 at Novotel Century Hong Kong, Plaza IV, Lower Lobby, 238 Jaffe Road, Wanchai, Hong Kong for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31 March 2005.
2. To elect directors and to authorise the board of directors to fix their remuneration.
3. To appoint auditors and to authorise the board of directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass the following resolutions, of which resolution no. 4A will be proposed as an ordinary resolution and resolution no. 4B will be proposed as a special resolution:

ORDINARY RESOLUTION

A. **“THAT:**

- (a) subject to paragraph (c), the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power 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 an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to a Rights Issue or scrip dividend scheme or similar arrangement of the Company or the exercise of the subscription rights under the share option scheme of the Company shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and

* For identification only

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier 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 of the Company or any applicable law to be held; or
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company 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 any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

SPECIAL RESOLUTION

- B. **“THAT** the existing Bye-law 87(1) of the Bye-laws of the Company be and is hereby deleted and be replaced by the following:

“87(1). Notwithstanding any other provisions in these Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to one-third but not less than one-third) shall retire from office by rotation so that each director shall be subject to retirement at least once every three years.””

By Order of the Board
Jennifer Cheung Mei Ha
Company Secretary

Hong Kong, 6 September 2005

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

Note: A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at the Company’s principal office in Hong Kong 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.