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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
Au Tat On
Lu Xiao Dong
Wong Siu Keung, Joe
Cheng Kwok Hing, Andy*
Yeung King Wah*
Yeung Yuen Hei*

Principal Office:

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

* *Independent non-executive directors*

1 August 2006

To the shareholders

Dear Sir or Madam,

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

INTRODUCTION

At the annual general meeting of Northern International Holdings Limited (the “Company”) for the year ended 31 March 2006 (“AGM”), resolutions will be proposed to grant to the directors of the Company a general mandate to issue shares 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.

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 30 August 2006 at Falcon Room 1, Luk Kwok Hotel, 72 Gloucester 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.

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. Chong Sing Yuen (“Mr. Chong”) Lu Xiao Dong (“Mr. Lu”), Au Tat On (“Mr. Au”), and Yeung King Wah (“Mr. Yeung”) as directors according to the Company’s Bye-laws. Their particulars are as follows:

Mr. Chong Sing Yuen, aged 59, joined the Group in 1998 and is the Chairman of the Company. He is responsible for the overall management, strategic planning and business development of the Group. Mr. Chong has over 30 years of experience in industrial management and plastic product manufacturing in Hong Kong and the PRC. Mr. Chong is a director of the China Overseas Friendship Association, a member of the Guangdong Committee of the Political Consultative Conference, a general director of the Guangdong Overseas Friendship Association, a vice chairman of the Guangdong Province Public Relations Association, a vice chairman of the Shenzhen Overseas Friendship Association and a honorary chairman of the Jieyang Overseas Friendship Association. He is also a life honorary president of the Hong Kong Industrial Districts Industry And Commerce Association Limited, a honorary chairman of the Chiu Chau Plastic Manufacturing Association and a life honorary president of the Eastern District Industries & Commerce Association. In addition to the above and other public services, Mr. Chong is also a municipal honorable citizen of Guangzhou City.

Mr. Au Tat On, aged 51, has been appointed an executive director of the Company in May 2006. Mr. Au received a bachelor’s degree in business administration from Chu Hai College in 1989 and has nearly 28 years experience in banking operations and financing.

Mr. Lu Xiao Dong, aged 34, has been appointed an executive director of the Company in May 2006. Mr. Lu received a bachelor’s degree in economics from Nankai University in 1996 and has nearly 10 years experience in investment banking and extensive experience in merger and acquisition, corporate finance, company reconstruction and initial public offering.

Mr. Yeung King Wah, aged 47, was appointed independent non-executive director of the Company in May 2006. Mr. Yueng is the founder of Yeung and Co Chartered Accountants (a firm of registered auditors based in the United Kingdom) – is a fellow member of the Institute of Chartered Accountants in England and Wales (FCA), and the Hong Kong Institute of Chartered Accountants in England and Wales (FCA), and the Hong Kong Institute of Certified Public Accountants (FCPA). Mr. Yeung is also a member of the Chartered Institute of Taxation in the United Kingdom (ATII). Mr. Yeung obtained his bachelor degree of Commerce in Accounting from The University of Birmingham in 1981. Mr. Yeung is a principal of Yeung & Co, Chartered Accountants, Registered Auditors and he has nearly 20 years experience in auditing, taxation, corporate finance, treasury, financial consulting and management gained from working in Europe and the Asia Pacific.

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.

Mr. Chong has entered into a service contract with the Company for a term of 5 years from 1 September 1999 which shall continue thereafter unless and until terminated by either party giving not less than three years' written notice.

Apart from the foregoing, there is no service contract between the Company and each of the aforesaid directors. Mr. Au and Mr. Lu have no fixed term of service with the Company. Mr. Yeung has 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. The annual salary for Mr. Au and Mr. Lu have been fixed at HK\$130,000. The annual director's fees for Mr. Yeung have been fixed at HK\$130,000. 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 30 August 2006 at Falcon Room 1, Luk Kwok Hotel, 72 Gloucester 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 2006.
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 resolution, which will be proposed as an ordinary resolution:

ORDINARY RESOLUTION

“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).”

By Order of the Board
Chong Sing Yeun
Chairman

Hong Kong, 1 August 2006

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.