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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)

ANNOUNCEMENT

The Board announces that, on 29 November 2006, 同興制品(番禺)有限公司 (Tung Hing Plastic (Panyu) Co. Ltd.)#, a wholly-owned subsidiary of the Company, and 廣州市海珠區五鳳經濟發展公司 (Wufeng Economic Association)#, entered into the tenancy agreement, pursuant to which, 廣州市海珠區五鳳經濟發展公司 (Wufeng Economic Association)# agreed to lease the Property to 同興制品(番禺)有限公司 (Tung Hing Plastic (Panyu) Co. Ltd.)# for an initial terms of five years from the 1 December 2006 to 30 November 2011 (both day inclusive).

Reference is made to the announcement of Northern International Holdings Limited (the "Company") dated 8 July 2006 and the circular of the Company dated 14 August 2006 (the "Circular"). Terms used in this announcement shall have the same meanings as those defined in the Circular unless otherwise stated herein.

The Board announces that, on 29 November 2006, 同興制品(番禺)有限公司 (Tung Hing Plastic (Panyu) Co. Ltd.)#, a wholly-owned subsidiary of the Company, and 廣州市海珠區五鳳經濟發展公司 (Wufeng Economic Association, Feng Yang Street, Haizhu District, Guangzhou)# (the "Wufeng Economic Association"), entered into the tenancy agreement, pursuant to which, 廣州市海珠區五鳳經濟發展公司 (Wufeng Economic Association)# agreed to lease the Property to 同興制品(番禺)有限公司 (Tung Hing Plastic (Panyu) Co. Ltd.)# for an initial terms of five years from the 1 December 2006 to 30 November 2011 (both day inclusive).

As disclosed in the Circular, the Group proposed to lease back a block of factory and a three-storey staff dormitory from 廣州市海珠區五鳳經濟發展公司 (Wufeng Economic Association)# at a rent not higher than RMB12 per square meter under the written consent. However, in view of the under utilization of such dormitories and to minimize the operating cost of production, the Board decided to lease two-storey staff dormitory under the tenancy agreement. For details, please refer to the Circular.

PRINCIPAL TERMS OF THE TENANCY AGREEMENT

- Date : 29 November 2006
- Parties : 同興制品(番禺)有限公司 (Tung Hing Plastic (Panyu) Co. Ltd.)#, a wholly-owned subsidiary of the Company (as tenant)
廣州市海珠區五鳳經濟發展公司 (Wufeng Economic Association)# (as landlord)
- Property : 中國廣東省番禺區魚窩頭鎮沙灣大橋南岸東側的北方工業城 (Dawn Village, Yuwotou Zhen, Panyu City, Guangdong Province, the PRC)# with a gross floor area of approximately 11,230 square meters (including a block of factory premises and a two-storey dormitory)
- Term : Five years commencing from 1 December 2006 to 30 November 2011 (both day inclusive)

* For identification purposes only

- Rental : (i) RMB113,190 (approximately HK\$109,893) per month during the period from 1 December 2006 to 30 November 2009
- (ii) RMB123,030 (approximately HK\$119,447) per month during the period from 1 December 2009 to 30 November 2010
- (iii) RMB133,854 (approximately HK\$129,955) per month during the period from 1 December 2010 to 30 November 2011

The Directors (including the independent non-executive Directors) consider that the terms of the tenancy agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

The principal activity of the Company is an investment holding company. The principal activities of its subsidiaries comprise property investment and manufacture and sale of snap off blade cutters.

denotes English translation of a Chinese company or entity or address and is provided for identification purposes only.

In this announcement, Conversion of HK\$ into RMB is based on the exchange rate of HK\$1.00 = RMB1.03.

By order of the Board
Northern International Holdings Limited
Chong Sing Yuen
Chairman

Hong Kong, 30 November 2006

As at the date of this announcement, the Board comprises five executive Directors, Messrs. Chong Sing Yuen, Zhao Qing Ji, Wong Siu Keung, Joe, Au Tat On and Lu Xiao Dong and three independent non-executive Directors, Messrs. Cheng Kwok Hing, Andy, Yeung Yuen Hei and Yeung King Wah

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