
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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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)

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE NEW SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS; AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of the Company to be held at Falcon Room II, Luk Kwok Hotel, 72 Gloucester Road, Wanchai, Hong Kong on Wednesday, 20 June 2007 at 9:30 a.m. is set out on pages 9 to 11 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk.

Whether or not you are able to attend the annual general meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and deposit the same at the offices of the Company's branch share registrar and transfer office in Hong Kong, Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

* *For identification purpose only*

28 May 2007

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held to consider and, if thought fit, to approve, among other things, the proposed grant of the General Mandate and the proposed re-election of Directors
“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company, and “Bye-law” shall mean a bye-law of the Bye-laws
“Company”	Northern International Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to issue further new Shares not exceeding 20% of the issued share capital of the Company at the date of the passing of such resolution
“Group”	the Company and all of its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	22 May 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	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)

Executive Directors:

Mr. Zhao Qing Ji (*Chairman*)
Mr. Au Tat On
Mr. Lu Xiao Dong
Mr. Wong Siu Keung, Joe

Registered office:

Clarendon House
Church Street
Hamilton HM11
Bermuda

Independent non-executive Directors:

Mr. Cheng Kwok Hing, Andy
Mr. Yeung King Wah
Mr. Yeung Yuen Hei

*Head office and principal place of
business in Hong Kong:*

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

28 May 2007

To the Shareholders

Dear Sir or Madam

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE NEW SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS; AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the AGM to be held at Falcon Room II, Luk Kwok Hotel, 72 Gloucester Road, Wanchai, Hong Kong on Wednesday, 20 June 2007 at 9:30 a.m., resolutions will be proposed, among other matters:

- (a) to re-elect the retiring Directors; and
- (b) to grant the General Mandate to the Directors.

The purpose of this circular is to provide you with information in relation to the resolutions to be proposed at the AGM for the grant of the General Mandate and the re-election of Directors, and to give you the notice of the AGM.

* *For identification purpose only*

LETTER FROM THE BOARD

GENERAL MANDATE

The General Mandate shall be effective until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, or any other applicable law of Bermuda to be held; or
- (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors.

General Mandate

The Company has in issue an aggregate of 419,392,885 Shares as at the Latest Practicable Date. Subject to the passing of the proposed resolution for the approval of the General Mandate and in accordance with the terms therein, the Company would be allowed to allot and issue up to a maximum of 83,878,577 Shares, representing 20% of the aggregate nominal amount of the issued Shares at the time of the passing of the resolution approving the General Mandate on the basis that no further Shares will be issued or repurchased by the Company prior to the AGM.

The Directors have no immediate plans to issue any new Shares other than any Shares which may fall to be issued under the share option scheme or any scrip dividend scheme which may be approved by the Shareholders.

RE-ELECTION OF DIRECTORS

According to Bye-law 87(1), one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation at every annual general meeting. A retiring Director shall be eligible for re-election. According to Bye-law 86(2), any Director appointed to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting.

In accordance with Bye-law 87(1), Mr. Wong Siu Keung, Joe and Mr. Cheng Kwok Hing, Andy shall retire from their offices by rotation at the AGM. In accordance with Bye-law 86(2), Mr. Zhao Qing Ji shall retire from his office by rotation at the AGM. Being eligible, each of Mr. Zhao Qing Ji and Mr. Wong Siu Keung, Joe will offer himself for re-election as executive Director and Mr. Cheng Kwok Hing, Andy will offer himself for re-election as independent non-executive Director. At the AGM, an ordinary resolution will be proposed to re-elect each of Mr. Zhao Qing Ji and Mr. Wong Siu Keung, Joe as executive Director and Mr. Cheng Kwok Hing, Andy as independent non-executive Director.

Particulars relating to each of Mr. Zhao Qing Ji, Mr. Wong Siu Keung, Joe and Mr. Cheng Kwok Hing, Andy are set out in Appendix II to this circular.

LETTER FROM THE BOARD

ACTION TO BE TAKEN

Whether or not you intend to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. The completion and return of a form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof in person if you so wish.

RECOMMENDATION

The Directors believe that the proposed grant of the General Mandate and the proposed re-election of Directors are in the best interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the above resolutions to be proposed at the AGM.

GENERAL

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

Yours faithfully
For and on behalf of
the board of Directors of
Northern International Holdings Limited
Zhao Qing Ji
Chairman

The procedures by which the Shareholders may demand a poll at the AGM are set out in this Appendix.

According to Bye-law 66, a resolution put to the vote of the meeting shall be decided by 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 by:

- (a) the chairman of the meeting; or
- (b) 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) any 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 representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) any 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 the shares conferring that right.

The details of the Directors who will retire from office by rotation at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out below:

Mr. Zhao Qing Ji

Mr. Zhao Qing Ji, aged 34, is the executive Director and chairman of the Company. Mr. Zhao graduated at Peking University with a bachelor's degree in economics in 1998. Mr. Zhao has nearly 10-year experience in corporate management. He also has ample of experience in mergers and acquisitions, corporate restructurings, investment management, finance and initial public offering in PRC. Prior to joining the Company, Mr. Zhao was Vice President of Peking University Resource Group and responsible for management of investments in property development projects and investment properties. Save as disclosed above, Mr. Zhao does not hold any directorship in other public listed company or any other position with the Company and other members of the Group in the past three years. Mr. Zhao joined the Group in November 2006.

As at the Latest Practicable Date, Mr. Zhao does not have any relationship with other directors, senior management, substantial or controlling Shareholders, nor any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Zhao does not have any service contract with the Company. His appointment will be subject to normal retirement and re-election by the Shareholders pursuant to the Bye-laws. He is entitled to (i) a monthly emolument of HK\$61,538 which is determined by the Board with reference to his duties and responsibilities with the Company; and (ii) a discretionary bonus which will depend on the financial results of the Company and on his performance.

There is no information relating to Mr. Zhao that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders.

Mr. Wong Siu Keung, Joe

Mr. Wong Siu Keung, Joe, aged 42, is the executive Director, qualified accountant and company secretary of the Company. Mr. Wong is responsible for financial planning and control of the Group. Mr. Wong has extensive experience in taxation, accounting, financing and auditing fields. Mr. Wong is an associate member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants and holds a master's degree in international accounting from the City University of Hong Kong. Mr. Wong is also the qualified accountant of the Company and the financial controller of Tung Hing Products Company Limited, a wholly owned subsidiary of the Company. Save as disclosed above, Mr. Wong does not hold any directorship in other public listed company or any other position with the Company and other members of the Group in the past three years. Mr. Wong joined the Group in 2000.

As at the Latest Practicable Date, Mr. Wong is interested in 850,000 Shares, representing approximately 0.20% of the existing issued share capital of the Company within the meaning of Part XV of the SFO. Save as disclosed, Mr. Wong does not have any relationships with other Directors, senior management, substantial or controlling Shareholders.

Mr. Wong does not have any service contract with the Company. His appointment will be subject to normal retirement and re-election by the Shareholders pursuant to the Bye-laws. He is entitled to (i) a monthly emolument of HK\$38,770 which is determined by the Board with reference to his duties and responsibilities with the Company; and (ii) a discretionary bonus which will depend on the financial results of the Company and on his performance.

There is no information relating to Mr. Wong that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders.

Mr. Cheng Kwok Hing, Andy

Mr. Cheng Kwok Hing, Andy, aged 35, is independent non-executive Director. Mr. Cheng has over 15 years of experience in accounting and administrative fields, of which five years were with public company listed on the Stock Exchange. Mr. Cheng is a director of a Hong Kong private company which is principally engaged in the manufacturing and sale of Chinese medical herbs in Hong Kong and the PRC. Mr. Cheng is also an executive director of Kanstar Environmental Paper Products Holdings Limited, a company whose ordinary shares are listed on the GEM Board of the Stock Exchange and Peking Apparel International Group Limited, a company whose ordinary shares are listed on the main board of the Stock Exchange. Save as disclosed above, Mr. Cheng does not hold any directorship in other public listed company or any other position with the Company and other members of the Group in the past three years. Mr. Cheng joined the Group in September 2004.

As at the Latest Practicable Date, Mr. Cheng does not have any relationship with other directors, senior management, substantial or controlling Shareholders, nor any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Cheng does not have any service contract with the Company. His appointment will be subject to normal retirement and re-election by the Shareholders pursuant to the Bye-laws. He is entitled to (i) a monthly emolument of HK\$2,500 which is determined by the Board with reference to his duties and responsibilities with the Company; and (ii) a discretionary bonus which will depend on the financial results of the Company and on his performance.

There is no information relating to Mr. Cheng that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders.

NOTICE OF AGM



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 Northern International Holdings Limited (the “**Company**”) will be held at Falcon Room II, Luk Kwok Hotel, 72 Gloucester Road, Wanchai, Hong Kong on Wednesday, 20 June 2007 at 9:30 a.m. to transact the following ordinary business:

1. to receive and consider the audited consolidated financial statements and reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 31 March 2007;
2. to re-elect the retiring Directors and to authorise the board of Directors to fix the Directors’ remuneration;
3. to re-appoint auditors and to authorise the board of Directors to fix their remuneration;

and, as special business and, if thought fit, passing the following resolution as an ordinary resolution:

4. “**THAT:**
 - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) 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 (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip

* For identification purpose only

NOTICE OF AGM

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 of the Company or any applicable laws 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;

“**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).”

Hong Kong, 28 May 2007

By order of the Board
Northern International Holdings Limited
Zhao Qing Ji
Chairman

NOTICE OF AGM

Registered office:

Clarendon House
Church Street
Hamilton HM11
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 proxy 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.
2. In order to be valid, the form of proxy must be 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 Company's branch registrars in Hong Kong, 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.
3. In relation to proposed resolution no. 3 above, Mr. Zhao Qing Ji, Mr. Wong Siu Keung, Joe and Mr. Cheng Kwok Hing, Andy will retire from their offices of Directors at the above meeting pursuant to bye-laws 86(2) and 87(1) of the bye-laws of the Company and, being eligible, they will offer themselves for re-election.
4. In relation to proposed resolutions no. 4 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Directors have no immediate plans to issue any new Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by shareholders.