

I hereby present the annual report of Northern International Holdings Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 March 2007.

FINANCIAL RESULTS

The Group recorded a turnover of HK\$58.9 million for the year ended 31 March 2007 (2006: HK\$99.2 million), representing a decrease of 40.6% from the previous year and the net loss of the Group was HK\$18.6 million (2006: HK\$29.8 million). Loss per share was HK5.10 cents (2006: HK10.80 cents).

REVIEW AND PROSPECTS

The financial year ended 31 March 2007 was a year with significant change for the Group. In view of the declining results and uncertain operating environment, the Group has exited the snap off blade cutter and electronic businesses and as a result, at present, the Group is focused on its properties investment business. The Group will continuously make efforts in improving the performance and will operate under the principle of prudence carefully while actively identifying potential investment opportunities. I believe that the Group is heading the right direction and is well placed to capitalize on any exciting investment opportunity.

At present, the board (the "Board") of directors (the "Directors") of the Company is composite with different talents and dedicated to maximize the wealth of shareholders and believes to have sufficient capacity to overcome any future challenges the Group will meet.

GRATITUDE

Taking this opportunity, I would also like to thank all shareholders, staff and business partners of the Group for their continuous supports during the year.

ZHAO QING JI

CHAIRMAN

Hong Kong, 18 May 2007