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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)

(the "Company")

ANNOUNCEMENT

The Board has noted the recent decrease in the price and increase in trading volume of the shares of the Company and wishes to state that it is not aware of any reasons for such unusual movements save for the information disclosed below.

Reference is made to the Announcement dated 4 January 2005. As stated in the Announcement, the Board was not aware of any reasons for the increases in the price and trading volume of the Shares on 4 January 2005 save for the announcements dated 15 December 2004 and 29 December 2004 issued by the Company.

Mr. Alexander Chu disposed of a total of 4,500,000 Shares on 4 January 2005, which was not mentioned in the Announcement. The Company clarifies that save for the announcements dated 15 December 2004 and 29 December 2004 and the Unannounced Disposal, it was not aware of any reasons for the increases in the price and trading volume of the Shares as mentioned in the Announcement.

The Stock Exchange is looking into the matter and, reserves the right to take action against the Company and its directors.

This statement is made at the request of the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The board of directors of the Company (the "Board") has noted the recent decrease in the price and increase in trading volume of the shares of the Company and wishes to state that it is not aware of any reasons for such unusual movements, save for the announcements dated 15 December 2004, 29 December 2004, 4 January 2005 issued by the Company and the Unannounced Disposal disclosed below.

The Board also confirms that, save as mentioned above, there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under rule 13.23, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09, which is or may be of a price-sensitive nature.

Clarification For The Announcement Dated 4 January 2005

Reference is made to the announcement of the Company dated 4 January 2005 in which the Company stated that the Board had noted the recent increases in the price and trading volume of the Shares on 4 January 2005 and stated that it was not aware of any reasons for such increases, save for the announcements dated 15 December 2004 and 29 December 2004 issued by the Company (the "Announcement").

On 4 January 2005, the Company received an enquiry from the Stock Exchange of Hong Kong Limited (the "Stock Exchange") regarding certain unusual movements in the price and trading volume of the shares of the Company (the "Shares") on the same date. All directors of the Company had been enquired and confirmed that they were not aware of any reasons for such increases, save for the announcements dated 15 December 2004 and 29 December 2004 issued by the Company and the Company made the Announcement on 4 January 2005.

The Company had notified Mr. Chu Bu Yang, Alexander ("Mr. Alexander Chu") in written that if he had dealt in the shares of the Company, he should inform the Company before 16:30 on the same date (the "Written Notification"). The Company had also verbally advised Mr. Alexander Chu several times not to deal in the shares of the Company on the day when the Company's shares had unusual movements in price or trading volume.

On 7 January 2005, the Company received an enquiry from the Stock Exchange regarding certain unusual movements in the price and trading volume of the Shares on the same date. All directors of the Company had been enquired and confirmed that they were not aware of any reasons for such unusual movements, save for the announcements dated 15 December 2004, 29 December 2004, 4 January 2005 issued by the Company. The Company was then informed by Mr. Alexander Chu at about 12:30 on 7 January 2005 that he disposed of 4,500,000 Shares (representing approximately 0.09% of the total number of shares in issue of the Company) on the market on 4 January 2005 at the average price of HK\$0.043 per Share (the "Unannounced Disposal"). Before the above sale, Mr. Alexander Chu held 4,500,000 Shares (representing approximately 0.09% of the total number of shares in issue of the Company). After the above sales, Mr. Alexander Chu held nil Shares. Approximately 0.51% of trading volume of the Shares on 4 January 2005 was attributable to the sale of Shares by Mr. Alexander Chu.

Mr. Alexander Chu confirmed on 7 January 2005 that he informed the Company at about 15:00 on 4 January 2005 that he had not dealt in any Shares and he had not informed the Company in accordance with the Written Notification thereafter until 7 January 2005.

The Unannounced Disposal was not mentioned in the Announcement because Mr. Alexander Chu forgot the Written Notification and verbal advices from the Company and made the Unannounced Disposal after his confirmation with the Company at about 15:00 on 4 January 2005 without informing the Company immediately after the Unannounced Disposal. The Stock Exchange is looking into the matter and, reserves the right to take action against the Company and its directors.

As at the date of this announcement, the executive directors of the Company are Mr. Chong Sing Yuen, Mr. Chu Kiu Fat, Mr. Wong Siu Keung, Joe, Mr. Chong Chun Kwok, Piggy and Mr. Chong Chun Hing; the non-executive director is Mr. Chu Bu Yang, Alexander; and the independent non-executive directors are Mr. Chan Ping Yim, Mr. Chan Shun and Mr. Cheng Kwok Hing, Andy.

Made by the order of the Board, the directors of which individually and jointly accepted responsibility of the accuracy of this statement.

By order of the Board
Chong Sing Yuen
Chairman

Hong Kong, 7 January 2005

* *For Identification Only*

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