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**BAKER GROUP INTERNATIONAL
HOLDINGS LIMITED**

**(Formerly known as Luen Cheong Tai International
Holdings Limited)**

(Provisional Liquidators Appointed)

(Incorporated in the Cayman Islands with limited liability)

NORTHERN RESOURCES LIMITED

*(Incorporated in the British Virgin Islands
with limited liability)*

On 29 October 2003, the Former Shareholders filed a Writ of Summons ("Writ") in the HK Court, naming LCT Eng as the defendant.

The Provisional Liquidators have previously conducted investigations into the matters alleged to form the basis of the claim by the Former Shareholders in the Writ. Based on information currently available and independent legal advice, the Provisional Liquidators are satisfied that such allegations are without merit.

The Provisional Liquidators' legal advisers have reviewed the Writ and have confirmed their earlier advice to the effect that they do not consider that the Former Shareholders have a valid claim against LCT Eng. The Provisional Liquidators accordingly intend to strenuously defend the proceedings against LCT Eng as and when required.

Terms used herein shall have the same meanings as those defined in the circular dated 29 October 2003 jointly issued by the Company and the Investor ("Circular").

On 29 October 2003, the Former Shareholders filed a Writ of Summons ("Writ") in the HK Court, naming LCT Eng as the defendant. The Provisional Liquidators have obtained a copy of the Writ from the High Court Registry as the Writ has not been served on them, their legal advisers or, to their knowledge, LTC Eng, a BVI company. The Writ does not attach a statement of claim but rather contains a general indorsement alleging that, in repudiatory breach of a Sale and Purchase Agreement dated 31 August 2000 ("Agreement") under which the Former Shareholders agreed to sell, or procure the sale of, and LCT Eng agreed to buy, 100 issued shares in Finestyle, the purchase price for such shares has not been paid by LCT Eng to the Former Shareholders. The Former Shareholders claim:

- (1) a declaration that the Agreement has been validly terminated;
- (2) further or alternatively, damages;
- (3) interest; and
- (4) costs.

The Provisional Liquidators have previously conducted investigations into the matters alleged to form the basis of the claim by the Former Shareholders in the Writ. Based on information currently available, including (i) written confirmation from Banco Weng Hang, Macau of the transfer to the Former Shareholders' investment company of the amount due under the Agreement, and (ii) independent legal advice, the Provisional Liquidators are satisfied that such allegations are without merit. The Provisional Liquidators' legal advisers have reviewed the Writ and have confirmed their earlier advice to the effect that they do not consider that the Former Shareholders have a valid claim against LCT Eng. The Provisional Liquidators accordingly intend to strenuously defend the proceedings against LCT Eng as and when required. Further, First Shanghai, the independent financial adviser to the Independent Shareholders in relation to the Restructuring Proposal, the Whitewash Wavier and the transactions contemplated thereunder, has confirmed that, for the reasons set out herein, their opinion and recommendation as set out in their letter of advice to the Independent Shareholders contained in the Circular remain unchanged. Accordingly, the Provisional Liquidators and the Investor will proceed with the Restructuring Proposal according to the expected timetable set out in the Circular.

For and on behalf of
Baker Group International Holdings Limited
(Formerly known as Luen Cheong Tai International Holdings Limited)
(Provisional Liquidators Appointed)
Mr. Stephen Liu Yiu Keung
Mr. Yeo Boon Ann
Mr. Don Wayne Ebanks
Joint and Several Provisional Liquidators

By Order of the Board
Northern Resources Limited
Mr. Liu Wei
Director

Hong Kong, 3 November 2003

The Provisional Liquidators jointly and severally accept full responsibility for the accuracy of the information contained in this announcement relating to the Group and themselves and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement concerning the Group and themselves have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement concerning the Group and themselves misleading.

The directors of the Investor accept full responsibility for the accuracy of the information contained in this announcement other than that relating to the Group and the Provisional Liquidators and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief, the opinions expressed in this announcement other than those concerning the Group and the Provisional Liquidators have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement other than those concerning the Group and the Provisional Liquidators misleading.