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FAIRYOUNG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

POSTPONEMENT OF RELEASING THE AUDITED FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2001

This announcement is made by the Board of the Company to explain the postponement of release of announcement of the audited final results for the year ended 31 December 2001 and despatch of 2001 annual report and accounts.

The delay in publication of the audited final results of the Company constitutes a breach of paragraphs 8(1), 11(1), 11(2) and 11(3)(i)(c) of the Listing Agreement by the Company and that the Stock Exchange reserves its right to take action against the Company and/or its directors as a result of such breach.

The Company advises its shareholders and investors to exercise caution when dealing in the Company's securities.

The board of directors (the "Board") of Fairyoung Holdings Limited (the "Company") announces that due to delay in finalizing the audited final results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2001 ("audited final results"), a meeting of the Board for approving and releasing the audited final results is further postponed to be held on or before 30 July 2002. Accordingly, it is expected that the audited final results will be announced in the newspaper on or before 31 July 2002 and the 2001 annual report is expected to be despatched on or before 9 August 2002. Pursuant to paragraphs 8(1), 11(1) and 11(2) of the Listing Agreement entered into between the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company should release the audited final results and despatch the 2001 annual report not later than four months after the financial year end.

The reason for the delay is that the audited financial statements of the Group's two major associates are not available up to this moment despite our efforts in obtaining the said financial statements in the past two months. The change of accounting staff of these associates had really caused great problems and hindered the smooth completion and finalization of their management and audited annual accounts. The Group's investments in these associates which amount to HK\$65,000,000 (unaudited) as at 31 December 2001 are significant as compared to the unaudited net assets of the Group as at 30 June 2001 and if their audited financial statements are not available, the Group will not be able to account for their operating results and to assess their carrying values so as to determine if impairment in values is needed to be made. Due to the above reason, no unaudited final results of the Group for the year ended 31 December

2001 is announced and the Board considers it is essential to request for more time to obtain the said financial statements. The Board expects the audited financial statements of these associates will be available in mid of July 2002. The delay in publication of the audited final results constitutes a breach of paragraphs 8(1), 11(1), 11(2) and 11(3)(i)(c) of the Listing Agreement by the Company and that the Stock Exchange reserves its right to take action against the Company and/or its directors as a result of such breach. The delay in publication of the audited final results would not constitute a breach of the constitutional documents of the Company and the rules and regulations in Bermuda, the place of incorporation of the Company.

The Board has confirmed that they have not been dealing in any securities of the Company since 28 March 2002 and has undertaken that they will not deal in any securities of the Company until the audited final results are published.

This announcement is made by the order of the Board, by the directors of which individually and jointly accept full responsibility for the accuracy of the information contained in this announcement.

In the meantime, the Company advises its shareholders and investors to exercise caution when dealing in the Company's securities.

By Order of the Board
Fairyoung Holdings Limited
Tsao Ke Wen, Calvin
Executive Director

Hong Kong, 27 June 2002

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