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FAIRYOUNG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

This announcement was made at the request of The Stock Exchange of Hong Kong Limited.

The directors (the "Directors") of Fairyoung Holdings Limited (the "Company") announce that the Chairman of the Company, Mr. Chan Boon Ning, John ("Mr. John Chan") who is also in the board of Pacific Ports Company Limited ("Pacific Ports"), was detained by the Commercial Crime Bureau to respond to enquiries involving transactions concerning Pacific Ports, an attributable 31.18% associated company of the Company. Mr. John Chan and his associates together hold approximately 64.72% of the issued share capital of the Company. The Directors would emphasise that the detention of Mr. John Chan would not affect the daily operation of the Company and its subsidiaries. Further information will be provided to the shareholders of the Company as and when appropriate.

Shareholders are advised to exercise extreme caution in dealing in securities of the Company.

By Order of the Board of
Fairyoung Holdings Limited
Cheung Nga Dak, Cary
Director

Hong Kong, 2nd March, 1998