<For immediate release>

FAIRWOOD ANNOUNCES 2011/12 INTERIM RESULTS

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AFTER THE IMPLEMENTATION OF STATUTORY MINIMUM WAGE, PROFIT FOR THE CORE BUSINESS ROSE BY 5.7%

HIGHLIGHTS

- **TURNOVER INCREASED BY 12.2% TO HK$910.0 MILLION**
- **PROFIT FOR THE PERIOD OF CORE BUSINESS ROSE BY 5.7% TO HK$58.2 MILLION (2010: HK$55.1 MILLION EXCLUDING THE GAIN ON DISPOSAL OF PROPERTIES)**
- **GROSS PROFIT MARGIN WAS 13.7%**
- **ANNUALIZED RETURN ON AVERAGE EQUITY WAS 25.0%**
- **BASIC EARNINGS PER SHARE WERE HK46.52 CENTS**
- **INTERIM DIVIDEND OF HK22.0 CENTS (2010: HK20.0 CENTS AND A SPECIAL DIVIDEND OF HK8.0 CENTS) PER SHARE**

(Hong Kong, 29 November 2011) – Leading local fast food operator Fairwood Holdings Limited (“Fairwood” or “the Group”) (stock code: 52) today announced its interim results for the six months ended 30 September 2011.

For the six months ended 30 September 2011, the Group achieved an increase in turnover of 12.2% to HK$910.0 million, up from HK$811.1 million recorded in the last corresponding period. Gross profit margin reduced by 1.3% to 13.7%. Profit attributable to equity shareholders of the Group was HK$58.2 million, representing a decrease of 17.7% from HK$70.7 million reported for the same period last year. If excluding the gain on disposal of non-current assets held for sale, the profit for the period increased by 5.7% from last year’s HK$55.1 million. Basic earnings per share were HK46.52 cents (2010: HK56.25 cents).

The Board of Directors has declared an interim dividend of HK22.0 cents (2010: HK20.0 cents and a special dividend of HK8.0 cents) per share for the six months ended 30 September 2011, representing a distribution of approximately 47% of the Group’s profit for the period attributable to equity shareholders.

Mr. Dennis Lo, Executive Chairman of Fairwood, said, “Despite a challenging business environment during the review period, we managed to deliver revenue growth supported by steady improvement in same store sales and prudent network expansion. Even though the gross margin was burdened by inflation that gave rise to a surge in rental, food and labor costs (particularly compounded by the implementation of statutory minimum wage), the profit for the period achieved 5.7% growth if excluding the gain on disposal of non-current assets held for sale of HK$15.6 million recorded in comparable period. The financial results were attributable to effective marketing strategies, as well as greater cost control backed by higher efficiency from the central food processing plant, streamlined workflow and enhanced internal systems.”

To stand out from the peers, Fairwood implemented a series of creative marketing campaign and strengthened its brand differentiation strategy. By way of thorough research on the needs and wants of the general public, the Group continued to attract customers from all walks of life. The introduction of the “No-MSG” menu is a perfect example of how the Group attended to the more health-conscious segment of society. Continuous improvement of the Group’s signature products such as the Ah Wood Curry Series and development of innovative menus such as using premium Italian tomatoes for western dishes and the introduction of ox tongue dishes for the first time in fast food history, are amongst some of the Group’s latest strategies in driving further brand differentiation. All of these have enabled the Group to draw in more customers and further increase average spending.

The Group is not only promoting its brand to broaden the revenue base, but also paying efforts in cost control to alleviate pressure on inflation. The Group broadened its range of suppliers and investigated introduction of ingredients from different regions, which helped to contain food costs at a manageable level. The establishment of the central food processing plant in the Tai Po Industrial Estate also enhanced overall efficiency and quality consistency as well as better utilized internal resources by streamlining operations, thus, maximizing its economies of scale and lead to a higher profitability in the long term for the Group.

With regards to labor cost, the Group sought to control it by effectively allocating manpower, and by introducing the “flexible scheduling” and “community recruitment campaign”. The programs deliver mutual benefits, allowing part-time workers such as housewives to find employment while the Group is able to gain a reliable source of manpower. The SAP Enterprise Resources Planning (ERP) system has also aided the Group to combat labor cost. Owing to the effective use of system the Group flexibly control and manage manpower allocation at each store, and in turn raising efficiency.

In order to minimize the impact of high rental costs, the Group leveraged its strong relations with landlords and was able to secure favorable rates for existing stores. As for the opening of new stores, the Group focused on developing districts where rent is more reasonable. Stores in shopping malls or on upper floors of a building are also preferred to reduce the overall rental level.

Turning to the Group’s Mainland China operations, it continued to achieve solid sales growth, up 30.4% year-on-year. This helped consolidate the success of the Group’s efforts in bringing international tastes to the local market, through introducing cuisines from around the world in a way that appeals to local tastes and preferences. The strategy of locating outlets near metro stations and shopping malls also proved successful, capturing the large flow of people that travel to and from such locations. The Group will further direct resources and energies toward developing the Mainland China business.

During the review period, the Group opened five new fast food stores, including four in Hong Kong and one in Mainland China. As at 30 September 2011, the Group had a total of 107 stores in operation in Hong Kong, including 100 fast food stores and 7 specialty restaurants. In Mainland China, the Group operated 17 fast food stores as at the reporting period end.

Moving forward, the operating environment in Hong Kong will be challenging in the foreseeable future. While the Group plans to expand its network in Hong Kong, targeting to reach 103 fast food stores by the end of the financial year 2011/12, it will primarily focus on driving same store sales growth by delivering appealing menus supported by dynamic marketing campaigns. On the other hand, gauging the current economic trend in Mainland China, the management will continue with its cautious approach targeting 40 stores in operation by the end of financial year 2013/14. Store count is set to increase by 5 to reach 22 by the end of the financial year 2011/12.

Mr. Lo concluded, “We are well aware that strong fundamentals are essential for success. While dedicating efforts to managing cost, we will maintain our dedication to quality and innovation, thus setting the foundation for long-term growth.”

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About Fairwood Holdings Limited

Fairwood Holdings Limited, (HKEx: 52), is one of the leading Hong Kong fast food operators in Hong Kong and in Mainland China. As at 30 September 2011, the Group had a total of 107 stores in operation in Hong Kong, including 100 fast food stores and 7 specialty restaurants, and 17 fast food stores in Mainland China. To enhance customer perception of the Fairwood brand and its competitiveness, the Group launched a re-branding campaign in 2003. It is confident that its strong brand identity and strengthened fundamentals will continue to facilitate its business expansion in the future.

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