



<For immediate release>

FAIRWOOD ANNOUNCES 2018/2019 INTERIM RESULTS

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REVENUE UP BY 4.8% TO HK\$1.473 BILLION INTERIM DIVIDEND OF HK37.0 CENTS PER SHARE

HIGHLIGHTS

- REVENUE INCREASED BY 4.8% TO HK\$1,473.0 MILLION
- PROFIT FOR THE PERIOD DECREASED BY 14.0% TO HK\$100.7 MILLION
- BASIC EARNINGS PER SHARE WERE HK78.40 CENTS, DECREASED BY 14.6%
- INTERIM DIVIDEND OF HK37.0 CENTS PER SHARE

(Hong Kong, 27 November 2018) – Leading local fast food operator Fairwood Holdings Limited (“Fairwood” or “the Group”) (stock code: 52) has today announced its interim results for the six months ended 30 September 2018.

During the review period, the Group’s revenue grew by 4.8% to HK\$1,473.0 million. Profit attributable to equity shareholders dropped by 14.0% from HK\$117.1 million to HK\$100.7 million. Basic earnings per share were HK78.40 cents versus HK91.75 cents for the last corresponding period.

The Board of Directors has declared an interim dividend of HK37.0 cents (2017: HK37.0 cents) per share for the six months ended 30 September 2018, 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, “I am glad to see Fairwood has managed to keep positive results during the past six months, despite challenging business conditions. At Fairwood, “customer-centricity” has always been one of our core values. To this end, we launched the “Feel Good Movement” in 2016, sharing our passion for delivering exceptional dining experiences with our customers and with our community. In just two years, we have received remarkably favourable feedback from the public. We trust that the Movement will gain even greater traction as we continue to offer quality food, a greater variety of menu items, heartfelt service, and pleasant dining environments”.

Many customers are now requesting healthier food options to meet their lifestyle needs; hence Fairwood has been increasing the number of nutritious dishes on offer, including the dishes in “No-MSG-added” series, “Tasty and Green” series, and “Wholesome Delight” series. Furthermore, the industry-first “Low-sodium” series that the Group introduced last year has been warmly received by the customers. The Group has recently launched more “Low-sodium” dishes which feature lean and healthy meat choices, such as ostrich, allowing customers to enjoy delicious meals while also adhering to the World Health Organisation’s recommendation of consuming less than one teaspoon of salt per day.

Fairwood’s commitment to customer-centricity is also expressed through the “Delivered to Your Table” service. To provide even more convenience to its patrons, this service has now been extended to dishes that are made to order, as well as to individuals with special needs. Furthermore, the Group has introduced the “Third Generation” orange-themed interior design to more restaurants to elevate the dining environment. In total, one-third of Fairwood’s restaurants have now been renovated with this new interior design.

In terms of business operations, the Group has continued to place importance on global sourcing and quality control to ensure the food is always of the highest quality. The Group's central food processing plant has also played an important role in maintaining consistently high food quality, and achieving it with greater efficiency through automation. Furthermore, the Group has also enhanced the quality control lab, which conducts regular food inspections to ensure that the Group's standards are met.

In view of the labour shortage that is impacting the industry, the Group has introduced a number of measures, including the nurturing of a happy work culture to increase staff's sense of belonging, providing development programmes for employees to shape their own career progression, and different activities to express appreciation and recognition of the Group's team members' efforts. In addition, the Group has continued to offer flexible scheduling to facilitate the different work hour requirements of front line staff with the support of the SAP Enterprise Resources Planning ("ERP") system. The central food processing plant also provides additional support in terms of streamlining workflow at stores.

As for network expansion, the Group has been seeking to further grow its footprint in Hong Kong. During the review period, the Group opened five new Fairwood restaurants, and continued to execute an expansion plan. Regarding the specialty restaurants, both ASAP and Taiwan Bowl have been well received by customers. In view of their encouraging performances, the Group is currently seeking suitable locations to expand their respective networks.

The Mainland China business has been adopting the same "Feel Good Movement" as employed in Hong Kong, which has proven to be successful. The business has also been driven by the public's strong demand for takeaway food. Plans have been drawn for opening more small-sized restaurants that will mainly cater to takeaway customers. Moreover, the Group will continue to partner with two of the largest local food delivery service providers, namely Meituan and Ele.me. In the coming year, the Group will also continue to focus the expansion on the southern region of Mainland China.

Engaging and giving back to the community have always been an important part of Fairwood's business. The Group has distributed more than 160,000 "Care for Seniors" discount cards since initiating the programme back in 2014. This figure represents approximately 14% of the Senior Citizen Card holders in Hong Kong. Furthermore, the Group has continued to expand other CSR initiatives, including the "Fairwood Give Warmth Campaign".

Mr. Lo concluded, "Looking ahead, our optimism about the fast food industry in Hong Kong remains unchanged, and we are confident that the Group will achieve encouraging results going forward. To support our growth momentum, we will continue to promote and develop the 'Feel Good Movement' to the wider community. All in all, we are on course to realising our vision of becoming the most appreciated F&B management group, helping our customers to "Enjoy Great Food. Live a Great Life!" and building a happy and appreciative work environment for our staff."

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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 Mainland China. As at 30 September 2018, the Group had a total of 148 stores in operation in Hong Kong, including 138 fast food stores and 10 specialty restaurants in Hong Kong, and 10 stores in Mainland China.

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