



<For immediate release>

FAIRWOOD ANNOUNCES 2017/2018 INTERIM RESULTS

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**REVENUE UP BY 11.9% TO HK\$1.41 BILLION
PROFIT FOR THE PERIOD AMOUNTED TO HK\$117.1 MILLION**

HIGHLIGHTS

- **PROFIT FOR THE PERIOD ROSE BY 12.8% TO HK\$117.1 MILLION**
- **REVENUE INCREASED BY 11.9% TO HK\$1,405.7 MILLION**
- **BASIC EARNINGS PER SHARE WERE HK91.75 CENTS, UP 12.3%**
- **INTERIM DIVIDEND OF HK37.0 CENTS PER SHARE**

(Hong Kong, 28 November 2017) – 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 2017.

During the review period, the Group’s revenue grew by 11.9% to HK\$1,405.7 million compared to HK\$1,256.6 million for the corresponding period last year. Profit attributable to equity shareholders increased by 12.8% from HK\$103.8 million to HK\$117.1 million. Basic earnings per share were HK91.75 cents versus HK81.71 cents for the last corresponding period.

The Board of Directors has declared an interim dividend of HK37.0 cents (2016: HK34.0 cents) per share for the six months ended 30 September 2017, representing a distribution of approximately 40% of the Group’s profit for the period attributable to equity shareholders.

Mr. Dennis Lo, Executive Chairman of Fairwood, said, “At Fairwood, we believe people come first, which is why we strive to listen to our customers and cater to their needs at the best of our ability. The ‘Feel Good Movement’ we launched earlier this year to elevate customers’ dining experience, which included customer-centric menu offerings, heartfelt service, and an improved dining environment, was well received by customers and gave the Group a set of encouraging interim results. Our Hong Kong restaurant business performed exceptionally well, with increases in revenue of approximately 12%. With customer patronage increasing continuously, we expanded our presence in Hong Kong aggressively by opening 9 new stores during the review period, and will maintain this approach going forward.”

Fairwood endeavours to deliver the best food to customers by constantly upgrading the quality and selection of its dishes. During the review period, a new series of “Feel Good” dishes were introduced to meet the needs of increasingly health-conscious customers, including the Wholesome Delight series, low-calorie breakfast sets, Fairwood’s signature Ah Wood Curry with assorted vegetables, the Tasty & Green series, and the No-MSG added series that is now cooked with less oil.

To give customers heart-warming and comfortable dining experiences, Fairwood has expanded its “Delivered to Your Table” service to non-dinner hours, specifically for dishes that are made to order, as well as for customers with special needs. Furthermore, the Group has continued to implement the “Third Generation” of Fairwood’s orange-themed interior design, inspired by the dynamism and energy of

Hong Kong. More stores will adopt this latest design theme to create an exciting new ambience for Fairwood patrons.

During the review period, the Group performed favourably in Hong Kong. The encouraging performance was owed to the Group's efforts to improve food quality, including procuring ingredients from reliable sources around the world and enhancing the taste of dishes and sauces used, as well as employing different cooking methods. Such endeavours have made the dishes even more appealing, hence welcomed by customers. Apart from constantly striving to improve food quality, the Group upgraded its central food processing plant to enhance production efficiency, applied the SAP Enterprise Resource Planning (ERP) system to better utilise business data and increased automation to raise food preparation efficiency. In addition, the Group's ability to carefully engineering its menu to address customers' needs and desires has been able to effectively manage costs, and in turn improve the Group's operating profit.

Apart from the core Fairwood brand, the Group has also actively developed its specialty restaurant business in Hong Kong. During the review period, the Group opened three specialty restaurants, including its newest concept restaurant brand Taiwan Bowl (一碗肉燥). Targeting younger customers, Taiwan Bowl offers a unique and contemporary take on Taiwanese cuisine in a casual and modern setting. Moving forward, the Group will continue to expand its specialty restaurant network, spearheaded by the launch of Taiwan Bowl and building on the encouraging performance of its casual Japanese and Western brand ASAP.

As for its Mainland China operations, the Group managed to deliver solid business growth during the past six months. The Group continued to focus on operating in residential areas in Southern China, introducing the "Feel Good" movement, aligning menus with Hong Kong counterpart; and partnering with delivery platforms to expand its local takeaway business. These efforts contributed to approximately 9% growth in revenue during the review period.

Fairwood has always felt an intimate connection with the community, and in particular, with the elderly. Giving back to the community has always been an important part of the Fairwood culture. To date, the Group has given out over 90,000 "Care for Seniors" discount cards for the elderly to use at all Fairwood stores in Hong Kong. Furthermore, the Group organised a variety of CSR activities during the review period, including the "Fairwood \$4 Meal Campaign" and "Fairwood Warm Caring Campaign".

Mr. Lo concluded, "Going forward, we will continue to enhance Fairwood's brand equity and strengthen our ties with customers. We will listen to our customers and further the 'Feel Good' movement, which will help strengthen our prospects for long-term, sustainable growth. At the same time, we will keep fostering a happy culture in the Group as well as the community, so that we may realise our wish for our customers and staff to 'Enjoy Great Food. Live a Great Life!'."

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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 2017, the Group had a total of 141 stores in operation in Hong Kong, including 130 fast food stores and 11 specialty restaurants in Hong Kong, and 9 stores in Mainland China.

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