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FAIRWOOD HOLDINGS LIMITED
大快活集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 52)



INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

HIGHLIGHTS

- Revenue was HK\$1,517.5 million (2024: HK\$1,553.5 million), decreased by 2.3%.
- Profit for the period attributable to equity shareholders of the Company was HK\$13.2 million (2024: HK\$15.5 million).
- Gross profit margin increased to 8.1% (2024: 7.5%).
- The Group maintained a healthy financial position with bank deposits, cash and cash equivalents of HK\$552.1 million (31 March 2025: HK\$545.7 million).
- Low gearing ratio at 2.5% (31 March 2025: 0.8%).
- Basic earnings per share were HK10.20 cents (2024: HK11.98 cents).
- The Board of Directors declared an interim dividend of HK5.0 cents per share.

INTERIM RESULTS

The Board of Directors (the “Board”) of Fairwood Holdings Limited (the “Company”) hereby announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2025 together with the comparative figures for the six months ended 30 September 2024. The interim financial results are unaudited, but have been reviewed by the Company’s auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the interim financial results have been reviewed by the Company’s audit committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025 – UNAUDITED

		Six months ended 30 September	
		2025	2024
	Notes	HK\$'000	HK\$'000
Revenue	3	1,517,523	1,553,451
Cost of sales		<u>(1,394,410)</u>	<u>(1,436,946)</u>
Gross profit		123,113	116,505
Other revenue and other net gain	4	16,663	33,579
Selling expenses		(22,415)	(22,118)
Administrative expenses		(72,258)	(79,806)
Valuation (losses) gains on investment properties		(467)	1,270
Impairment losses on other property, plant and equipment	9	(4,920)	(4,835)
Impairment losses on right-of-use assets	9	<u>(7,819)</u>	<u>(10,083)</u>
Profit from operations		31,897	34,512
Finance costs	5(a)	<u>(16,194)</u>	<u>(16,738)</u>
Profit before taxation	5	15,703	17,774
Income tax expense	6	<u>(2,488)</u>	<u>(2,253)</u>
Profit for the period attributable to equity shareholders of the Company		<u>13,215</u>	<u>15,521</u>
Earnings per share			
Basic	8(a)	<u>HK10.20 cents</u>	<u>HK11.98 cents</u>
Diluted	8(b)	<u>HK10.20 cents</u>	<u>HK11.98 cents</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025 – UNAUDITED

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
Profit for the period attributable to equity shareholders of the Company	13,215	15,521
Other comprehensive income (expense) for the period (after tax):		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
– Exchange differences on translation of financial statements of subsidiaries in Mainland China	<u>45</u>	<u>(591)</u>
Total comprehensive income for the period attributable to equity shareholders of the Company	<u>13,260</u>	<u>14,930</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2025 – UNAUDITED

		At 30 September 2025 <i>HK\$'000</i>	At 31 March 2025 <i>HK\$'000</i>
	<i>Notes</i>		
Non-current assets			
Investment properties		20,623	21,090
Other property, plant and equipment		477,031	433,077
Right-of-use assets		879,582	881,001
		<u>1,377,236</u>	<u>1,335,168</u>
Goodwill		1,001	1,001
Non-current deposits		57,731	61,377
Deferred tax assets		2,129	4,602
		<u>1,438,097</u>	<u>1,402,148</u>
Current assets			
Inventories		61,061	54,282
Trade and other receivables	10	104,928	103,194
Current tax recoverable		2,294	52
Bank deposits and cash and cash equivalents		552,074	545,653
		<u>720,357</u>	<u>703,181</u>
Current liabilities			
Trade and other payables	11	448,654	402,510
Lease liabilities		361,184	372,430
Current tax payable		–	258
Provisions	12	26,743	31,122
Long service payment obligation	13	280	920
Bank borrowings		10,953	5,419
		<u>847,814</u>	<u>812,659</u>
Net current liabilities		<u>(127,457)</u>	<u>(109,478)</u>
Total assets less current liabilities		<u>1,310,640</u>	<u>1,292,670</u>

		At 30 September 2025 <i>HK\$'000</i>	At 31 March 2025 <i>HK\$'000</i>
	<i>Notes</i>		
Non-current liabilities			
Lease liabilities		570,605	565,700
Other payable		11,300	–
Deferred tax liabilities		129	114
Rental deposits received		990	1,690
Provisions	12	43,714	40,224
Long service payment obligation	13	34,034	32,907
Bank borrowings		5,476	–
		666,248	640,635
NET ASSETS		644,392	652,035
Capital and reserves			
Share capital		129,553	129,553
Reserves		514,839	522,482
TOTAL EQUITY		644,392	652,035

NOTES:

1 BASIS OF PREPARATION

This interim financial results have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”), including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, as issued by the HKICPA. It was authorised for issue on 27 November 2025.

The interim financial results have been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 2.

As at 30 September 2025, the Group’s total current assets were HK\$720,357,000 (31 March 2025: HK\$703,181,000) and total current liabilities were HK\$847,814,000 (31 March 2025: HK\$812,659,000). As a result, the Group recorded net current liabilities of HK\$127,457,000 (31 March 2025: HK\$109,478,000) mainly due to lease liabilities of HK\$361,184,000 (31 March 2025: HK\$372,430,000) recognised under current liabilities.

Despite the net current liabilities as at 30 September 2025, the Group’s bank deposits and cash and cash equivalents amounted to HK\$552,074,000 (31 March 2025: HK\$545,653,000) and unutilised banking facilities amounted to HK\$235,327,000 (31 March 2025: HK\$206,140,000) on the same day and the Group reported a profit before taxation of HK\$15,703,000 (2024: HK\$17,774,000) and recorded net cash generated from operating activities of HK\$314,069,000 (2024: HK\$306,636,000) during the six months ended 30 September 2025. Furthermore, based on the cash flow projection prepared by management which covers a period of not less than twelve months from 30 September 2025, the directors of the Company (the “Director(s)”) are of the opinion that anticipated cash flows generated from the Group’s operations and unutilised banking facilities can strengthen the Group’s financial position and enable the Group to have sufficient financial resources to meet its financial obligations as and when they fall due in the coming twelve months from 30 September 2025. Accordingly, the Group’s consolidated financial statements have been prepared on a going concern basis.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The financial information relating to the financial year ended 31 March 2025 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 March 2025 are available from the Company’s head office and principal place of business. The auditor has expressed an unqualified opinion on those financial statements in their report dated 30 June 2025.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued amendments to a HKFRS Accounting Standard that are first effective for the current accounting period. The Directors of the Company anticipate that the application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are operation of fast food restaurants and property investments.

Revenue represents the sales value of food and beverages sold to customers and rental income and excludes value added tax or other sales taxes and is after deduction of any trade discounts. An analysis of revenue is as follows:

	Six months ended 30 September	
	2025 HK\$'000	2024 HK\$'000
Sale of food and beverages at a point in time	1,514,329	1,550,241
Property rental	3,194	3,210
	<u>1,517,523</u>	<u>1,553,451</u>

(b) Segment reporting

The Group manages its businesses by two divisions, namely Hong Kong restaurants and Mainland China restaurants, which are organised by geographical location. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Hong Kong restaurants: this segment operates restaurants in Hong Kong.
- Mainland China restaurants: this segment operates restaurants in Mainland China.

Other segments generate profits mainly from leasing of investment properties and include corporate expenses.

(i) **Segment results**

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the periods is set out below.

For the six months ended 30 September

	Hong Kong restaurants		Mainland China restaurants		Other segments		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	1,437,483	1,459,438	76,846	90,803	3,194	3,210	1,517,523	1,553,451
Inter-segment revenue	—	—	—	—	270	174	270	174
Reportable segment revenue	1,437,483	1,459,438	76,846	90,803	3,464	3,384	1,517,793	1,553,625
Reportable segment profit/(loss)	34,409	26,065	(9,289)	937	3,789	4,420	28,909	31,422

Segment assets information is not reported to or used by the Group's most senior executive management.

(ii) **Reconciliations of reportable segment profit**

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
Profit		
Reportable segment profit before taxation	28,909	31,422
Valuation (losses) gains on investment properties	(467)	1,270
Impairment losses on other property, plant and equipment	(4,920)	(4,835)
Impairment losses on right-of-use assets	(7,819)	(10,083)
Consolidated profit before taxation	15,703	17,774

4 OTHER REVENUE AND OTHER NET GAIN

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
Other revenue		
Interest income	7,960	13,241
Government grants	271	—
	<u>8,231</u>	<u>13,241</u>
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Other net gain		
Net loss on disposal of other property, plant and equipment	(1,777)	(2,323)
Net foreign exchange loss	(226)	(581)
Electric and gas range incentives	2,469	2,773
Profit on sale of redemption gifts	2,016	1,810
Gain on lease modifications	1,770	15,571
Others	4,180	3,088
	<u>8,432</u>	<u>20,338</u>
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	<u><u>16,663</u></u>	<u><u>33,579</u></u>

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
(a) Finance costs		
Interest expense on lease liabilities	16,065	16,647
Interest expenses on bank borrowings	129	91
	<u>16,194</u>	<u>16,738</u>
(b) Other items		
Cost of inventories (<i>Note</i>)	373,559	371,201
Depreciation charge		
– other property, plant and equipment	57,883	51,493
– right-of-use assets	206,096	210,020
Auditor's remuneration	1,010	978
Expenses relating to short-term leases	10,574	13,897
Variable lease payments not included in the measurement of lease liabilities	2,356	2,128
Building management fee & air-conditioning	45,120	44,658
Electricity, water and gas	92,708	95,138
Logistics expenses	31,773	31,517
Repair and maintenance	20,435	22,236
Sanitation	22,057	25,024
Cost of subsequent replacement of cutlery and utensils	4,847	4,407
Staff costs	502,958	537,403
Equity-settled share-based payment expenses	1,121	831
Contributions to defined contribution retirement plan	23,959	25,824
Other expenses	70,212	79,997
	<u>1,466,668</u>	<u>1,516,752</u>
Representing:		
Cost of sales	1,394,410	1,436,946
Administrative expenses	72,258	79,806
	<u>1,466,668</u>	<u>1,516,752</u>

Note: The cost of inventories represents food and beverage costs.

6 INCOME TAX EXPENSE

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
Current tax – Hong Kong Profits Tax		
Provision for the period	–	2,044
Deferred tax		
Origination and reversal of temporary differences	2,488	209
	<u>2,488</u>	<u>2,253</u>

No provision for taxation in Hong Kong has been made as the Group does not have assessable profits arising in Hong Kong for the six months ended 30 September 2025.

The provision for Hong Kong Profits Tax was calculated at 16.5% of the estimated assessable profits for the six months ended 30 September 2024, except for one subsidiary of the Group which was a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK\$2.0 million of assessable profits were taxed at 8.25% and the remaining assessable profits were taxed at 16.5%.

The Group's Mainland China operations do not have assessable profits for the six months ended 30 September 2025 and 2024. Therefore, no provision has been made for People's Republic of China Enterprise Income Tax for both periods.

7 DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the interim period

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
Interim dividend declared and payable after the interim period of HK5.0 cents (2024: HK5.0 cents) per share	<u>6,478</u>	<u>6,478</u>

The interim dividend has not been recognised as a liability at the end of the reporting period.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and payable during the interim period

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
Final dividend in respect of the previous financial year ended 31 March 2025, approved and payable during the following interim period, of HK17.0 cents (year ended 31 March 2024: HK30.0 cents) per share	<u>22,024</u>	<u>38,866</u>

8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the six months ended 30 September 2025 is based on the profit attributable to ordinary equity shareholders of the Company of HK\$13,215,000 (2024: HK\$15,521,000) and the weighted average number of ordinary shares of 129,553,000 shares (2024: 129,553,000 shares) in issue during the period.

(b) Diluted earnings per share

The calculation of diluted earnings per share for the six months ended 30 September 2025 is based on the profit attributable to ordinary equity shareholders of the Company of HK\$13,215,000 (2024: HK\$15,521,000) and the weighted average number of ordinary shares of 129,553,000 shares (2024: 129,553,000 shares) in issue during the period. The computation of diluted earnings per share does not assume the exercise of the Company's options because the exercise prices of those options were higher than the average market price for the period ended 30 September 2025 and 2024.

9 IMPAIRMENT LOSSES ON RIGHT-OF-USE ASSETS AND OTHER PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2025, the Group's management identified certain individual restaurants, each as a cash-generating unit for impairment assessment purpose, which under-performed and estimated the recoverable amounts of the right-of-use assets and other property, plant and equipment of these restaurants. Based on these estimates, the carrying amount of the right-of-use assets and other property, plant and equipment was written down by HK\$7,819,000 (six months ended 30 September 2024: HK\$10,083,000) and HK\$4,920,000 (six months ended 30 September 2024: HK\$4,835,000) respectively during the period. The estimates of recoverable amount were based on the value in use of these right-of-use assets and other property, plant and equipment, determined using a pre-tax discount rate of 15.5% (six months ended 30 September 2024: 15.5%).

10 TRADE AND OTHER RECEIVABLES

	At 30 September 2025 HK\$'000	At 31 March 2025 HK\$'000
Trade debtors, net of loss allowance	8,929	9,025
Other receivables	13,921	16,122
Rental and utility deposits paid	55,667	55,707
Prepayments	26,411	22,340
	<u>104,928</u>	<u>103,194</u>

As at the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follow:

	At 30 September 2025 HK\$'000	At 31 March 2025 HK\$'000
1 to 30 days	7,762	8,588
31 to 90 days	843	220
91 to 180 days	7	190
181 to 365 days	317	27
	<u>8,929</u>	<u>9,025</u>

The Group's sales to customers are mainly on a cash and e-payment basis. The Group also grants credit terms of 30 to 75 days to certain customers to which the Group provides catering services.

11 TRADE AND OTHER PAYABLES

	At 30 September 2025 HK\$'000	At 31 March 2025 HK\$'000
Creditors and accrued expenses	402,366	376,878
Contract liabilities	6,324	7,008
Other payables and deferred income	15,901	17,282
Rental deposits received	888	189
Dividend payable	23,175	1,153
	<u>448,654</u>	<u>402,510</u>

Included in trade and other payables are trade creditors, based on the invoice date, with the following ageing analysis:

	At 30 September 2025 HK\$'000	At 31 March 2025 HK\$'000
1 to 30 days	121,882	114,774
31 to 90 days	7,458	4,048
91 to 180 days	921	2,480
181 to 365 days	31	68
Over one year	235	289
	<u>130,527</u>	<u>121,659</u>

12 PROVISIONS

	At 30 September 2025 <i>HK\$'000</i>	At 31 March 2025 <i>HK\$'000</i>
Provision for reinstatement costs for rented premises	70,457	71,346
Less: Amount included under “current liabilities”	<u>(26,743)</u>	<u>(31,122)</u>
Amount included under “non-current liabilities”	<u><u>43,714</u></u>	<u><u>40,224</u></u>

13 LONG SERVICE PAYMENT OBLIGATION

	At 30 September 2025 <i>HK\$'000</i>	At 31 March 2025 <i>HK\$'000</i>
Long service payment obligation	34,314	33,827
Less: Amount included under “current liabilities”	<u>(280)</u>	<u>(920)</u>
Amount included under “non-current liabilities”	<u><u>34,034</u></u>	<u><u>32,907</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

Overall performance

The Group's revenue for the six months ended 30 September 2025 was HK\$1,517.5 million (2024: HK\$1,553.5 million). Gross profit margin rose to 8.1% (2024: 7.5%). Profit for the period attributable to equity shareholders of the Company was HK\$13.2 million (2024: HK\$15.5 million). Basic earnings per share were HK10.20 cents, compared to HK11.98 cents for the corresponding period in 2024.

Business review

Market conditions remained challenging during the period under review. Despite this, the Group's first half performance was fair, reflecting intensive efforts to improve its overall efficiency and costs. These efforts have helped management achieve a business model to generate sustainable results going forward.

Cost management was handled effectively across all three major areas impacting the Group, namely labour, rent, and food costs. Labour costs remain high in Hong Kong for the F&B sector, but Fairwood has managed these well through productivity initiatives and a more efficient use of its labour resources, especially through the application of data analytics for improved manpower planning. Ongoing automation and digitalisation efforts have also contributed to increased labour efficiency. Meanwhile, rental costs have been lowered as a result of vigorous negotiations with landlords, along with improved use of space at store outlets to maximise usable floor areas. As for food costs, the Group's continual efforts in global sourcing and its expanded range of high-quality vendors has helped maintain costs at a reasonable level with enhanced food quality.

As always, new value promotions and product innovations were rolled out in the period to drive sales and generate new customers. Fairwood's classic Ah Wood Curry signature series was expanded and upgraded. To enhance customer segmentation, a number of different menu focuses were developed, such as a Hong Kong Style series that celebrates some of the classic traditional dishes of the city. The authentic Hong Kong-style satay series of dishes were also elevated based on the Group's recent collaboration with Min Hong (綿香), a much-respected Hong Kong condiment brand with over half a century of history. These are initiatives that have broadened Fairwood's menu range and were met with a strong response among lovers of Hong Kong's unique culinary heritage.

Other special dishes have been developed to attract younger diners, backed by promotional marketing efforts such as those featuring the talented 17-year old local guitarist Dale. These sorts of marketing initiatives are helping to rejuvenate the brand's image and link it with developing youth trends, styles and preferences. A subtle brand revamp was also introduced during the period, including a new version of the 'jumping man' logo and new wall murals in its stores, all designed to evoke a younger and more dynamic brand image.

In another move to enhance its brand perception in the period, Fairwood launched official social media accounts (Facebook and Instagram) to give itself a robust social media presence for the first time. Designed not for overt hard-selling of products, these accounts are instead being used in more subtle ways to connect with customers and build relationships, for example by promoting ESG initiatives, sharing news stories, and emphasising the human side of the Fairwood story. Already, much positive customer engagement has been received since the launch of these platforms in July.

Community engagement

The Group continued with its ongoing CSR initiatives in the period, including its regular Fairwood Care for Senior Card promotions for the elderly, along with its participation in the Caring Food Coupon Programme. Fairwood's Ah Wood Soft Meal initiative has also continued to be developed and expanded. In the period, 23 sessions of Fairwood Swallowing Assessment Stations were held, occasions where customers could be professionally assessed for and advised on chewing and swallowing issues. The sessions, held in collaboration with 31 NGOs, served over 640 people in the period. In addition, in June, in-store soft meal product knowledge training and tasting sessions were carried out for staff at all 39 Fairwood stores that sell the soft meals. Fairwood is now widely known as a reliable source for healthy soft meals for those with chewing or swallowing issues.

Network

During the period under review, there was a net growth of 3 fast food restaurants in Hong Kong. As at 30 September 2025, the Group was operating 150 Fairwood restaurants across Hong Kong. It also operated a small group of 8 specialty restaurants under the brand names ASAP (4), Taiwan Bowl (1), The Leaf Kitchen (2), and Ombra (1).

In the Mainland, after some years of fine-tuning its business model, the Group believes that its operations are stable and sustainable, holding much potential for further growth. During the period under review, there was a net growth of 4 fast food restaurants. The Group was operating 23 Fairwood fast food restaurants in the Greater Bay Area ("GBA") at period end.

Prospects

The macro-economic situation in Hong Kong seems set to continue, posing challenges to Fairwood in terms of finding new ways to succeed and drive growth in an environment of curtailed spending.

As reported above, the Group has been successful in carving out cost efficiencies in pursuit of a highly sustainable operating model. This process will continue in the year ahead. New initiatives to generate incremental sales through Same Store Sales Growth (SSSG) and organic growth via store expansion will also be a focus.

The performance of Fairwood's Chinese Mainland operations has improved over recent months, and this is something that is expected to continue. The Group has had growing success in its marketing efforts, especially with the engagement of many local GBA KOLs as part of efforts to expand Fairwood's profile and attract new Mainland diners. In October, Fairwood opened its first Mainland flagship store in Guangzhou. This will provide a strong basis for planned future expansion, with new stores in the offing.

Building on its optimised business operating model and the strong potential of the GBA region, the Group is looking forward to steady, sustainable growth in the future, developing new tastes and experiences for the next generation of diners while continuing its long tradition of Hong Kong fast food excellence.

Results overview

Revenue

For the six months ended 30 September 2025, the Group recorded revenue of HK\$1,517.5 million, a 2.3% decrease as compared to HK\$1,553.5 million for the same period last year due to challenging market conditions.

An analysis of revenue is as follows:

	2025 HK\$'m	2024 HK\$'m
Sale of food and beverages at a point in time	1,514.3	1,550.3
Property rental	3.2	3.2
	<u>1,517.5</u>	<u>1,553.5</u>

Gross profit margin

Gross profit margin increased to 8.1% (2024: 7.5%), primarily due to (i) optimised staff cost management and (ii) decrease in depreciation of right-of-use assets.

Administrative expenses

Administrative expenses decreased by 9.4% to HK\$72.3 million (2024: HK\$79.8 million). The decrease was mainly contributed by effective cost control.

Key costs

The breakdown of major expenses is set out below:

	2025		2024	
	HK\$'m	% of revenue	HK\$'m	% of revenue
Food and packaging costs	373.6	24.6	371.2	23.9
Staff cost	528.0	34.8	564.1	36.3
Rental costs*	290.0	19.1	297.9	19.2

* Includes depreciation on right-of-use assets, finance cost of lease liabilities, rental costs of short-term lease, variable lease payments, building management fee, air-conditioning, government rates and rent.

Other revenue and other net gain

Other revenue and other net gain decreased by HK\$16.9 million, mainly due to decrease in gain on lease modifications and interest income.

Income tax

Income tax expense increased from HK\$2.3 million to HK\$2.5 million.

Profit attributable to equity shareholders

Profit attributable to shareholders amounted to HK\$13.2 million, a fall of 14.9% against last year's HK\$15.5 million, primarily due to decrease in sales, which was offset by targeted cost control measures.

Financial Review

Liquidity and financial resources

As at 30 September 2025, total assets of the Group amounted to HK\$2,158.5 million (31 March 2025: HK\$2,105.3 million). The Group's net current liabilities were HK\$127.5 million (31 March 2025: net current liabilities of HK\$109.5 million), represented by total current assets of HK\$720.4 million (31 March 2025: HK\$703.2 million) against total current liabilities of HK\$847.8 million (31 March 2025: HK\$812.7 million) and the current ratio, being the proportion of total current assets against total current liabilities, was 0.85 (31 March 2025: 0.87). Total equity was HK\$644.4 million (31 March 2025: HK\$652.0 million).

Despite of net current liabilities, the financial position of the Group remained healthy with bank deposits and cash and cash equivalents totaled HK\$552.1 million (31 March 2025: HK\$545.7 million) which represented 76.6% (31 March 2025: 77.6%) of total current assets. The bank deposits and cash and cash equivalents increased by HK\$6.4 million represented an increase of 1.2% from 31 March 2025 balance. Most bank deposits and cash and cash equivalents were denominated in Hong Kong dollars, United States dollars and Renminbi.

The group had bank borrowings of HK\$16.4 million (31 March 2025: HK\$5.4 million) for PRC business expansion. The gearing ratio was 2.5%, being the proportion of bank borrowings to total equity (31 March 2025: 0.8%). The unutilised banking facilities were HK\$235.3 million (31 March 2025: HK\$206.1 million).

Profitability

Annualised return on average equity was 4.1% (31 March 2025: 5.4%), being profit for the period attributable to equity shareholders of the Company against the average total equity at the beginning and the end of the reporting period and then multiplied by two.

Financial risk management

The Group is exposed to foreign currency risk primarily through other financial assets and bank deposits and cash and cash equivalents that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States dollars and Renminbi. As Hong Kong dollar is pegged to United States dollar, the Group does not expect any significant movements in the United States dollar/Hong Kong dollar exchange rate. The Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short term imbalances and the related foreign exchange risk has not been hedged.

Charges on the Group's assets

As at the end of the reporting period, the net book value of properties pledged as security for banking facilities granted to certain subsidiaries of the Group amounted to HK\$0.6 million (31 March 2025: HK\$0.6 million).

Commitments

As at 30 September 2025, the Group's outstanding capital commitments was HK\$14.3 million (31 March 2025: HK\$53.4 million).

Contingent liabilities

As at 30 September 2025, guarantees are given to banks by the Company in respect of banking facilities extended to certain wholly-owned subsidiaries.

As at the end of the reporting period, the directors of the Company do not consider it probable that a claim will be made against the Company under these guarantee arrangements. The maximum liability of the Company at the end of the reporting period under the guarantees is the amount of the facilities drawn down by all the subsidiaries that are covered by these guarantees, being HK\$119.8 million (31 March 2025: HK\$115.9 million).

The Company has not recognised any deferred income in respect of these guarantees as their fair value cannot be reliably measured and there is no transaction price.

Employee information

As at 30 September 2025, the total number of employees of the Group was approximately 5,400 (31 March 2025: 5,500). Employees' remuneration is commensurate with their job nature, qualifications and experience. Salaries and wages are normally reviewed annually based on performance appraisals and other relevant factors.

The Group continues to offer competitive remuneration packages, share options and bonus to eligible staff, based on the performance of the Group and the individual employees. Also, the Group has committed to provide related training programme (such as on-the-job training, in-house seminar and training sponsorship) to improve the quality, competence and skills of all staff.

DIVIDEND

The Board has declared an interim dividend of HK5.0 cents (2024: HK5.0 cents) per share for the six months ended 30 September 2025 to shareholders whose names appear on the Register of Members of the Company at the close of business on Tuesday, 16 December 2025. The declared dividend represented a distribution of approximately 49% (2024: 42%) of the Group's profit for the period attributable to equity shareholders. The interim dividend will be paid on or before Wednesday, 31 December 2025.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 15 December 2025 to Tuesday, 16 December 2025 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 12 December 2025 for registration. The record date for determining shareholders' entitlement to the interim dividend is Tuesday, 16 December 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Throughout the six months ended 30 September 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules), if any).

CORPORATE GOVERNANCE

The Company has complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Part 2 of Appendix C1 of the Listing Rules throughout the six months ended 30 September 2025, save and except that the Chairman and the Managing Director (Chief Executive Officer) of the Company are not subject to retirement by rotation under the Bye-Laws of the Company (the "Bye-laws").

Code provision B.2.2 of the CG Code stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years; however, the Chairman and the Managing Director of the Company are not subject to retirement by rotation under the Bye-laws. The Board considers that the exemption of both the Chairman and the Managing Director (the Chief Executive Officer) of the Company from such retirement by rotation provisions would provide the Group with strong and consistent leadership, efficient use of resources, effective planning, formulation and implementation of long-term strategies and business plans. The Board believes that it would be in the best interest of the Company for such Directors to continue to be exempted from retirement by rotation provisions.

AUDIT COMMITTEE

The audit committee comprises three Independent Non-executive Directors of the Company and reports to the Board. The audit committee has reviewed with the management and the Company's external auditor the unaudited financial information and interim results for the six months ended 30 September 2025.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules for securities transactions by Directors of the Company. Following specific enquiry by the Company, all Directors of the Company confirmed their compliance with the required standards set out in the Model Code throughout the six months ended 30 September 2025.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the respective websites of the Company (www.fairwoodholdings.com.hk) and the Stock Exchange (www.hkexnews.hk). The interim report of the Company for the six months ended 30 September 2025 containing all information required by the Listing Rules will be dispatched to shareholders of the Company and available on the same websites in due course.

By Order of the Board
Fairwood Holdings Limited
Dennis Lo Hoi Yeung
Chairman

Hong Kong, 27 November 2025

As at the date of this announcement, the Directors of the Company are:

Non-executive Director: Mr Dennis Lo Hoi Yeung (Chairman);

Executive Directors: Mr Lo Fai Shing Francis (Vice Chairman) and Ms Peggy Lee (Chief Executive Officer); and

Independent Non-executive Directors: Mr Joseph Chan Kai Nin, Dr Peter Lau Kwok Kuen, Dr Peter Wan Kam To and Mr Yip Cheuk Tak.