FAIRWOOD HOLDINGS LIMITED
大快活集團有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 52)

DISCLOSEABLE TRANSACTION
RENEWAL OF TENANCY AGREEMENT

The Board hereby announces that on 16 July 2026, Fairwood, an indirect wholly-owned subsidiary of the Company as the tenant and the Landlord entered into the Tenancy Agreement to renew the tenancy of the Premises for a term of five (5) years commencing on 1 August 2026 and expiring on 31 July 2031 (both days inclusive).

In accordance with HKFRS 16 "Leases", the Group is required to recognize the value of the right-of-use asset in connection with the Tenancy Agreement and this transaction will be regarded as an acquisition of an asset by the Group pursuant to the Listing Rules. The estimated value of the right-of-use asset to be recognized by the Group under the Tenancy Agreement is approximately HK$31.1 million, which represents the present value of the basic rent payments throughout the lease terms, discounted using the incremental borrowing rate in accordance with HKFRS16. Incremental borrowing rate of the lease liability is determined with reference to the prevailing interest rate of the Group's external borrowings. Shareholders should note that the above figure is unaudited and may be subject to adjustment in the future.

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the estimated value of the right-of-use asset to be recognized by the Group in accordance with HKFRS in relation to the transaction contemplated thereunder is more than 5% but less than 25%, the entering into of the Tenancy Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Board hereby announces the execution of the Tenancy Agreement with principal terms being set out below.

Tenancy Agreement

Date	:	16 July 2026
Landlord	:	Pridemax Limited
Tenant	:	Fairwood Fast Food Limited

Premises	:	All those portion of shop on First (1st) Floor, and Entire Second (2nd) Floor of Manning House, No. 48 Queen's Road Central, Hong Kong.
Term	:	Five (5) years commencing on 1 August 2026 and expiring on 31 July 2031 (both days inclusive).
Rental	:	Rent payable for any month during the term shall be the higher of (1) basic rent; or (2) turnover rent. Basic rent, together with service charge (subject to adjustments), government rates (subject to adjustments) and other outgoings, amounts to an aggregate sum of approximately HK$40,811,832 for the entire term of the Tenancy Agreement. Turnover rent is 15% of the gross receipts of the Premises for the month in question (exclusive of service charge, government rates and outgoings). The rent payment will be funded by the Group's internal resources.
Deposit	:	Rental deposit of three months' basic rent, service charge and a quarter of government rates, 50% of which is to be satisfied by way of cash, and the remaining 50% of deposit to be satisfied by way of bank guarantee.

Reasons for and Benefits of the Tenancy Agreement

Fairwood has been operating a fast-food restaurant at the Premises for a number of years. By entering into the renewal of Tenancy Agreement, Fairwood will maintain its business operations at the same location which will not only enable Fairwood to continue serving the customers that it has built up over the past years, but also maintain its competitive advantage by retaining its business network in this district. Therefore, Fairwood and the Company consider it as beneficial to enter into the Tenancy Agreement.

The rental payable under the Tenancy Agreement were arrived at after arm's length negotiations between the parties, taking into account the prevailing economic condition and the market rent of similar properties in nearby area. The Directors, including the independent non-executive Directors, consider that the Tenancy Agreement has been entered into in the ordinary and usual course of business of the Company, on normal commercial terms which are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

Information of the Parties

The principal business activity of the Company is investment holding. The principal business activities of Fairwood are investment holding and the operation of a chain of restaurants in Hong Kong.

The Landlord is a company incorporated in Hong Kong and is mainly engaged in property investment.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the Landlord and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Implications under the Listing Rules

In accordance with HKFRS 16 "Leases", the Group is required to recognize the value of the right-of-use asset in connection with the Tenancy Agreement and this transaction will be regarded as an acquisition of an asset by the Group pursuant to the Listing Rules. The estimated value of the right-of-use asset to be recognized by the Group under the Tenancy Agreement is approximately HK$31.1 million, which represents the present value of the basic rent payments throughout the lease terms, discounted using the incremental borrowing rate in accordance with HKFRS16. Incremental borrowing rate of the lease liability is determined with reference to the prevailing interest rate of the Group's external borrowings. Shareholders should note that the above figure is unaudited and may be subject to adjustment in the future.

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the estimated value of the right-of-use asset to be recognized by the Group in accordance with HKFRS in relation to the transaction contemplated thereunder is more than 5% but less than 25%, the entering into of the Tenancy Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Definitions

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set forth below:

"Board"	the board of Directors;
"Company"	Fairwood Holdings Limited, an exempted company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange;
"Directors"	the directors of the Company;
"Fairwood"	Fairwood Fast Food Limited, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company;
"Group"	the Company and its subsidiaries;
"HKFRS"	the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Landlord"	Pridemax Limited, a company incorporated under the laws of Hong Kong;

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Premises"	all those portion of shop on First (1^{st}) Floor, and Entire Second (2^{nd}) Floor of Manning House, No. 48 Queen's Road Central, Hong Kong
"Shareholder(s)"	holder(s) of the shares of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Tenancy Agreement"	a lease agreement dated 16 July 2026 entered into between Fairwood and the Landlord in respect of the Premises; and
"%"	per cent.

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

Hong Kong, 16 July 2026

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, Mr Peter Wan Kam To and Mr Yip Cheuk Tak.

Website: *www.fairwoodholdings.com.hk*