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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 2026

HIGHLIGHTS

- Revenue was HK$1,597.8 million (2025: HK$1,517.5 million), increased by 5.3%.
- Profit for the period attributable to equity shareholders of the Company was HK$33.0 million (2025: HK$13.2 million), increased by 150.0%.
- Gross profit margin increased to 8.8% (2025: 8.1%).
- Basic earnings per share were HK25.50 cents (2025: HK10.20 cents).
- The Board of Directors declared an interim dividend of HK15.0 cents per share.
- Adjusted EBITDA* increased from HK$79.0 million to HK$96.2 million for the period.
- The Group maintained a healthy financial position with bank deposits, cash and cash equivalents of HK$633.4 million (31 March 2026: HK$575.3 million), increased by 10.1%.

* Adjusted EBITDA is calculated based on operating profit before valuation losses on investment properties, impairment losses on property, plant and equipment and right-of-use assets, depreciation for property, plant and equipment, and includes finance cost of lease liabilities.

INTERIM RESULTS

The Board of Directors (the "Board") of Fairwood Holdings Limited (the "Company") is pleased to 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 2026 together with the comparative figures for the six months ended 30 September 2025. 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 2026 – UNAUDITED

		Six months ended 30 September	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
Revenue	3	**1,597,790**	1,517,523
Cost of sales		**(1,456,515)**	(1,394,410)
Gross profit		**141,275**	123,113
Other revenue and other net gain	4	**17,870**	16,663
Selling expenses		**(21,655)**	(22,415)
Administrative expenses		**(73,421)**	(72,258)
Valuation losses on investment properties		**(352)**	(467)
Impairment losses on property, plant and equipment	9	**(3,550)**	(4,920)
Impairment losses on right-of-use assets	9	**(2,621)**	(7,819)
Profit from operations		**57,546**	31,897
Finance costs	5(a)	**(14,992)**	(16,194)
Profit before taxation	5	**42,554**	15,703
Income tax expense	6	**(9,516)**	(2,488)
Profit for the period attributable to equity shareholders of the Company		**33,038**	13,215
Earnings per share			
Basic	8(a)	**HK25.50 cents**	HK10.20 cents
Diluted	8(b)	**HK25.50 cents**	HK10.20 cents

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2026 – UNAUDITED

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
Profit for the period attributable to equity shareholders of the Company	**33,038**	13,215
Other comprehensive income for the period (after tax):		
Item that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of financial statements of subsidiaries in Mainland China	**605**	45
Total comprehensive income for the period attributable to equity shareholders of the Company	**33,643**	13,260

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2026 – UNAUDITED

	Notes	At 30 September 2026 HK$'000	At 31 March 2026 HK$'000
Non-current assets			
Investment properties		**21,552**	21,904
Property, plant and equipment		**495,014**	466,650
Right-of-use assets		**812,291**	890,711
		1,328,857	1,379,265
Goodwill		**1,001**	1,001
Non-current deposits		**65,834**	59,670
		1,395,692	1,439,936
Current assets			
Inventories		**61,538**	56,945
Trade and other receivables	10	**116,512**	98,533
Current tax recoverable		**–**	914
Bank deposits and cash and cash equivalents		**633,435**	575,259
		811,485	731,651
Current liabilities			
Trade and other payables	11	**532,742**	425,469
Lease liabilities		**349,754**	365,226
Current tax payable		**4,571**	477
Provisions	12	**25,974**	26,192
Long service payment obligation	13	**3,007**	1,982
Bank borrowings		**4,893**	227
		920,941	819,573
Net current liabilities		**(109,456)**	(87,922)
Total assets less current liabilities		**1,286,236**	1,352,014

	Notes	**At 30 September 2026** ***HK$'000***	At 31 March 2026 *HK$'000*
Non-current liabilities			
Other payable		**4,520**	9,040
Lease liabilities		**514,078**	580,188
Deferred tax liabilities		**4,276**	1,769
Rental deposits received		**979**	–
Provisions	12	**44,058**	46,846
Long service payment obligation	13	**42,031**	40,109
Bank borrowings		**5,359**	5,337
		615,301	683,289
NET ASSETS		**670,935**	668,725
Capital and reserves			
Share capital		**129,553**	129,553
Reserves		**541,382**	539,172
TOTAL EQUITY		**670,935**	668,725

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 23 November 2026.

The interim financial results have been prepared in accordance with the same accounting policies adopted in the 2026 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2027 annual financial statements. Details of any changes in accounting policies are set out in note 2.

As at 30 September 2026, the Group's total current assets were HK$811,485,000 (31 March 2026: HK$731,651,000) and total current liabilities were HK$920,941,000 (31 March 2026: HK$819,573,000). As a result, the Group recorded net current liabilities of HK$109,456,000 (31 March 2026: HK$87,922,000) mainly due to lease liabilities of HK$349,754,000 (31 March 2026: HK$365,226,000) recognised under current liabilities.

Despite the net current liabilities as at 30 September 2026, the Group's bank deposits and cash and cash equivalents amounted to HK$633,435,000 (31 March 2026: HK$575,259,000) and unutilised banking facilities amounted to HK$408,757,000 (31 March 2026: HK$351,071,000) on the same day and the Group reported a profit before taxation of HK$42,554,000 (2025: HK$15,703,000) and recorded net cash generated from operating activities of HK$342,633,000 (2025: HK$314,069,000) during the six months ended 30 September 2026. Furthermore, based on the cash flow projection prepared by management which covers a period of not less than twelve months from 30 September 2026, 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 2026. 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 2026 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 2026 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 2026 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 2026.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued amendments to HKFRS Accounting Standards that are first effective for the current accounting period. The Directors anticipate that the application of the amendments to HKFRS Accounting Standards 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	
	2026	2025
	HK$'000	*HK$'000*
Sale of food and beverages at a point in time	**1,594,485**	1,514,329
Property rental	**3,305**	3,194
	1,597,790	1,517,523

(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**	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**1,487,723**	1,437,483	**106,762**	76,846	**3,305**	3,194	**1,597,790**	1,517,523
Inter-segment revenue	**–**	–	**–**	–	**270**	270	**270**	270
Reportable segment revenue	**1,487,723**	1,437,483	**106,762**	76,846	**3,575**	3,464	**1,598,060**	1,517,793
Reportable segment profit/(loss)	**56,384**	33,241	**(11,494)**	(9,891)	**3,380**	3,789	**48,270**	27,139

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	
	2026	2025
	HK$'000	*HK$'000*
Profit		
Reportable segment profit before taxation	**48,270**	27,139
Gain on lease modifications	**807**	1,770
Valuation losses on investment properties	**(352)**	(467)
Impairment losses on property, plant and equipment	**(3,550)**	(4,920)
Impairment losses on right-of-use assets	**(2,621)**	(7,819)
Consolidated profit before taxation	**42,554**	15,703

4 OTHER REVENUE AND OTHER NET GAIN

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
Other revenue		
Interest income	**8,664**	7,960
Government grants	**5**	271
	8,669	8,231
Other net gain		
Net loss on disposal of property, plant and equipment	**(2,864)**	(1,777)
Net foreign exchange loss	**(139)**	(226)
Electric and gas range incentives	**4,167**	2,469
Profit on sale of redemption gifts and auxiliaries	**4,743**	3,479
Gain on lease modifications	**807**	1,770
Others	**2,487**	2,717
	9,201	8,432
	17,870	16,663

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
(a) Finance costs		
Interest expense on lease liabilities	**14,798**	16,065
Interest expenses on bank borrowings	**194**	129
	14,992	16,194
(b) Other items		
Cost of inventories *(Note)*	**393,775**	373,559
Depreciation charge		
– Property, plant and equipment	**55,513**	57,883
– Right-of-use assets	**197,051**	206,096
Auditor's remuneration	**1,038**	1,010
Expenses relating to short-term leases	**15,416**	10,574
Variable lease payments not included in the measurement of lease liabilities	**3,998**	2,356
Building management fee & air-conditioning	**45,382**	45,120
Electricity, water and gas	**97,885**	92,708
Logistics expenses	**32,527**	31,773
Repair and maintenance	**20,657**	20,435
Sanitation	**21,537**	22,057
Cost of subsequent replacement of cutlery and utensils	**5,601**	4,847
Staff costs	**524,783**	502,958
Equity-settled share-based payment expenses	**955**	1,121
Contributions to defined contribution retirement plan	**25,127**	23,959
Other expenses	**88,691**	70,212
	1,529,936	1,466,668
Representing:		
Cost of sales	**1,456,515**	1,394,410
Administrative expenses	**73,421**	72,258
	1,529,936	1,466,668

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

6 INCOME TAX EXPENSE

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
Current tax		
Provision for the period	**6,665**	–
Under-provision in respect of prior year	**344**	–
Deferred tax		
Origination and reversal of temporary differences	**2,507**	2,488
	9,516	2,488

The provision for Hong Kong Profits Tax was calculated at 16.5% of the estimated assessable profits for the six months ended 30 September 2026, 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%.

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 the People's Republic of China ("PRC") Enterprise Income Tax is based on the statutory income tax rate of 25% of the assessable income of the Group as determined in accordance with the relevant income tax rules and regulations of the PRC for the six months ended 30 September 2026. The Group's Mainland China operations did not have assessable profits for the six months ended 30 September 2025 and accordingly, no provision had been made for PRC Enterprise Income Tax for prior period.

7 DIVIDENDS

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

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
Interim dividend declared and payable after the interim period of HK15.0 cents (2025: HK5.0 cents) per share	**19,433**	6,478

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	
	2026	2025
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year ended 31 March 2026, approved and payable during the following interim period, of HK25.0 cents (year ended 31 March 2025: HK17.0 cents) per share	**32,388**	22,024

8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the six months ended 30 September 2026 is based on the profit attributable to ordinary equity shareholders of the Company of HK$33,038,000 (2025: HK$13,215,000) and the weighted average number of ordinary shares of 129,553,000 shares (2025: 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 2026 is based on the profit attributable to ordinary equity shareholders of the Company of HK$33,038,000 (2025: HK$13,215,000) and the weighted average number of ordinary shares of 129,553,000 shares (2025: 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 2026 and 2025.

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

During the six months ended 30 September 2026, 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 property, plant and equipment of these restaurants. Based on these estimates, the carrying amounts of the right-of-use assets and property, plant and equipment were written down by HK$2,621,000 (six months ended 30 September 2025: HK$7,819,000) and HK$3,550,000 (six months ended 30 September 2025: HK$4,920,000) respectively during the period. The estimates of recoverable amount were based on the value in use of these right-of-use assets and property, plant and equipment, determined using a pre-tax discount rate of 15.5% (six months ended 30 September 2025: 15.5%).

10 TRADE AND OTHER RECEIVABLES

	At 30 September 2026	At 31 March 2026
	HK$'000	*HK$'000*
Trade debtors, net of loss allowance	**13,806**	8,357
Other receivables	**23,126**	17,301
Rental and utility deposits paid	**45,262**	49,483
Prepayments	**34,318**	23,392
	116,512	98,533

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 2026	At 31 March 2026
	HK$'000	*HK$'000*
1 to 30 days	**13,090**	7,958
31 to 90 days	**663**	341
91 to 180 days	**1**	11
181 to 365 days	**52**	47
	13,806	8,357

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 2026	At 31 March 2026
	HK$'000	*HK$'000*
Creditors and accrued expenses	**461,714**	399,109
Contract liabilities	**9,667**	5,068
Other payables and deferred income	**31,109**	27,193
Rental deposits received	**1,194**	1,948
Dividend payable	**33,578**	1,191
Total trade and other payables	**537,262**	434,509
Less: Amount included under "current liabilities"	**(532,742)**	(425,469)
Non-current portion	**4,520**	9,040

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

	At 30 September 2026	At 31 March 2026
	HK$'000	*HK$'000*
1 to 30 days	**127,670**	118,918
31 to 90 days	**17,846**	140
91 to 180 days	**138**	277
181 to 365 days	**55**	53
Over one year	**209**	211
	145,918	119,599

12 PROVISIONS

	At 30 September 2026	At 31 March 2026
	HK$'000	*HK$'000*
Provision for reinstatement costs for rented premises	**70,032**	73,038
Less: Amount included under "current liabilities"	**(25,974)**	(26,192)
Amount included under "non-current liabilities"	**44,058**	46,846

13 LONG SERVICE PAYMENT OBLIGATION

	At 30 September 2026	At 31 March 2026
	HK$'000	*HK$'000*
Long service payment obligation	**45,038**	42,091
Less: Amount included under "current liabilities"	**(3,007)**	(1,982)
Amount included under "non-current liabilities"	**42,031**	40,109

MANAGEMENT DISCUSSION AND ANALYSIS

Overall performance

The Group's revenue for the six months ended 30 September 2026 was up by 5.3%, at HK$1,597.8 million (2025: HK$1,517.5 million). Gross profit margin rose to 8.8% (2025: 8.1%). Profit for the period attributable to equity shareholders of the Company increased by 150.0% to HK$33.0 million (2025: HK$13.2 million). Basic earnings per share were HK25.50 cents, compared to HK10.20 cents for the corresponding period in 2025.

Business review

Within the Hong Kong market that has stabilised but still faces a host of consumption pressures, Fairwood is very pleased to report healthy revenue growth for the period under review, alongside positive Group-wide Same Store Sales Growth (SSSG). Accompanying this excellent result is a significant jump in net profit, reflecting Fairwood's successful efforts over the past few years to streamline its operation and develop a fully sustainable business model. However, its revenue growth represents perhaps the more significant figure because it shows that, in an operating environment that continues to be challenging, Fairwood is increasing its market share, attracting new consumer segments, and identifying new opportunities for growth.

Several strategies have driven Fairwood's revenue growth. One of the most important has been our work to expand and diversify Fairwood's customer segments, embracing a special focus on younger consumers and on the cross-generational trend for healthy eating. In fact, Fairwood's efforts to cultivate these segments have been ongoing since 2007 with our No MSG Added Series. Our recently popular high-protein Gym series has continued to build on this positive trend, gaining increasing momentum which is translating into positive financial results. To further enhance our appeal to these segments and sustain our market leadership, we have coordinated special product innovations, high-impact PR campaigns, interactive in-store customer engagement, and cross-industry brand joint promotions.

Meanwhile, our product innovation and quality enhancement efforts have continued apace, aimed at expanding the range of dishes to keep existing customers coming back and win new ones. Several of our most popular signature dishes were further upgraded for flavour and quality, and seasonal promotions extended. For instance, our signature Japanese Pork Cutlets are now thicker and juicier than before, our signature Ah Wood Sweet Corn and Diced Pork with Rice now utilises high-quality Tokachi sweetcorn from Hokkaido, and we have introduced "Yin Yeung rice" which include two of our signature dishes in one product.

We also added new products that have reinforced our commitment to catering for diverse preferences. For example, we extended the popular Gym series with a new Homemade Chicken Breast Sausage and an Energy Protein Platter, and launched crossover collaborative promotions with a fitness brand to reach more potential target customers, enabling Fairwood to position itself at the very forefront of the trend for fitness and healthy eating. For seasonal promotions, we expanded our Japanese Series with Yakiniku (grilled meat) dishes, and launched a Taste of Shanghai series that has further complemented our menu. At the same time, we continued to carry out our comprehensive 360 Degree Regular Operation review, under which we constantly evaluate our quality and efficiency in areas such as product recipes and raw materials, equipment maintenance, operational flow execution, and store audit systems and training. One highlight of the review was enhancements to our famous Ah Wood milk tea, involving successfully upgrading the master formula and improving brewing precision to ensure total consistency of taste and quality of this product across all our stores.

Alongside these actions we stepped up our customer engagement activities, utilising major social media platforms and experiential events to reach both existing and potential new customers. Popular campaigns in the period have included our in-store Gym 10-kg Challenge, which has brought many into Fairwood restaurants to test their strength, and the Meccha Chameleon hide-and-seek game, challenging customers to find camouflaged models hidden in our stores. Our collaboration with snack-food brand Nissin Foods on a new Fairwood potato chips product in two flavours has also raised our profile among the younger generation, while we paired our Japanese Pork Cutlet series upgrade with a busking competition of great appeal to young people, with popular singer-songwriter Jay Fung a highlight performer.

Our marketing efforts in the period attracted very positive external recognition and won a number of awards. These included 10 awards at the PR Awards 2026, and further recognitions at the DigiZ Awards 2026 and The Marketing Events Awards 2026 Hong Kong. This year Fairwood also won a prestigious PRC-based award, namely the Douyin Life Service Fast Food & Snacks Industry – Emerging Pioneer Award.

Optimal placement for our stores has been another revenue growth driver. Our increasing use of AI tools has enabled us to pinpoint successful store locations much more accurately than in the past, and in the period we opened three new stores based on advanced data analysis. As at 30 September 2026, the Group was operating 151 Fairwood fast food restaurants across Hong Kong.

Our complementary actions to streamline production processes and control costs, much of which were undertaken last year and earlier, have helped us lock into place a sustainable cost structure. Our increasing sophistication in terms of the deployment of AI and data analytics has also significantly enhanced the speed and accuracy of our decision-making, leading to greater cost efficiencies and ongoing improvements in operating efficiency and productivity.

In the Chinese Mainland, our hard work in recent years to fine-tune our Fairwood business model for a GBA customer base is proving its worth. With standardised product offerings, strong pricing strategies, clearly identified target customer segments, and effective Store Operating Procedures in place, our operations have been designed to deliver profitability at scale. The Chinese Mainland network is now in the process of rapid expansion, with nine new stores having been opened in the period, bringing the total number as at 30 September 2026 to 37.

Community

Our Soft Meal range, designed for those with chewing and swallowing difficulties, has continued to cement Fairwood's reputation as a community-conscious enterprise. All our Fairwood restaurants now sell soft meals, and in the period, enhancements to portion sizes and new flavours in the range have helped drive recognition and further boost revenue growth. We have also remained active across a host of community initiatives, including the longstanding Fairwood Care for Community Programme and volunteer visits to the Sino Chun Yeung Nursing Home. Our commitment to the environment has also been reflected in our participation in the establishment of the BEAM Plus F&B certification system, which was rolled out in July 2026 to cover the environmental assessment of all types of food and beverage operations. Having been a founding member and an integral part of the pilot and implementation phases of BEAM Plus F&B, Fairwood was also among one of the earliest recipients of the scheme's Platinum rating.

Prospects

The actions that have enabled Fairwood to grow its revenue in the period are actions that are fully sustainable going forward. For instance, our increasing focus on the younger segment and on the trend for health-conscious eating holds significant potential for further growth. Already we are finding that the Fairwood brand is becoming associated with healthier ways of eating, quite a breakthrough for a fast-food chain. We will therefore be increasing our attention to products that appeal to younger and health-conscious diners. Alongside this, we will continue maintaining our strong track record of product innovation and quality enhancement, while at the same time holding fast to our longstanding reputation for offering excellent value for money across our range.

Hong Kong rents remain at relatively low historical levels, and Fairwood is continuing to ride this trend to achieve cost-effective expansion of its store network. Plans are in place to open a further two Fairwood fast food restaurants in strategic locations in the second half of the year. In the GBA, we will continue to scale up our Fairwood network at a relatively faster pace.

We have made big strides forward in our Customer Relationship Management (CRM) capabilities in recent years, drawing on the opportunities offered by big data analysis. We aim at further enhancing these capabilities so that our tactical promotions offer even higher precision targeting than before, while continuing to develop AI solutions to improve store efficiencies and strengthen our cost management.

The revenue growth reported for the period could not have been achieved without the prior work done by the Group to establish a fully sustainable operating model built on efficiency and careful cost controls. With that model in place, we declared achieving incremental top-line growth as our primary goal, and we have done just that in the period, despite an unpromising macro environment for Hong Kong F&B businesses. Fairwood's traditions of quality and innovation are now being supplemented by data-driven business analysis and marketing initiatives, leading to genuine expansion and a host of new opportunities for future growth. The next six months represent a further opportunity for Fairwood to consolidate its position as a fast food leader and innovator in Hong Kong and the GBA.

Results overview

Revenue

For the six months ended 30 September 2026, the Group recorded revenue of HK$1,597.8 million, a 5.3% increase as compared to HK$1,517.5 million for the same period last year, driven by an expanded and more diversified customer base, coupled with effective promotions and continuous product innovation and enhancement.

An analysis of revenue is as follows:

	2026	2025
	HK$'m	*HK$'m*
Sale of food and beverages at a point in time	**1,594.5**	1,514.3
Property rental	**3.3**	3.2
	1,597.8	1,517.5

Gross profit margin

Gross profit margin increased to 8.8% (2025: 8.1%), primarily attributable to (i) streamlined production processes and (ii) a sustainable cost structure, resulting in improved operational and cost efficiency.

Administrative expenses

Administrative expenses increased by 1.5% to HK$73.4 million (2025: HK$72.3 million). The increase was due to increase in expenses on digitalisation enhancement.

Key costs

The breakdown of major expenses is set out below:

	2026		2025	
	HK$'m	***% of revenue***	*HK$'m*	*% of revenue*
Food, beverage and packaging costs	**393.8**	**24.6**	373.6	24.6
Staff costs	**550.9**	**34.5**	528.0	34.8
Rental costs*	**230.4**	**14.4**	233.2	15.4

* Includes rental related depreciation on right-of-use assets, finance cost of lease liabilities, rental costs of short-term lease, as well as variable lease payments and gain on lease modifications.

Other revenue and other net gain

Other revenue and other net gain increased by HK$1.2 million, mainly due to increase in (i) electric and gas range incentives and (ii) profit on sale of redemption gifts and auxiliaries.

Impairment losses on right-of-use assets and property, plant and equipment

Owing to improvement of operating results, impairment losses provided for right-of-use assets and property, plant and equipment for the six months ended 30 September 2026 were reduced from HK$12.7 million in last corresponding period to HK$6.2 million.

Income tax

Income tax expense increased from HK$2.5 million to HK$9.5 million. Effective tax rate increased from 15.8% to 22.4% because no deferred tax assets was recognised in respect of tax losses in certain subsidiaries.

Profit attributable to equity shareholders

Profit attributable to shareholders amounted to HK$33.0 million, increase of 150.0% against last period's HK$13.2 million, primarily due to increase in sales, improved operational efficiency and targeted cost control measures.

Financial Review

Liquidity and financial resources

As at 30 September 2026, total assets of the Group amounted to HK$2,207.2 million (31 March 2026: HK$2,171.6 million). The Group's net current liabilities were HK$109.5 million (31 March 2026: net current liabilities of HK$87.9 million), represented by total current assets of HK$811.5 million (31 March 2026: HK$731.7 million) against total current liabilities of HK$920.9 million (31 March 2026: HK$819.6 million) and the current ratio, being the proportion of total current assets against total current liabilities, was 0.9 (31 March 2026: 0.9). Total equity was HK$670.9 million (31 March 2026: HK$668.7 million).

Despite of net current liabilities, the financial position of the Group remained healthy with bank deposits and cash and cash equivalents totaled HK$633.4 million (31 March 2026: HK$575.3 million) which represented 78.1% (31 March 2026: 78.6%) of total current assets. The bank deposits and cash and cash equivalents increased by HK$58.1 million represented an increase of 10.1% from 31 March 2026 balance. This is mainly due to improved net cash inflow from operating activities. 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$10.3 million (31 March 2026: HK$5.6 million) for PRC business expansion. The gearing ratio was 1.5%, being the proportion of bank borrowings to total equity (31 March 2026: 0.8%). The unutilised banking facilities were HK$408.8 million (31 March 2026: HK$351.1 million).

Profitability

Annualised return on average equity was 9.9% (2025: 4.1%), 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 his 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$0.5 million (31 March 2026: HK$0.5 million).

Commitments

As at 30 September 2026, the Group's outstanding capital commitments was HK$19.2 million (31 March 2025: HK$36.1 million).

Contingent liabilities

As at 30 September 2026, 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 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$104.0 million (31 March 2026: HK$118.9 million).

Employee information

As at 30 September 2026, the total number of employees of the Group was approximately 5,700 (31 March 2026: 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 HK15.0 cents (2025: HK5.0 cents) per share for the six months ended 30 September 2026 to shareholders whose names appear on the Register of Members of the Company at the close of business on Thursday, 10 December 2026. The declared dividend represented a distribution of approximately 59% (2025: 49%) of the Group's profit for the period attributable to equity shareholders. The interim dividend will be paid on or before Tuesday, 5 January 2027.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 9 December 2026 to Thursday, 10 December 2026 (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 Tuesday, 8 December 2026 for registration. The record date for determining shareholders' entitlement to the interim dividend is Thursday, 10 December 2026.

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

Throughout the six months ended 30 September 2026, 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 2026, 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 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 2026.

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. Following specific enquiry by the Company, all Directors confirmed their compliance with the required standards set out in the Model Code throughout the six months ended 30 September 2026.

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 2026 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
Lo Fai Shing Francis
Vice Chairman

Hong Kong, 23 November 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, Dr Peter Wan Kam To and Mr Yip Cheuk Tak.