FAIRWOOD HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0052)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2007

FINANCIAL HIGHLIGHTS

- Turnover increased by 22.1% to HK$1,204.9 million
- Gross profit margin improved from 10.7% to 12.2%
- Profit for the year increased by 12.8% to HK$84.7 million
- Profit from business operations (excluding a gain on property disposal of HK$16.9 million in 2006) rose 45.6% to HK$84.7 million
- The Board of Directors recommends a final dividend of HK24.0 cents (2006: HK18.0 cents) per share; total dividend for the year amounts to HK40.0 cents (2006: HK36.0 cents) per share
- Earnings per share were HK66.85 cents (2006: HK60.02 cents)
- Net cash generated from operating activities up 51.9% to HK$187.7 million

ANNUAL RESULTS

The Board of Directors (the "Board") of Fairwood Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2007, together with the comparative figures for the year ended 31 March 2006, as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2007

	Note	2007 HK$'000	2006 HK$'000
Turnover	3	**1,204,863**	986,700
Cost of sales		**(1,057,825)**	(880,989)
Gross profit		**147,038**	105,711
Other revenue	4	**4,997**	3,808
Other net income	4,9	**5,245**	18,687
Administrative expenses		**(55,904)**	(51,837)
Impairment losses for fixed assets		**(7,047)**	(2,741)
Valuation gains on investment properties		**1,489**	370
Profit from operations		**95,818**	73,998
Finance costs	5(a)	**(2,829)**	(721)
Profit before taxation	5	**92,989**	73,277
Income tax	6	**(8,320)**	1,806
Profit attributable to equity shareholders of the Company		**84,669**	75,083
Dividends attributable to the year:	7		
Interim dividend declared and paid during the year		**20,290**	12,488
Special dividend declared and paid during the year		**–**	9,990
Final dividend proposed after the balance sheet date		**30,780**	22,669
		51,070	45,147
Earnings per share	8		
Basic		**66.85 cents**	60.02 cents
Diluted		**65.71 cents**	58.50 cents

CONSOLIDATED BALANCE SHEET

AT 31 MARCH 2007

	Note	2007 HK$'000	2006 HK$'000
Non-current assets			
Fixed assets	9		
– Investment properties		**39,322**	42,833
– Other property, plant and equipment		**238,085**	202,401
		277,407	245,234
Goodwill		**1,001**	1,001
Rental deposits paid		**31,897**	22,619
Other financial assets	10	**40,439**	–
Deferred tax assets		**488**	3,326
		351,232	272,180
Current assets			
Inventories		**18,023**	11,185
Trade and other receivables	11	**34,248**	34,941
Tax recoverable		**118**	118
Other financial assets	10	**58,960**	70,660
Cash and cash equivalents		**115,197**	74,060
		226,546	190,964
Current liabilities			
Secured bank overdrafts		**–**	4
Trade and other payables	12	**199,907**	131,470
Current portion of secured bank loans		**3,000**	4,250
Other loans	13	**8,711**	8,711
Tax payable		**4,797**	648
Provisions	14	**2,053**	2,084
		218,468	147,167
Net current assets		**8,078**	43,797
Total assets less current liabilities		**359,310**	315,977
Non-current liabilities			
Secured bank loans		**3,350**	6,350
Deferred tax liabilities		**30**	–
Rental deposits received		**2,961**	3,301
Provisions	14	**19,137**	17,185
		25,478	26,836
Net assets		**333,832**	289,141
Capital and reserves			
Share capital		**127,522**	125,891
Reserves		**206,310**	163,250
Total equity attributable to equity shareholders of the Company		**333,832**	289,141

Notes

1 Basis of preparation

The financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. The Group has also changed its accounting policy for inventory costing. Note 2 provides information on the changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in the financial statements.

2 Changes in accounting policies

(a) Recently issued accounting standards

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group.

Except for the amendments to HKAS 39 "Financial instruments: Recognition and measurement: Financial guarantee contracts", the adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies applied in the financial statements for the years presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The effect of the adoption of the amendments to HKAS 39 is set out below.

Financial guarantees issued (Amendments to HKAS 39, Financial instruments: Recognition and measurement: Financial guarantee contracts)

In prior years, financial guarantees issued by the Group were disclosed as contingent liabilities in accordance with HKAS 37 "Provisions, contingent liabilities and contingent assets". No provisions were made in respect of these guarantees unless it was more likely than not that the guarantee would be called upon.

With effect from 1 April 2006, in order to comply with the amendments to HKAS 39 in respect of financial guarantee contracts, the Group has changed its accounting policy for financial guarantees issued. Under the new policy, financial guarantees issued are accounted for as financial liabilities under HKAS 39 and measured initially at fair value, where the fair value can be reliably measured. Subsequently, they are measured at the higher of the amount initially recognised, less accumulated amortisation, and the amount of the provision, if any, that should be recognised in accordance with HKAS 37.

The new accounting policy has no impact to the opening retained profits nor the profit or loss for the periods presented due to the fact that the fair value of the financial guarantees issued by the Group cannot be reliably measured. Accordingly, the Group has not recognised any deferred income in respect of the financial guarantees.

(b) Change in application of accounting policies

The Group changed its accounting policy for inventory costing during the year ended 31 March 2007. In prior years, cost of inventories was calculated using the first-in, first-out method. With effect from 1 November 2006, the Group has changed its accounting policy for inventory costing as a result of the implementation of a new management information system. Under the new policy, inventories are calculated using the weighed average cost formula.

Taking into account the Group's short inventory turnover days, the change in accounting policy of inventory costing has no significant impact on the financial statements for the years presented.

3 **Segment reporting**

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

Business segments

The Group comprises the following main business segments:

Restaurant operation : The selling of food and beverages in restaurants.

Property leasing : The leasing of premises to generate rental income.

	Restaurant operation		**Property leasing**		**Inter-segment elimination**		**Consolidated**	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**1,188,824**	969,856	**16,039**	16,844	**–**	–	**1,204,863**	986,700
Inter-segment revenue	**–**	–	**6,215**	7,032	**(6,215)**	(7,032)	**–**	–
Total	**1,188,824**	969,856	**22,254**	23,876	**(6,215)**	(7,032)	**1,204,863**	986,700
Segment result	**76,966**	41,939	**15,392**	29,115			**92,358**	71,054
Unallocated operating income and expenses							**3,460**	2,944
Profit from operations							**95,818**	73,998
Finance costs							**(2,829)**	(721)
Income tax							**(8,320)**	1,806
Profit for the year							**84,669**	75,083
Depreciation for the year	**42,711**	39,174	**782**	1,197				
Impairment of fixed assets	**7,047**	2,741	**–**	–				
Segment assets	**418,915**	330,405	**76,768**	90,088	**(20,088)**	(34,806)	**475,595**	385,687
Unallocated assets							**102,183**	77,457
Total assets							**577,778**	463,144
Segment liabilities	**220,882**	164,378	**21,190**	31,077	**(20,088)**	(43,455)	**221,984**	152,000
Interest-bearing borrowings							**6,350**	10,600
Unallocated liabilities							**15,612**	11,403
Total liabilities							**243,946**	174,003
Capital expenditure incurred during the year	**81,527**	76,364	**–**	–				

Geographical segments

Hong Kong is a major market for all of the Group's businesses.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the assets.

	Hong Kong		The Mainland China	
	2007	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**1,119,414**	922,070	**85,449**	64,630
Segment assets	**432,172**	349,717	**75,599**	75,555
Capital expenditure incurred during the year	**76,395**	71,743	**5,132**	4,621

4 Other revenue and net income

	2007	2006
	HK$'000	*HK$'000*
Other revenue		
Interest income	**4,997**	3,808
Other net income		
Net profit/(loss) on sale of fixed assets		
– Leasehold land and buildings *(note 9)*	**–**	16,947
– Leasehold improvements and other assets	**(236)**	(5,016)
Profit on sale of redemption gifts	**1,909**	2,288
Management fee from canteen operation	**1,125**	1,575
Electric and gas range incentives	**961**	162
Others	**1,486**	2,731
	5,245	18,687

5 Profit before taxation

Profit before taxation is arrived at after charging:

		2007	2006
		HK$'000	*HK$'000*
(a)	*Finance costs:*		
	Change in fair value of other financial assets at fair value through profit or loss	**2,295**	–
	Interest on bank loans and overdrafts repayable within five years	**534**	721
		2,829	721
(b)	*Other items:*		
	Cost of inventories	**323,042**	260,433
	Depreciation of fixed assets	**43,493**	40,371

6 **Income tax in the consolidated income statement**

	2007	2006
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Provision for the year	**4,395**	276
Under-provision in respect of prior years	**75**	212
	4,470	488
Current tax – The People's Republic of China (the "PRC")		
Provision for the year	**982**	944
Deferred tax		
Origination and reversal of temporary differences	**2,868**	(3,238)
	8,320	(1,806)

The provision for Hong Kong Profits Tax for 2007 is calculated at 17.5% (2006: 17.5%) of the estimated assessable profits for the year. PRC taxation represents PRC withholding tax and PRC foreign enterprise income tax for the year and is charged at the appropriate current rates of taxation ruling in the relevant provinces in the PRC.

7 **Dividends**

	2007	2006
	HK$'000	*HK$'000*
Interim dividend declared and paid of HK16.0 cents (2006: HK10.0 cents) per share	**20,290**	12,488
Special dividend declared and paid of HK nil cent (2006: HK8.0 cents) per share	**–**	9,990
Final dividend proposed after the balance sheet date of HK24.0 cents (2006: HK18.0 cents) per share	**30,780**	22,669
	51,070	45,147

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

8 **Earnings per share**

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK$84,669,000 (2006: HK$75,083,000) and the weighted average of 126,656,000 ordinary shares (2006: 125,090,000 shares) in issue during the year.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK$84,669,000 (2006: HK$75,083,000) and the weighted average number of ordinary shares of 128,850,000 ordinary shares (2006: 128,348,000 shares) after adjusting for the effects of all potential ordinary shares.

(c) Reconciliation

	2007	2006
	Number of share '000	*Number of share '000*
Weighted average number of ordinary shares used in calculating basic earnings per share	**126,656**	125,090
Effect of deemed issue of ordinary shares under the Company's share option scheme for nil consideration	**2,194**	3,258
Weighted average number of ordinary shares used in calculating diluted earnings per share	**128,850**	128,348

9 Fixed assets

During the year ended 31 March 2006, the Group disposed of a property with a net book value of HK$10,443,000 to a related party, resulting in a gain on disposal of HK$16,947,000 which was included in "Other net income" in the consolidated income statement. There was no disposal of property during the year ended 31 March 2007.

10 Other financial assets

Other financial assets represent principal protected structured deposits placed with banks which are subject to call option at the discretion of the banks before the maturity dates. Interest is receivable on a quarterly or annual basis and calculated at fixed or variable rates with reference to market rate fluctuations, including LIBOR, foreign currency exchange rate and equity market performance.

11 Trade and other receivables

Included in trade and other receivables are trade debtors (net of impairment losses for bad and doubtful debts) with the following ageing analysis as of the balance sheet date:

	2007	2006
	HK$'000	*HK$'000*
Current to 30 days	**5,425**	3,385
31 to 90 days	**327**	1,113
91 to 180 days	**15**	9
	5,767	4,507

The Group's sales to customers are mainly on a cash basis. The Group also grants credit to certain customers for the sales of the Group's catering services with varying credit terms of 30 to 90 days.

12 Trade and other payables

Included in trade and other payables are trade creditors with the following ageing analysis:

	2007	2006
	HK$'000	*HK$'000*
Current to 30 days	**61,002**	28,926
31 to 90 days	**3,208**	4,966
91 to 180 days	**2,202**	39
181 to 365 days	**71**	4
Over one year	**490**	650
	66,973	34,585

13 Other loans

The loans are from the minority shareholders of non-wholly owned subsidiaries. The balances are unsecured, interest–free and repayable on demand.

14 Provisions

	2007	2006
	HK$'000	*HK$'000*
Provision for long service payments	**9,962**	9,706
Provision for reinstatement costs	**11,228**	9,563
	21,190	19,269
Less: amount included under "current liabilities"	**(2,053)**	(2,084)
	19,137	17,185

15 Comparative figures

Rental deposits paid of HK$22,619,000, provision for reinstatement costs of HK$7,803,000, provision for long service payments of HK$9,382,000 and rental deposit received of HK$3,301,000 as at 31 March 2006 have been re-classified from current assets/liabilities to non-current assets/liabilities to conform with the current year's presentation. The revised presentation reflects better the nature and the terms of the balances.

MANAGEMENT DISCUSSION & ANALYSIS

Overall performance

The Group enjoyed another successful year. For the year ended 31 March 2007, the Group recorded a turnover of HK$1,204.9 million, representing an increase of 22.1% from HK$986.7 million booked in the previous year. Gross profit margin rose from 10.7% to 12.2% while profit attributable to equity shareholders of the Company increased to HK$84.7 million, from HK$75.1 million in the preceding year. Excluding the gain of HK$16.9 million on property disposal in the corresponding period last year, profit from core operating activities registered a year-on-year increase of 45.6% from HK$58.1 million last year to HK$84.7 million. Earnings per share were HK66.85 cents (2006: HK60.02 cents).

Business review

Premier quality of products and services is the key to the Group's continuous remarkable progress during the year. Our new sets of standard in food quality, menu choices and restaurant decor have changed the fast food culture in Hong Kong. During the year, we had introduced a new range of recipes and cooking techniques to provide a more enjoyable dining experience to customers. All stores of the Group have adopted the unified shop decor standard to enhance the brand value and influence.

The Group achieved sustainable growth both in revenue and profit despite the negative impact brought by the appreciation of the RMB, sharp rise in food costs, escalating rental and intensified competition for prime store locations. The Group attained growth in both customer headcount and average spending, contributing to a 22.1% revenue growth. The introduction of a series of marketing initiatives including launching new TV advertising campaign and promotional tactics to boost Fairwood's brand image together with the continual expansion plan for store network have put the Group on the track to meet a number of growth targets. The Group was able to lift its gross profit margin from 10.7% in the previous year to 12.2% as a result of growth in customer headcount, continual introduction of new and higher margin products and improved operational efficiency.

Operations in the Mainland continued to report positive growth for the year under review with new stores opening in Shenzhen and Guangzhou during the year. The Group's fast food outlets in the Mainland achieved a 41.8% growth in total sales for the year.

During the period under review, the Group opened 14 new fast food outlets including 12 in Hong Kong and 2 in the Mainland, and renovated 17 of the existing stores. As at 31 March 2007, the total number of operating outlets in Hong Kong was 88, including 79 fast food outlets, 1 institutional catering outlet, 3 Buddies Cafes and 5 specialty restaurants. The Mainland operation had 8 fast food outlets and 3 institutional catering outlets as at the year end.

Prospect

Looking ahead, the Group will continue to adopt a pragmatic expansion strategy to drive its revenue growth. Although the increase in operational and food costs will put pressure on the Group's margin performance, the management is confident to expand its business reach in the coming years with a committed workforce and the promising growth prospects of Hong Kong and the Mainland.

Fairwood has grown and achieved a revival through a successful brand revamp program and improved quality of products and services. The continuous launch of new product lines with premier quality and the ongoing upgrading of outlets will differentiate the Group from its competitors. We will focus on improving our existing store network and, at the same time, seek to increase our fast food outlets in Hong Kong to a total of 100 by year 2010. A new marketing campaign with new celebrities to bring out an energetic, young and dynamic image for Fairwood and its craving for high quality food, service and ambience has been launched recently and is expected to further bolster market awareness and acceptance of the brand.

The economy of the Mainland will continue to grow fast. To capture the business opportunities of the booming economy, we have added a number of outlets in southern China and the management is optimistic that the operation there will continue the growth momentum. Moving into the next financial year, our objective is to enrich our product offerings and develop menus that cater for local tastes so as to stimulate consumption desire. To strengthen our foothold in the Mainland, our target is to increase the number of outlets to 30 by year 2010 in the major Mainland cities like Guangzhou, Shenzhen and Beijing.

Financial Review

Working capital

At 31 March 2007, the working capital was HK$8.1 million (2006: HK$43.8 million). The reduction from previous year was mainly due to the purchase of other non-current financial assets of HK$40.4 million. The current ratio, being the proportion of total current assets against total current liabilities, was 1.0 (2006: 1.3).

Cash flow

Net cash and cash equivalents amounted to HK$115.2 million at 31 March 2007 (2006: HK$74.1 million), representing an increase of 55.6% as compared to last year's position. During the year, the net cash generated from operating activities was HK$187.7 million (2006: HK$123.6 million). Net cash used in investing activities was HK$101.2 million (2006: HK$58.8 million) with capital expenditures of HK$70.7 million (2006: HK$66.3 million) and purchase of other financial assets HK$54.4 million (2006: HK$55.1 million), off set by the redemption of the other financial assets HK$23.4 million (2006: HK$35.1 million) and net proceeds of HK$0.5 million (2006: HK$27.6 million) from the disposal of fixed assets. Net cash used in financing activities was HK$45.1 million (2006: HK$39.6 million) primarily related to the dividend paid of HK$43.1 million (2006: HK$33.9 million) and net repayment of bank loans of HK$4.3 million (2006: HK$8.3 million).

Liquidity and financial resources

At 31 March 2007, the Group had total assets of HK$577.8 million (2006: HK$463.1 million) and the equity attributable to equity shareholders of the Company was HK$333.8 million (2006: HK$289.1 million).

The Group finances its business with internally generated cash flows and available banking facilities. At 31 March 2007, the Group had total bank loans of HK$6.4 million (2006: HK$10.6 million) which was denominated in Hong Kong dollars and repayable within 5 years. The unutilised banking facilities were HK$260.9 million (2006: HK$160.5 million). The gearing ratio of the Group was 1.0% (2006: 2.2%), which was calculated based on the non-current bank loans over shareholders' equity.

The Group's transaction and monetary base were denominated in HK dollars, US dollars and Renminbi. The impact of the fluctuation in exchange rate is immaterial to the Group's financial position.

Charges on Group's assets

At 31 March 2007, the net book value of properties pledged as security for liabilities amounted to HK$58.5 million (2006: HK$57.7 million).

Commitments

The Group's capital commitments outstanding at 31 March 2007 of HK$10.0 million (2006: HK$18.4 million) were mainly associated to store renovations. The Group also had outstanding other commitments of HK$1.4 million (2006: HK$2.1 million) in respect of the contracting fee for operation of a fast food restaurant.

Contingent liabilities

At 31 March 2007, guarantees are given to banks by the Company in respect of mortgage loans and other banking facilities extended to certain wholly-owned subsidiaries.

As at the balance sheet date, the directors do not consider it probable that a claim will be made against the Company under the guarantee arrangement. The maximum liability of the Company at the balance sheet date under the guarantee is the amount of the facilities drawn down by all the subsidiaries that are covered by the guarantee, being HK$33.2 million (2006: HK$34.4 million).

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

Employee information

At 31 March 2007, the total number of employees of the Group was approximately 4,250 (2006: 3,660) in Hong Kong and the Mainland. Employees' remuneration is commensurate with their job nature, qualifications and experience. Salaries and wages are normally reviewed on an annual basis basing on performance appraisals and other relevant factors.

The Group continues to offer competitive remuneration packages, share options and bonus to eligible staff, basing on the performance of the Group and the individual employee. Also, the Group has committed to provide related training programme to improve the quality, competence and skills of all staff.

DIVIDENDS

The Board recommends to pay a final dividend of HK24.0 cents (2006: HK18.0 cents) per share for the year ended 31 March 2007 to shareholders whose names appear on the Register of Members of the Company at the close of business on 28 August 2007. Together with the interim dividend of HK16.0 cents (2006: HK10.0 cents and a special dividend of HK8.0 cents) per share paid during the year, the total dividend for the year ended 31 March 2007 amounts to HK40.0 cents (2006: HK36.0 cents) per share, representing a total distribution of approximately 60% of the Group's profit for the year. The proposed final dividend will be paid on or before 5 September 2007.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Friday, 24 August 2007 to Tuesday, 28 August 2007 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the final dividend and for attending the forthcoming annual general meeting, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars, Computershare Hong Kong Investor Services Limited, Rooms 1712-6, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:00 p.m. on Thursday, 23 August 2007.

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

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company has complied with the applicable code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules on the Stock Exchange throughout the year ended 31 March 2007, except for the following deviations (i) the roles of chairman and chief executive officer ("CEO") are vested in the same person (Code Provision A.2.1); and (ii) the chairman or managing director is not subject to retirement by rotation under the Bye-Laws of the Company (Code Provision A.4.2). The Board believes that vesting the roles of both chairman and CEO in the same person provides the Group with strong and consistent leadership and would allow the Group to be more effective and efficient in developing long term business strategies and execution of business plans. The Board considers that the balance of power and authority is adequately ensured by the operation of the Board.

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 auditors the audited financial information and annual results for the year ended 31 March 2007 and discussed internal control and risk management system of the Company with the management.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules for securities transactions by Directors of the Company. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the year ended 31 March 2007.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the website of the Company (www.fairwood.com.hk) and the Stock Exchange (www.hkex.com.hk). The 2006/2007 annual report of the Company 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.

APPRECIATION

I wish to take this opportunity to thank my fellow directors and staff members of the Group for their commitment, hard work and contribution during the year. The success of a corporation in a competitive business environment full of challenges requires the concerted effort of a dedicated team. I also thank our business partners and shareholders for their support and trust. We will strive to improve our performance to enhance the value of shareholders' investment in Fairwood and create value to our customers.

By Order of the Board
Dennis Lo Hoi Yeung
Chairman and Chief Executive

Hong Kong, 12 July 2007

As at the date of this announcement, the Executive Directors of the Company are Mr. Dennis Lo Hoi Yeung (Chairman and Chief Executive), Mr. Ng Chi Keung and Mr. Chan Chee Shing; the Independent Non-Executive Directors of the Company are Mr. Herald Lau Ling Fai, Mr. Peter Lee Sheung Yam, Mr. Joseph Chan Kai Nin and Mr. Peter Lau Kwok Kuen.