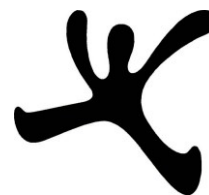


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FAIRWOOD HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)



(Stock Code: 52)

CANCELLATION OF SHARE OPTIONS AND GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Reference is made to the announcement of Fairwood Holdings Limited (the "**Company**") dated 20 April 2018 concerning the grant of 1,100,000 share options at the exercise price of HK\$30.14 (the "**Existing Share Options**") to certain employees to subscribe for 1,100,000 ordinary shares of HK\$1.00 each (the "**Share**") in the capital of the Company in accordance with the terms of the share option scheme of the Company adopted on 7 September 2011 (the "**Share Option Scheme**").

CANCELLATION OF SHARE OPTIONS AND GRANT OF SHARE OPTIONS

As at the date hereof, among the 1,100,000 Existing Share Options, 60,000 of which have been lapsed and 1,040,000 are exercisable (the "**Outstanding Share Options**") in accordance with the terms of the Share Option Scheme.

The exercise price of the Outstanding Share Options has been consistently high when compared with the prevailing market price of the Shares, which deters the option holders of the Outstanding Share Options (the "**Existing Holders**") from exercising the Outstanding Share Options. As a result, the Outstanding Share Options could no longer serve the purpose to motivate the Existing Holders. Thus, on 6 July 2020, the board of directors of the Company (the "**Board**") has resolved to cancel the Outstanding Share Options, subject to the respective consent of the Existing Holders.

Among the 1,040,000 Outstanding Share Options, 40,000 of them were share options granted to Mr. Lo Fai Shing Francis ("**Mr. Francis Lo**"), the Chief Executive Officer, Executive Director and associate (as defined in the Listing Rules) of Mr. Dennis Lo Hoi Yeung, a substantial shareholder and Executive Chairman of the Company.

The Board further announces that on 6 July 2020, the Company offered to grant 1,040,000 new share options (the "**New Share Options**") to the Existing Holders to subscribe for 1,040,000 Shares, which are served as replacement of the cancelled Outstanding Share Options, subject to their respective acceptance, under the Share Option Scheme.

Details of such grant of New Share Options are set out below:

Date of grant	:	6 July 2020
Exercise price of the New Share Options	:	HK\$17.90 per Share
Number of New Share Options	:	1,040,000
Closing price of the Shares on the date of grant	:	HK\$17.90 per Share
Validity period of the New Share Options	:	The New Share Options would vest in five tranches which shall be exercisable during periods as set out below: <ul style="list-style-type: none">(i) 10% of the New Share Options shall be exercisable from 1 April 2021 to 31 March 2027;(ii) 15% of the New Share Options shall be exercisable from 1 April 2022 to 31 March 2027;(iii) 20% of the New Share Options shall be exercisable from 1 April 2023 to 31 March 2027;(iv) 25% of the New Share Options shall be exercisable from 1 April 2024 to 31 March 2027; and(v) 30% of the New Share Options shall be exercisable from 1 April 2025 to 31 March 2027.

Among the 1,040,000 New Share Options offered to be granted, 40,000 of them were granted to Mr. Francis Lo, the Chief Executive Officer, Executive Director and associate (as defined in the Listing Rules) of Mr. Dennis Lo Hoi Yeung, a substantial shareholder and Executive Chairman of the Company. The grant of New Share Options to Mr. Francis Lo has been approved by all the Independent Non-executive Directors of the Company.

Save as disclosed above, none of the grantees of the New Share Options is a director, chief executive or substantial shareholder of the Company, or any of their respective associates.

By Order of the Board
Dennis Lo Hoi Yeung
Executive Chairman

Hong Kong, 6 July 2020

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

Executive Directors: Mr Dennis Lo Hoi Yeung (Executive Chairman), Mr Lo Fai Shing Francis (Chief Executive Officer), Ms Mak Yee Mei and Ms Peggy Lee;

Non-Executive Director: Mr Chan Chee Shing; and

Independent Non-executive Directors: Mr Ng Chi Keung, Mr Joseph Chan Kai Nin, Dr Peter Lau Kwok Kuen, Mr Tony Tsoi Tong Hoo and Mr Peter Wan Kam To.

Website: www.fairwoodholdings.com.hk