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## **BEST FOOD HOLDING COMPANY LIMITED**

### **百福控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01488)**

### **PROFIT WARNING**

This announcement is made by Best Food Holding Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the Group’s preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2024 (the “**Year**”) and assessment of the information currently available to the Board, the Group is expected to record an increase in net loss attributable to equity holders of the Company for the Year to not more than RMB280 million, as compared to net loss of RMB163 million for the year ended 31 December 2023. The expected loss was mainly attributable to the impairment of trademarks and impairment losses on investment in certain associates expected to be recognised for the Year.

The impairment of trademarks was mainly due to the combination of (i) the decrease of revenue for the Year as a result of the closure of restaurants and the underperformance of certain restaurants; and (ii) the decrease in the enterprise value to sales multiples of comparable companies as at 31 December 2024, both of which led to the decrease of the recoverable amount of the cash generating units which was determined by assessing the fair value less cost of disposal. In addition, the Group expects to recognize impairment losses on its investments in certain associates for the Year, after considering relevant factors in determining the respective recoverable amounts of the investments in these associates including the deterioration of their business and the corresponding financial performance and financial condition as well as the decrease in the enterprise value to sales multiples of comparable companies of these associates. The preliminary impairment assessments on trademarks and investments in associates were conducted in accordance with Hong Kong Accounting Standards 36 “Impairment of assets”. The impairment losses are non-cash items and do not have an impact on the Group’s cash flows.

Further details about the impairment losses will be set out in the annual results announcement of the Company for the Year which is expected to be published on or before 31 March 2025 (the “**Annual Results Announcement**”).

The Group will closely monitor the market conditions and adjust its business strategies and operations, while also managing its working capital with rigor to ensure a stable cash flow. The Group will continue to pursue a long-term development strategy by enhancing its operational efficiency and vigorously developing its franchise business, and on the other hand, fully unleashing the advantages of investment empowerment to enhance its invested brands' corporate value.

The information contained in this announcement is based solely on the preliminary review of the unaudited consolidated management accounts of the Group and other information available to the Board as at the date of this announcement, which have not been reviewed by the audit committee of the Company or audited by the auditors. The Company is in the process of finalising the Group's consolidated financial results for the Year, which may be subject to adjustments, if any, upon further review. Shareholders and potential investors of the Company are advised to read carefully the Group's Annual Results Announcement.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

By Order of the Board  
**Best Food Holding Company Limited**  
**Zhao John Huan**  
*Chairman*

Hong Kong, 24 March 2025

*As at the date of this announcement, the Board comprises three executive directors, namely, Mr. Zhao John Huan, Mr. Wang Xiaolong and Mr. Jing Shen and three independent non-executive directors, namely, Mr. Leung Kwai Kei, Mr. Lo Wei-Ren and Ms. Zhuo Ping.*