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 (the "**Board**") of directors (the "**Directors**") of the Company would like to inform the shareholders (the "**Shareholders**") and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2019 (the "**Period**"), it is expected to record a significant increase in the loss attributable to equity holders of the Company for the Period as compared to that for the corresponding period in 2018.

Based on the information currently available to the Board, the Board considers that such expected increase in loss was mainly attributable to, among other things:

(i) Increase in interest expenses, which mainly due to the fact that convertible bonds, issued on 23 November 2018, have not yet been fully converted, resulting in higher interest expenses; and

(ii) In the first half of 2019, "HHG" and "New Spicy Way", being controlling food and beverage brands under the Group, have adopted adjustment measures in various aspects, including, among others, quality enhancement, branding upgrade, franchise and channel expansion, supply-chain reforms and incentive system refinement. However, in respect of the joint-stock food and beverage brands of the Group, as they are subject to certain limitations on scale and experiencing the high-speed growth period, there are relatively large amount of inputs during the transitional phase for long-term growth and scale expansion, as well as exploring for new models of operation. As such, such brands have not yet been able to contribute to the profits of the Group, but even recorded losses.

As the Company is in the process of finalising the unaudited consolidated interim results of the Group for the Period, the information contained in this announcement is only based on the preliminary review of the unaudited consolidated management accounts of the Group for the Period which have not been

* *For identification purpose only*

reviewed or audited by either the audit committee or the auditors of the Company. The unaudited consolidated interim results of the Group may be subject to adjustments, if any, upon further review.

Shareholders and potential investors of the Company are advised to read carefully the interim results announcement of the Company for the Period which is expected to be published on or about 26 August 2019, and the subsequent publication of the 2019 interim report of the Company.

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

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

Hong Kong, 15 August 2019

As at the date of this announcement, the Board of the Company comprises 3 executive Directors, namely, Mr. Zhao John Huan, Mr. Wang Xiaolong and Mr. Jing Shen and 3 independent non-executive Directors, namely, Mr. Leung Kwai Kei, Mr. Heng Victor Ja Wei and Mr. Tsang Hin Man, Terence.