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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 2022 (“**Year 2022**”) and assessment of the information currently available to the Board, as compared to a net loss attributable to equity holders of the Company of approximately RMB640 million for the year ended 31 December 2021 (“**Year 2021**”), the Group is expected to record a net loss attributable to equity holders of the Company for Year 2022 ranging from approximately RMB150 million to RMB170 million. The expected reduction of loss was mainly attributable to the absence of the impairment of goodwill and other intangible assets (the “**Impairment**”) of approximately RMB566.5 million as recognised in Year 2021.

To enable the Shareholders to have a better understanding of the Group’s operational performance, the net loss for Year 2022 (after excluding the impact of certain non-operating items, namely the Impairment, interest expenses of convertible bonds, loss on fair value change on derivative financial instrument and the non-recurring gain on partial disposal and dilution of investments in associates recognised in Year 2021 which was absent in Year 2022) was expected to be in the range of approximately RMB95 million to RMB115 million, as compared to that of approximately RMB87 million in Year 2021. Such loss was mainly attributable to the expected decrease in revenue as a result of the negative impact of the COVID-19 Pandemic (the “**Pandemic**”) in various cities in mainland China which continued throughout Year 2022.

* For identification purpose only

Following the easing of pandemic prevention and control measures in the People's Republic of China since the end of 2022, the Company has noticed a gradual recovery in customers' spending sentiment which has led to an improvement in the operating performance of our restaurants since January 2023. The Group will continue to pursue a long-term development strategy by enhancing its operational efficiency, vigorously developing its franchise business and continuously promoting the construction of a digital system, 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 consolidated annual results announcement for the Year which is expected to be announced by the end of March 2023.

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, 17 March 2023

As at the date of this announcement, the board of directors of the Company 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. Heng Victor Ja Wei and Mr. Lo Wei-Ren.

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