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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)

INSIDE INFORMATION

EXPECTED LOSS POSITION FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023 (the “**Year**”) and assessment of the information currently available to the Board, the Group is expected to record a net loss attributable to equity holders of the Company for the Year ranging from approximately RMB130 million to RMB170 million. The expected loss was mainly attributable to the impairment of trademarks (the “**Impairment**”) ranging from approximately RMB80 million to RMB110 million expected to be recognised for the Year.

Such Impairment was mainly due to a decrease in the enterprise value to sales multiples of comparable companies listed on the stock market of the hotpot brand “Xinladao” as at 31 December 2023, which was one of the key assumptions adopted in the Impairment assessment. The preliminary Impairment assessment was made based on the applicable accounting principles on a prudent basis. The impairment loss on trademarks is a non-cash item and does not have an impact on the Group’s cash flows and operations. Further details about the Impairment will be set out in the annual results announcement of the Company for the Year which is expected to be published on or about 26 March 2024 (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, 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 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, 20 March 2024

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.