Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

BEST FOOD HOLDING COMPANY LIMITED

百福控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01488)

DISCLOSEABLE TRANSACTION

DISPOSAL OF EQUITY INTEREST IN THE TARGET COMPANY

THE DISPOSAL

The Vendor (a wholly-owned subsidiary of the Company) and the Purchasers entered into the Agreement dated 31 July 2025, pursuant to which the Vendor has agreed to dispose of, and the Purchasers have agreed to purchase, the Sale Equity Interest, representing 1.71% equity interest of the Target Company for an aggregate consideration of RMB48,000,000. Completion took place on 5 August 2025.

Prior to Completion, the Group held approximately 17.16% equity interest of the Target Company. Upon Completion, the Group holds approximately 15.46% equity interest in the Target Company and the Target Company continues to be accounted for as an associate of the Group.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE AGREEMENT

The principal terms of the Agreement are set out below:

Date

31 July 2025

Parties

(i) the Vendor;

(ii) Purchaser A;

(iii) Purchaser B; and

(iv) Purchaser C

(collectively, the "**Parties**", and each a "**Party**").

Subject Matter

Pursuant to the Agreement, the Vendor has agreed to dispose of, and the Purchasers have agreed to purchase, the Sale Equity Interest, representing 1.71% of the equity interest of the Target Company.

Consideration

The aggregate consideration for the Disposal is RMB48,000,000, breakdown of which is as follows:

Party	**Consideration Amount** *(RMB)*	**Relevant registered capital** *(RMB)*	**Sale Equity Interest** *(Approximate)*
Purchaser A	15,000,000	65,713	0.54%
Purchaser B	5,000,000	21,904	0.18%
Purchaser C	28,000,000	122,665	1.00%
Total	48,000,000	210,282	1.71%

The consideration was determined after arm's length negotiations between the Vendor and the Purchasers and on normal commercial terms, taking into consideration the following:

(i) the appraised value of 100% equity interest of the Target Company as appraised by an independent valuer (the "**Valuer**") based on market approach, which considers the current price of similar assets in the market. As net profit is a key financial metric commonly used in the industry, the trailing price-to-earnings (P/E) ratio, which was calculated by dividing the total market value of a company by net profit attributable to the parent's shareholders over the most recent 12 months, was adopted as the valuation multiple. For the purposes of the valuation, the valuer considered several comparable companies, each being a company listed on a stock exchange for at least 12 months, operating within the catering industry in the PRC and having principal businesses similar to that of the Target Company, which have a positive P/E ratio ranging from 16 to 64 times, with an average of around 30 times. Noting that the Target Company is not listed on any stock exchange, a discount for the lack of marketability was also applied; and

(ii) the reasons and benefits of the Disposal as stated under the section headed "Reasons for the Disposal and Use of Proceeds" below.

Based on the factors set out above, the Company considers that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Each Purchaser shall provide the Vendor with documents evidencing its ability to settle the relevant consideration for his/its respective Sale Interest within one (1) business day from the date of the Agreement.

The Vendor shall issue a closing notice to the Purchasers when all the Closing Conditions are fulfilled or waived (as applicable). Subject to fulfillment or waiver (as applicable) of the Closing Conditions, the Purchasers shall pay the consideration (after deduction of any applicable withholding tax) to the Vendor within two (2) business days from the receipt of Closing Notice or such other date as agreed by the Vendor and a Purchaser. Payment of the Consideration took place on 5 August 2025.

Conditions Precedent

The obligations for the Purchasers to settle the consideration is subject to the following conditions being satisfied or waived (as applicable) by the relevant Purchaser(s) in writing:

(a) new articles of association relating to the Disposal having been signed and becoming effective by the shareholders of the Target Company;

(b) the Target Company's shareholders and board of directors having passed the relevant resolutions to approve the Disposal;

(c) the Target Company having completed the necessary registration procedures with the relevant regulatory authorities in relation to the Disposal, including without limitation, the industrial and commercial filings and the foreign direct investment filing procedures;

(d) from the date of the Agreement to the Payment Date, the Vendor's representations and warranties remaining true, accurate and valid in all material respects; and

(e) if applicable, the Vendor having obtained all necessary governmental approvals and third party consents for the Disposal in accordance with the applicable laws and regulations (save for the industrial and commercial change registration and reporting procedures to the commercial authorities required for the Disposal).

Completion

Prior to Completion, the Group held approximately 17.16% equity interest of the Target Company. Upon completion of the Disposal, the Group holds approximately 15.46% equity interest in the Target Company and the Target Company continues to be accounted for as an associate of the Group. Completion took place on 5 August 2025.

INFORMATION ON THE TARGET COMPANY

The Target Company is a leading and fast-growing modern Chinese noodle restaurants operator established in Guangzhou in 2014 and operates the Xiao Noodles (遇見小麵) brand, specializing in Sichuan and Chongqing-style, in the mainland China and Hong Kong.

As at the date of this announcement, it is held as to approximately 49.04% by Huai'an Chuangtao Enterprise Management Partnership (Limited Partnership) 淮安市創韜企業管理合夥企業 (有限合夥) (which is in turn held as to 66.67% by Mr. Song Qi* (宋奇) and 33.33% by Mr. Su Xuxiang (蘇旭翔)), 17.16% by the Vendor, 9.06% by CGVCAP1 and CGVCAP2 collectively, 7.73% by Purchaser B, and other shareholders each holding interest ranging from 3.01% to 6.50%.

The audited net asset value of the Target Company as at 31 December 2024 was approximately RMB117,777,000. The audited consolidated financial results of the Target Company for the two years ended 31 December 2024 are as follows:

	For the year ended 31 December	
	2023	**2024**
	RMB'000	*RMB'000*
Net profit before taxation	57,138	74,881
Net profit after taxation	45,914	60,700

FINANCIAL EFFECT OF THE DISPOSAL

It is estimated that, upon Completion, the Group will record a pre-tax gain on the Disposal of approximately RMB42 million in the consolidated statement of comprehensive income, which is estimated with reference to the carrying amount of the investment disposed of as at 30 June 2025 and the aggregate consideration for the Disposal. The final amount of the gain on the Disposal is subject to the audit for the year ended 31 December 2025 by the auditors of the Company.

INFORMATION ON THE GROUP

The principal activity of the Company is investment holding. The Group is principally engaged in the operation of chain restaurants.

The Vendor is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company. The Vendor is principally engaged in investment holding.

INFORMATION ON THE PURCHASERS

Purchaser A

Purchaser A is an individual investor based in the PRC.

Purchaser B

Purchaser B is an individual investor who specializes in the catering industry, and an existing shareholder of the Target Company.

Purchaser C

Purchaser C is an individual based in the PRC, who is the founder of a Chiuchow-style beef hotpot restaurant chain.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, each of the Purchasers is an Independent Third Party.

REASONS FOR THE DISPOSAL AND USE OF PROCEEDS

The Target Company manages chained restaurants specializing in Sichuan and Chongqing-style noodles in mainland China and Hong Kong. According to Frost & Sullivan, the prosperity of Chinese noodle restaurants in China has been fueled by the accelerating urbanization process, rising disposable incomes and the popularity of digital ordering and takeaway platforms. The Target Company has expanded its restaurant network from 170 as of 31 December 2022 to 360 as of 31 December 2024.

The Directors consider that the catering industry in the PRC is currently in a growth period with opportunities and the Vendor may appropriately recover its initial investment costs to replenish its working capital and seek new investment opportunities. Having considered the amount of consideration payable by the Purchasers under the Agreement, the Company considers it to be a good change to dispose of a small part of its investment in the Target Company with a view to realise a considerable gain, which is intended to be applied as a general working capital. Notwithstanding the Disposal, the Company continues to view its shareholding in the Target Company as an important strategic investment of the Company and does not have any plans or intention to dispose of its remaining interest in the Target Company for the time being.

Immediately after Completion, the Group remains as the second largest shareholder who is interested in approximately 15.46% of the equity interest of the Target Company and will continue to be able to exercise significant influence over the Target Company by virtue of the common directorship of Mr. Wang Xiaolong between the Company and the Target Company.

The Directors are of the view that the terms of the Agreement (including the consideration and payment terms) were negotiated on an arm's length basis and on normal commercial terms, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

"Agreement"	the equity transfer agreement dated 31 July 2025 entered into among the Vendor and the Purchasers in relation to the Disposal
"Board"	the board of Directors
"CGVCA"	Shenzhen Country Garden Innovation Investment Management Capital Co., Ltd.*（深圳市碧桂園創新投資有限公司）
"CGVCAP1"	a limited partnership established in the PRC and a fund with investment contributed by CGVCA and others
"CGVCAP2"	a limited partnership established in the PRC and a fund with investment contributed by CGVCA and others

"Closing Conditions"	the conditions precedent as set out in the section headed "Conditions Precedent" of this announcement
"Company"	Best Food Holding Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1488)
"Completion"	completion of the Disposal
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the Sale Equity Interest by the Vendor to the Purchasers pursuant to the terms and conditions of the Agreement
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Parties"	third party(ies) independent of and not connected with the Company or its connected persons (as defined in the Listing Rules)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China
"Purchaser A"	Mr. Du Ming (杜鳴)
"Purchaser B"	Mr. Gu Dongsheng (顧東生)
"Purchaser C"	Mr. Wei Chuanfa (魏傳發)
"Purchasers"	collectively, Purchaser A, Purchaser B and Purchaser C each a "Purchaser"
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Equity Interest"	an aggregate of 1.71% equity interest of the Target Company to be disposed by the Vendor to the Purchasers pursuant to the Agreement
"Share(s)"	ordinary share(s) of HK$0.1 each in the capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Target Company"	Guangzhou Xiao Noodles Catering Management Co., Ltd. (廣州遇見小麵餐飲股份有限公司), a joint stock company incorporated in the PRC with limited liability
"US$"	United States dollars, the lawful currency of the United States of America
"Vendor"	Wonderful Dawn Holdings Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement
"%"	per cent.

By order of the Board
Best Food Holding Company Limited
百福控股有限公司
Zhao John Huan
Chairman

Hong Kong, 5 August 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.

* *For identification purpose only*