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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)

SUPPLEMENTAL ANNOUNCEMENT

DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF EQUITY INTEREST IN THE TARGET COMPANY

Reference is made to the announcement (the "**Announcement**") of the Company dated 5 August 2025 in relation to the Disposal. Unless the context otherwise requires, capitalised terms in this announcement shall have the same meanings as defined in the Announcement. The Board would like to provide additional information in relation to the Disposal.

BASIS OF DETERMINATION OF THE CONSIDERATION

As disclosed in the Announcement, the consideration for the Disposal (the "**Consideration**") was determined after taking into consideration, among other things, the appraised value of 100% equity interest of the Target Company, as appraised by the independent valuer (the "**Valuer**") based on market approach (the "**Valuation**"), being approximately RMB2,716.8 million.

Valuation multiple

The price-to-earnings (P/E) ratio was adopted for the Valuation as it relates the market value of the company's equity to its earnings, being an important driver of shareholder value. Other benchmark multiples considered but not used by the Valuer are as follows:

(i) price to book (P/B) multiple was not used as it fails to capture the intangible company-specific competencies and advantages;

(ii) price to sales & enterprise value to sales (P/S & EV/S) multiple was not used as it does not take into account a company's profitability; and

(iii) enterprise value to earnings before interest and tax (EV/EBIT) multiple was not used as it does not consider a company's tax structure and the cost of financial gearing, which may significantly impact a company's net income.

Comparable companies

Under the guideline public company method, in determining the benchmark multiple, a list of comparable companies was identified by the Valuer based on the following selection criteria:

(a) the companies have been publicly listed on the Stock Exchange, Shenzhen Stock Exchange (SZSE) or Shanghai Stock Exchange (SSE) for at least 12 months;

(b) the primary industry of the companies is "restaurants" under Global Industry Classification Standard, with keyword "restaurant" included in its business description as extracted from S&P Capital IQ;

(c) the companies derive over 90% of its revenues from catering business and restaurant operations;

(d) a majority (i.e. over 50%) of the companies' revenue or non-current asset is generated or located in the Mainland China;

(e) the companies have positive net income; and

(f) sufficient data (including P/E ratio) was available as at 8 July 2025, being the date of valuation.

Based on the Valuer's understanding of the Target Company and the comparable companies, an exhaustive list of comparable companies satisfying the selection criteria is as follows:

Ticker	Name	Company Description	% of Revenue from catering business and restaurant operations *(Note)*	% of Revenue in Mainland China *(Note)*	% of Non-current Asset in Mainland China *(Note)*
SEHK:9922	Jiumaojiu International Holdings Limited	Jiumaojiu International Holdings Limited manages and operates Chinese cuisine restaurant brands in the PRC, Singapore, Canada, Malaysia, the United States, Thailand, and Indonesia. It operates through Tai Er, Song Hot Pot, Jiu Mao Jiu, and other segments. The company operates its restaurants under the Tai Er, Song Hot Pot, Jiu Mao Jiu, Shanwaimian, and Fresh Wood brands. It is also involved in the food processing, central kitchen, and delivery business; and sales of goods. Jiumaojiu International Holdings Limited was founded in 1995 and is headquartered in Guangzhou, the PRC.	approximately 100%	over 90%	over 90%
SEHK:9987	Yum China Holdings, Inc.	Yum China Holdings, Inc. owns, operates, and franchises restaurants in the PRC. The company also provides online food delivery services. It operates restaurants under the KFC, Pizza Hut, Taco Bell, Lavazza, Little Sheep, and Huang Ji Huang brands. Yum China Holdings, Inc. was founded in 1987 and is headquartered in Shanghai, the PRC.	approximately 100%	approximately 93%	N/A
SEHK:1314	Tsui Wah Holdings Limited	Tsui Wah Holdings Limited, an investment holding company, together with its subsidiaries, are principally engaged in the operation of restaurants and sale of food in Hong Kong, Mainland China, and internationally. The company provides food catering and management services. The company was founded in 1967 and is based in Sha Tin, Hong Kong. Tsui Wah Holdings Limited operates as a subsidiary of Cui Fa Limited.	approximately 100%	approximately 43%	approximately 53%
SEHK:6862	Haidilao International Holding Ltd.	Haidilao International Holding Ltd., an investment holding company, together with its subsidiaries, are principally engaged in the (i) restaurant operation, (ii) delivery business, (iii) sales of condiment products and food ingredients, and (iv) franchise business. It operates a Haidilao branded Chinese cuisine restaurant that offers hot pot cuisine. It owns and operates restaurants in Mainland China, Hong Kong, Macau and Taiwan. The company was founded in 1994 and is headquartered in Beijing, the PRC.	approximately 100%	approximately 96%	approximately 90%

Ticker	Name	Company Description	% of Revenue from catering business and restaurant operations *(Note)*	% of Revenue in Mainland China *(Note)*	% of Non-current Asset in Mainland China *(Note)*
SEHK:1405	DPC Dash Ltd	DPC Dash Ltd, together with its subsidiaries, operates a chain of fast-food restaurants in the PRC. It offers fast-food products such as pizza, chicken products, and beverages. In addition, the company engages in restaurant management, dough production, and provides warehousing services. DPC Dash Ltd was formerly known as Dash Brands Ltd and changed its name to DPC Dash Ltd in September 2021. The company was incorporated in 2008 and is headquartered in Shanghai, China.	approximately 100%	approximately 100%	approximately 100%

Note: According to the information derived from annual reports (or calculated based on revenue segments as extracted from S&P Capital IQ in the absence of direct data), each comparable company predominantly generates its revenue from the catering business and restaurant operations in Mainland China.

Below are the financial details and the unadjusted P/E multiples of the comparable companies:

Ticker	Name	Reporting Currency *(Million)*	Market Capitalization *(Note 1)*	Trailing 12 months (TTM) Net Profit *(Note 2)*	P/E Multiple *(Note 3)*
SEHK:9922	Jiumaojiu International Holdings Limited	CNY	3,564	56	63.85
SEHK:9987	Yum China Holdings, Inc.	USD	17,530	919	19.08
SEHK:1314	Tsui Wah Holdings Limited	HKD	267	12	21.61
SEHK:6862	Haidilao International Holding Ltd.	CNY	75,288	4,708	15.99
SEHK:1405	DPC Dash Ltd	CNY	11,882	55	215.27
				Average	30.13

Notes:

1. Data sourced from S&P Capital IQ. The market capitalization of the comparable companies are all source from 8 July 2025.

2. Data sourced from S&P Capital IQ. The TTM net profit data of the comparable companies are based on the latest financial data of the comparable companies available as of the Valuation Date.

3. Statistical analysis has been applied on the comparable companies, in which any P/E multiple that is located more than one standard deviation away from the mean is defined as outlier and excluded in the analysis. DPC Dash Ltd was identified as an outlier based on its P/E multiple as at the Valuation Date.

Given the size difference from the comparable companies and the Target Company, the P/E multiple was adjusted by the following formula:

Adjusted P/E Ratio = 1/((1/M) + (SRPs – SRPb))

Where:

M = The base P/E ratio. In this valuation, the reciprocal of the base P/E multiple represents a capitalization rate of the market capitalization.

SRPs = The size risk premium of the Target Company

SRPb = The size risk premium of the comparable company.

With reference to the 2024 SBBI® Yearbook published by Kroll Inc. (previously Duff & Phelps), a small company size risk premium of 1.73% is applied to the Target Company, and a range of size premium between 0.49% and 4.47% is applied to the comparable companies according to their respective sizes (i.e. market capitalization). The size premium differentials of -2.72%–1.24% were adopted to capture how much the market capitalization of each of the comparable companies is different from the market value of the Target Company. The details of the adjustments and Adjusted P/E Ratios of the comparable companies are as follows:

Ticker	**Name**	**Equity*** *(Million, USD)*	**Size Premium**	**Total Adjustment (SRPs – SRPb)**	**Adjusted P/E Ratio**
SEHK:9922	Jiumaojiu International Holdings Limited	497	1.73%	0.00%	63.85
SEHK:9987	Yum China Holdings, Inc.	17,530	0.49%	1.24%	15.43
SEHK:1314	Tsui Wah Holdings Limited	34	4.47%	-2.74%	52.99
SEHK:6862	Haidilao International Holding Ltd.	10,495	0.49%	1.24%	13.35

**Note:* Data sourced from S&P Capital IQ. The equity values of the comparable companies are computed based on the market capitalization of the companies as of 8 July 2025.

The median of the adjusted P/E Ratio is calculated at 36.4.

Trailing 12 months net profit of the Target Company

As at the Valuation Date, the best available trailing 12 months financial information of the Target Company covered the period from 1 July 2024 to 30 June 2025. The trailing 12 months net profit of the Target Company adopted for the Valuation was RMB 81,165,000, which was derived based on the net profit of the Target Company for the six months ended 30 June 2024, the financial year ended 31 December 2024 and the six months ended 30 June 2025.

Discount for Lack of Marketability (DLOM)

In the Valuation, the Valuer applied the Finnerty method to estimate DLOM. The Finnerty method, being one of the most commonly used theoretical models, estimates the DLOM using an arithmetic average strike put option in which the strike price is based on average value of the underlying asset calculated over a predetermined period.

The parameters adopted in DLOM calculation are as follows:

Valuation Date	**8 July 2025**
Time to maturity (Years)[1]	0.48
Stock Price (S)[2]	1.00
Volatility (%)[3]	51%
Dividend yield	0%

Notes:

1. As there is no specific indication of the time to maturity, it is assumed that a liquidity event will occur at 31 December 2025. The assumption of occurrence of a liquidity event is the normal approach to determine the maturity.

2. Stock price of underlying asset is set to be 1.00 in the valuation to calculate DLOM.

3. With reference to the historical volatility of the comparable companies with a term commensurate with the remaining term of the maturity, as sourced from Capital IQ.

With reference to the put option model, the indicated DLOM adopted for the equity interest in the Target Company was 8.05% as at the Valuation Date.

LISTING RULES IMPLICATIONS

As disclosed in the Announcement, the Disposal constituted a discloseable transaction for the Company and was subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. Due to an inadvertent oversight, the Company had not published the announcement in relation to the Disposal pursuant to Rule 14.34 of the Listing Rules in a timely manner.

Given the Target Company submitted its listing application to the Stock Exchange in mid-April 2025, the Company has been working closely with the Target Company regarding the timing of the Disposal to ensure that the Disposal is executed and completed within a specific timeframe that does not adversely affect the Target Company's proposed listing timetable. Given (i) the unique circumstances of the Target Company and (ii) the Purchasers' obligations to settle the Consideration being subject to completion of certain regulatory procedures (including industrial and commercial filing and foreign direct investment filing), the Company was informed that the Disposal remained subject to significant uncertainty unless and until the Consideration was paid. In light of the above, notwithstanding that the Directors have already reviewed and approved the Disposal in principle and the Company has prepared the draft announcement in advance pending the entering into of the Agreement, the Parties were unable to come up with a clear timetable as to when the Agreement would be entered into.

To facilitate the logistics of the Disposal, the Parties agreed to provide the Target Company with certain documentation (including a set of signed but undated Agreement, pending final confirmation by the Parties of their intention to enter into the Agreement (the "**Final Confirmation**")) for submission to the relevant regulatory authorities for the industrial and commercial change registration (the "**Registration**"). The relevant personnel of the Company who liaised with the Target Company on the Registration was subsequently informed that the regulatory authorities only accept an executed and dated version of the Agreement. Given the significant uncertainty mentioned above, the relevant personnel inadvertently assumed that the terms of the Agreement would only be "finalized", and that an announcement would only need to be made after (i) the Parties had provided their final confirmation and (ii) the Purchasers had settled the Consideration in full. Accordingly, the relevant personnel did not object to the proposed insertion of a date to the Agreement (i.e. 31 July 2025) to satisfy the documentary requirement. This misunderstanding led to a delay in communicating the matter to the management of the Company and, consequently, a delay in the issuance of the Announcement.

On 5 August 2025, the Parties confirmed their intention to enter into the Agreement, and the Purchasers settled the Consideration. On the same day, as soon as the management of the Company was made aware that the Agreement had been signed and dated, the Company immediately took steps to rectify the non-compliance, including by publishing the Announcement before the opening of trading on 6 August 2025.

REMEDIAL ACTIONS

The Company takes the above non-compliance of the Listing Rules seriously and deeply regrets the non-compliance. However, having considered the facts and circumstances of the Disposal, the Directors consider that the non-compliance was an unintentional and inadvertent isolated event.

As at the date of this announcement, remedial measures have been implemented by the Company to further enhance the compliance function of the Group, with the objective of preventing the re-occurrence of similar incidents in the future. The remedial measures include the following:

(i) in late September, the Company has provided further guidance materials and training to responsible staff and employees across different departments who may be involved in relevant transactions regarding (1) how to define a "transaction" under the Listing Rules, (2) the circumstances for an agreement to become "legally binding", and (3) the requirements under Chapter 14 of the Listing Rules in relation to notifiable transactions; and

(ii) the Company has enhanced its reporting procedures to emphasize the reporting of the proposed date of execution of legally binding agreement as set out in item (1) below. The full set of reporting procedures are as follows:

(1) each business unit shall report any transaction (as defined under the Listing Rules) to the finance department at the Company's headquarters before signing any legal documents and shall notify the finance department the proposed date of execution of any legally binding agreement;

(2) the relevant staff from the finance department who have received trainings on Listing Rules compliance shall calculate size tests and ensure that any proposed transaction which may constitute notifiable transactions is promptly reported to the Board;

(3) the Board shall further assess all proposed transactions and ensure they are conducted in compliance with the applicable requirements under the Listing Rules and other relevant rules and regulations;

(4) if the finance department has any questions, it may consult legal and accounting professionals in relation to the proposed transactions when appropriate; and

(5) the internal audit department of the Company shall provide oversight over the enhanced reporting procedure to ensure that it is effectively implemented on an ongoing basis.

The Internal Control Policy on Transaction Management for Compliance with Listing Rules of the Company has been updated in September 2025 to reflect the above enhanced reporting procedure.

Apart from the above remedial actions, the Company will continue to implement the following measures to enhance the regulatory compliance capabilities of the Group:

(i) arrange for external advisers to provide annual trainings on legal and regulatory requirements applicable to the business operations of the Group to the Directors, senior management and relevant employees of the Group; and

(ii) consult professional advisers and the Stock Exchange (where necessary) in a timely manner prior to entering into such transactions, where necessary.

The Board considers that the above enhanced remedial measures and internal controls procedures are adequate and effective in preventing the reoccurrence of similar non-compliance incidents in the future.

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

Hong Kong, 21 October 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*