BEST FOOD HOLDING COMPANY LIMITED

百福控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01488)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**169,135**	190,271
Adjusted loss for the period *(Note)*	**(2,978)**	(15,419)
Adjusted items		
Interest on convertible bonds	**(22,531)**	(20,748)
Loss for the period	**(25,509)**	(36,167)
Loss per share attributable to equity holders of the Company:		
Loss per share (RMB cents) — basic and diluted	**(1.55)**	(2.08)

Note:

The adjusted loss for the period is a non-GAAP financial measure and is calculated as the loss for the period excluding interest on convertible bonds. The Group uses such unaudited adjusted loss as an additional financial measure to supplement the condensed consolidated interim financial information which is prepared in accordance with Hong Kong Accounting Standard 34 Interim Financial Reporting and to evaluate the financial performance of the Group by excluding the impact of certain non-operating items which the Group does not consider to be indicative of the operating performance of the Group.

Such unaudited non-GAAP financial measure has limitation as an analytical tool, and should be considered in addition to, not as a substitute for, analysis of the Company's financial performance prepared in accordance with HKFRS Accounting Standards. This non-GAAP financial measure does not have a standardised meaning prescribed by HKFRS Accounting Standards and therefore may not be comparable to similar measures presented by other companies. The Group's presentation of this non-GAAP financial measure should not be construed as an inference that the Group's future results will be unaffected by these items. Please see "Non-GAAP Financial Measure" for details.

REVIEW OF THE INTERIM RESULTS

PERFORMANCE REVIEW

Best Food Holding Company Limited (the "**Company**" or "**Best Food**") and its subsidiaries (collectively the "**Group**") are principally engaged in the operation of, and investment in, the food and beverage business under several brands.

For the first half of 2026, the Group's total system sales, including sales of all restaurants, both owned and franchised under the brands of the Group and its associates, amounted to RMB1,874.5 million, representing an increase of 9.3% as compared with the corresponding period of 2025. As at 30 June 2026, the number of stores under all the brands of the Group and its associates was 1,179, representing an increase of 4.2% as compared with that as at 30 June 2025. For the first half of 2026, the Group's total system sales, including sales of all restaurants, both owned and franchised under the brands of the Group, amounted to RMB239.3 million, representing a decrease of 12.7% over the corresponding period of 2025; revenue of the Group amounted to RMB169.1 million, representing a decrease of 11.1% over the corresponding period of 2025, which was mainly attributable to fierce market competition.

In the first half of 2026, the overall growth of the catering industry slowed down. Against subdued consumption and shifting supply-demand landscape, consumers prioritise cost performance and products with appealing visuals and enhanced customer experience. Rising food delivery penetration has reshaped consumption habits, squeezing dine-in profits and pressuring traditional single-store models. Fierce competition speeds up market consolidation, benefiting scalable chain players and brands with strong innovation capabilities and remarkable products. Against this backdrop, all brands under Best Food continue operational optimisation to adapt to market shifts.

A multitude of fast-food brands are flocking to enter the Beijing market, resulting in fierce regional price competition for "HHG" rice-based fast food business and greater difficulties in store expansion. As consumers increasingly favour freshly made offerings, the brand continues to refine its store model, boost operational efficiency, launch localised signature products to precisely cater to market demand and proactively respond to industry competition.

With a wave of established and emerging specialty hotpot brands entering the Beijing market, competition has intensified. "Xinladao" fish hot pot leverages refurbished store formats to cut expansion costs, upgrades and optimises selected stores, focuses on fresh product differentiation, accelerates new menu rollouts, and coordinates online and offline marketing to continuously strengthen its core competitiveness.

In addition, Best Food has also invested in the brands operated by its associates, such as Sichuan and Chongqing style fast food "Xiao Noodles", "Paotsai King" claypot rice, "Yuepin" Vietnamese cuisine, "Foook" malatang, "Dafulan" Hunan rice noodles and snacks, and "Panda Hot Pot" small hot pot and others. Among them, Xiao Noodles has strengthened its price advantages, developed lower-tier and overseas markets and expanded its domestic and international store network, driving higher profits.

Moreover, “Paotsai King” performed as leader of claypot rice brands with over 200 stores nationwide. It offers innovative communal stove dining experiences to its customers, receiving critical acclaim in the market.

Drawing on profound industry experience, the Group leverages the Co-Creation Camp as a platform to integrate industrial resources, deepen industry collaboration and provide professional services. Meanwhile, it continues to identify high-quality investment targets, conducts investments in promising stores via Shendianbao, expands revenue growth channels and supports innovative and steady corporate development.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

Total system sales of the Group and its associates increased by 9.3% from RMB1,715.8 million for the six months ended 30 June 2025 to RMB1,874.5 million for the corresponding period of 2026. Total system sales, including sales of all restaurants, both owned and franchised under the brands of the Group, decreased by 12.7% from RMB274.0 million for the six months ended 30 June 2025 to RMB239.3 million for the corresponding period of 2026. Revenue of the Group decreased by 11.1% from RMB190.3 million for the six months ended 30 June 2025 to RMB169.1 million for the corresponding period of 2026, among which revenue from restaurant operations decreased by 31.2% from RMB71.7 million for the six months ended 30 June 2025 to RMB49.3 million for the corresponding period of 2026 which was mainly attributable to intensified competition and consumption downgrading, while revenue from delivery business increased by 7.9% from RMB73.6 million for the six months ended 30 June 2025 to RMB79.4 million for the corresponding period of 2026, which was mainly attributable to platform promotion over consumption habits, and revenue from sale of food ingredients decreased by 10.0% from RMB45.0 million for the six months ended 30 June 2025 to RMB40.5 million for the corresponding period of 2026.

Raw materials and consumables used

Raw materials and consumables used decreased by 8.0% from RMB83.5 million for the six months ended 30 June 2025 to RMB76.8 million for the corresponding period of 2026. Raw materials and consumables used as a percentage of revenue increased from 43.9% for the six months ended 30 June 2025 to 45.4% for the corresponding period of 2026.

Online platform service charges and delivery fees

Online platform service charges and delivery fees increased by 20.1% from RMB13.4 million for the six months ended 30 June 2025 to RMB16.1 million for the corresponding period of 2026, which was mainly attributable to higher delivery platform commission rates and shifts in revenue composition.

Employee benefit expense

Employee benefit expense decreased by 13.4% from RMB55.1 million for the six months ended 30 June 2025 to RMB47.7 million for the corresponding period of 2026, which was mainly attributable to the decrease in staff working hours resulting from the decrease in the number of self-operating stores and control of cost. Employee benefit expense as a percentage of revenue decreased from 29.0% for the six months ended 30 June 2025 to 28.3% for the corresponding period of 2026.

Depreciation of right-of-use assets

Depreciation of right-of-use assets decreased by 19.0% from RMB24.8 million for the six months ended 30 June 2025 to RMB20.1 million for the corresponding period of 2026. Depreciation of right-of-use assets as a percentage of revenue decreased from 13.0% for the six months ended 30 June 2025 to 11.9% for the corresponding period of 2026, which was mainly due to closure of certain leased stores and fewer new store lease agreements.

Depreciation and amortisation of other assets

Depreciation and amortisation of other assets decreased by 28.4% from RMB6.7 million for the six months ended 30 June 2025 to RMB4.8 million for the corresponding period of 2026. Depreciation and amortisation of other assets as a percentage of revenue was 3.5% and 2.8% for the six months ended 30 June 2025 and 2026, respectively.

Property rentals and other related expenses

Property rentals and other related expenses decreased by 10.9% from RMB4.6 million for the six months ended 30 June 2025 to RMB4.1 million for the corresponding period of 2026. Property rentals and other related expenses as a percentage of revenue remained at 2.4% for the six months ended 30 June 2025 and the corresponding period of 2026.

Other expenses

Other expenses decreased by 30.8% from RMB18.5 million for the six months ended 30 June 2025 to RMB12.8 million for the corresponding period of 2026, which was attributable to the decrease in daily maintenance expenses. Other expenses as a percentage of revenue decreased from 9.7% for the six months ended 30 June 2025 to 7.6% for the corresponding period of 2026, which was mainly attributable to the refined expense control during the reporting period.

Share of profit of associates

Share of profit of associates amounted to RMB8.1 million for the six months ended 30 June 2026, as compared to RMB5.9 million for the corresponding period of 2025, which was mainly attributable to contribution from well-performed brands.

Finance expenses — net

Finance expenses — net (which includes finance income, finance expenses and interest on convertible bonds) were RMB24.9 million and RMB24.3 million for the six months ended 30 June 2026 and 2025, respectively, which was mainly attributable to the increase in interest on convertible bonds.

Income tax expenses

Income tax expenses were RMB0.9 million and RMB0.6 million for the six months ended 30 June 2026 and 2025, respectively.

Loss for the period

The Group recorded loss for the period for the six months ended 30 June 2026 of approximately RMB25.5 million, as compared to loss of RMB36.2 million for the six months ended 30 June 2025, which was mainly attributable to the outcomes from cost control and improved profitability of associates.

Non-GAAP Financial Measure

Adjusted loss for the period

The adjusted loss for the period is an additional financial measure, which is not required by, or presented in accordance with HKFRS Accounting Standards. It is calculated as the loss for the period excluding interest on convertible bonds. The table below sets forth the reconciliation of loss for the period to adjusted loss for the period:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(25,509)**	(36,167)
Interest on convertible bonds[1]	**22,531**	20,748
Adjusted loss for the period	**(2,978)**	(15,419)

Note:

(1) Considering that convertible bonds are financial liabilities solely arising from the Company's fundraising activities, the Company considers this adjusting item to be non-operating and not indicative of the operating performance of the principal business of the Group.

Such unaudited non-GAAP financial measure has limitation as an analytical tool, and should be considered in addition to, not as a substitute for, analysis of the Company's financial performance prepared in accordance with HKFRS Accounting Standards. This non-GAAP financial measure does not have a standardised meaning prescribed by HKFRS Accounting Standards and therefore may not be comparable to similar measures presented by other companies. The Group's presentation of this non-GAAP financial measure should not be construed as an inference that the Group's future results will be unaffected by these items.

Right-of-use assets

Under HKFRS 16 Lease ("**HKFRS 16**"), the Group recognized right-of-use assets with respect to its property leases. The right-of-use assets are depreciated over the leasing term or the useful life of the underlying asset, whichever the shorter. As of 30 June 2026, the Group recognized right-of-use assets with an amount of RMB51.5 million (as of 31 December 2025: RMB65.6 million).

Inventories

Inventories mainly represented the food ingredients used in restaurant operation. Inventories increased from RMB17.1 million as of 31 December 2025 to RMB18.2 million as of 30 June 2026. For the year ended 31 December 2025 and for the six months ended 30 June 2026, the turnover days of inventories, which was equal to the average inventory at the beginning of the current year/current period and that at the end of the period divided by the costs of raw materials and consumables during the same period and multiplied by 365 days/181 days, were 35 days and 42 days, respectively.

Trade and other receivables

Trade and other receivables increased from RMB55.0 million as of 31 December 2025 to RMB65.0 million as of 30 June 2026, among which, other receivables increased from RMB46.1 million as of 31 December 2025 to RMB57.7 million as of 30 June 2026 mainly due to the increase in dividends receivable from an associate, consideration receivable in relation to partial disposal of investment in an associate and loans receivable.

Trade and other payables

Trade and other payables increased from RMB112.9 million as of 31 December 2025 to RMB117.0 million as of 30 June 2026. Among which, trade payables decreased from RMB39.1 million as of 31 December 2025 to RMB36.7 million as of 30 June 2026, and the turnover days increased from 77 days for the year ended 31 December 2025 to 89 days for the six months ended 30 June 2026.

Borrowings

As of 30 June 2026, the Group had borrowings of RMB18.7 million (as of 31 December 2025: RMB15.6 million).

Convertible bonds

As of 30 June 2026, convertible bonds and related interests of the Group totaled RMB607.6 million, representing a decrease of RMB1.2 million as compared to RMB608.8 million as of 31 December 2025, which was mainly attributable to the interest incurred and as affected by the fluctuation of exchange rate during the reporting period.

Lease liabilities

As of 30 June 2026, the total lease liabilities amounted to RMB60.5 million, representing a decrease of 18.4% as compared to RMB74.1 million as of 31 December 2025, which was mainly attributable to the lease payment for certain existing leases during the reporting period, and the closure of certain restaurants during the first half of 2026.

FUTURE PROSPECTS

Despite the intense competition in the restaurant industry, the industry's long-term growth potential remains solid. The Group will continue to implement its strategic initiatives, develop core competencies, create sustainable value and deliver returns, including but not limited to:

(i) enhancing brand enterprise value, optimizing the performance of directly operated businesses to drive profit contributions to the Group;

(ii) leveraging the capital market process of high-quality brands to achieve value enhancement and generate cash inflows; and

(iii) exploring diversified investment empowerment models centred around the Shendianbao platform, including but not limited to investments in stores, to cultivate new business growth drivers.

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of the Company is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2026 together with comparative figures for the last corresponding period as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Revenue	*3*	**169,135**	190,271
Other income	*4*	**4,561**	5,513
Raw materials and consumables used		**(76,771)**	(83,533)
Online platform service charges and delivery fees		**(16,105)**	(13,403)
Employee benefit expense		**(47,729)**	(55,144)
Depreciation of right-of-use assets	*8*	**(20,059)**	(24,826)
Depreciation and amortisation of other assets	*8*	**(4,807)**	(6,660)
Utility expenses		**(5,840)**	(6,046)
Property rentals and other related expenses	*8*	**(4,115)**	(4,578)
Reversal of provision for expected credit loss allowance for financial assets, net		**977**	—
Other expenses	*5*	**(12,818)**	(18,491)
Other gains/(losses), net		**967**	(327)
Gain on partial disposal of investment in an associate	*6*	**4,858**	—
Finance income		**59**	25
Finance expenses		**(2,464)**	(3,536)
Interest on convertible bonds	*14*	**(22,531)**	(20,748)
Share of profit of associates		**8,067**	5,914
Loss before taxation		**(24,615)**	(35,569)
Income tax expenses	*7*	**(894)**	(598)
Loss for the period		**(25,509)**	(36,167)
Loss for the period attributable to:			
Equity holders of the Company		**(24,417)**	(32,859)
Non-controlling interests		**(1,092)**	(3,308)
		(25,509)	(36,167)

	Notes	Six months ended 30 June **2026** *RMB'000* **(unaudited)**	2025 *RMB'000* (unaudited)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Currency translation differences		**(4,642)**	(4,344)
Item that will not be reclassified subsequently to profit or loss:			
Currency translation differences		**27,594**	10,497
Other comprehensive income for the period		**22,952**	6,153
Total comprehensive loss for the period		**(2,557)**	(30,014)
Total comprehensive loss for the period attributable to:			
— Equity holders of the Company		**(1,465)**	(26,706)
— Non-controlling interests		**(1,092)**	(3,308)
		(2,557)	(30,014)
Loss per share attributable to equity holders of the Company:			
Loss per share (RMB cents) — Basic	*10*	**(1.55)**	(2.08)
Loss per share (RMB cents) — Diluted	*10*	**(1.55)**	(2.08)

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	**As at 30 June 2026** *RMB'000* **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
Non-Current Assets			
Property, plant and equipment		**36,691**	37,584
Right-of-use assets		**51,518**	65,576
Investments accounted for using the equity method		**209,496**	208,727
Goodwill		**45,495**	45,495
Intangible assets		**236,167**	236,322
Deferred income tax assets		**14,638**	15,018
Other receivables	*11*	**7,082**	7,093
Other non-current assets		**1,137**	1,154
Financial assets at fair value through profit or loss		**8,797**	2,940
		611,021	619,909
Current Assets			
Inventories		**18,221**	17,116
Trade and other receivables	*11*	**57,963**	47,925
Other current assets		**40,991**	35,021
Financial assets at fair value through profit or loss		**40,980**	35,687
Cash and cash equivalents		**20,120**	41,373
Restricted cash		**76**	168
		178,351	177,290
Total Assets		**789,372**	797,199

	Notes	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Current Liabilities			
Trade and other payables	*12*	**116,983**	112,925
Contract liabilities		**57,410**	59,006
Lease liabilities		**28,131**	31,315
Borrowings	*13*	**18,686**	15,632
Current income tax liabilities		**5,123**	5,215
Convertible bonds — due within one year	*14*	**16,145**	16,785
		242,478	240,878
Non-Current Liabilities			
Convertible bonds	*14*	**591,499**	592,021
Lease liabilities		**32,346**	42,831
Deferred income tax liabilities		**66,204**	66,516
Other non-current liabilities		**11,949**	7,500
		701,998	708,868
Total Liabilities		**944,476**	949,746
Capital and Reserves			
Share capital		**133,023**	133,023
Reserves		**(312,523)**	(311,058)
Deficit attributable to equity holders of the Company		**(179,500)**	(178,035)
Non-controlling interests		**24,396**	25,488
Total Deficit		**(155,104)**	(152,547)
Total Liabilities and Equity		**789,372**	797,199

Notes:

1. BASIS OF PREPARATION

The condensed consolidated interim financial information has been prepared in accordance with Hong Kong Accounting Standard 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The condensed consolidated interim financial information does not include all of the notes normally included in annual consolidated financial statements. Accordingly, this condensed consolidated interim financial information is to be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025, which have been prepared in accordance with HKFRS Accounting Standards.

Going concern

As of 30 June 2026, the Group's current liabilities exceeded its current assets by RMB64,127,000 (31 December 2025: RMB63,588,000).

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from its operations and obtain sufficient financing from banks or related parties to meet its financial obligations as and when they fall due. The Group will continue to implement plans and measures to improve the operational performance of its chain restaurant business and control costs and expenses to generate operating cash inflow.

Considering the Group's ability to generate net cash inflows from its future operating activities and to obtain sufficient financing from banks or related parties as necessary, the directors of the Company believe that adequate funding is available to fulfill the Group's debt obligations and capital expenditure requirements for the next 12-month period commencing from the date of approval of the condensed consolidated interim financial information. Therefore, the condensed consolidated interim financial information has been prepared on the going concern basis.

2. ACCOUNTING POLICIES

The condensed consolidated interim financial information has been prepared on the historical cost basis except for certain financial assets and financial liabilities which are measured at fair value through profit or loss.

The accounting policies applied to the preparation of this condensed consolidated interim financial information are consistent with those applied in the annual financial statements for the year ended 31 December 2025, except for the adoption of amended standards as set out below:

Amended standard adopted by the Group

The Group has applied the following amended standard for the first time from 1 January 2026:

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Contracts Referencing Nature-dependent Electricity*
Annual improvements	*Annual improvements to HKFRS Accounting Standards — Volume 11*

The amended standards and annual improvements listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New or amended standards not yet adopted

The following new or amended accounting standards have been published which are not mandatory for reporting periods commencing 1 January 2026 and have not been early adopted by the Group:

		Effective date
HKFRS 18	*Presentation and Disclosure in Financial Statements*	*1 January 2027*
HKFRS 19 and Amendment to HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*	*1 January 2027*
Amendment to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*	*1 January 2027*
Amendments to HKAS 28 and HKFRS 10	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	*To be determined*

These new or amended accounting standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions, except that the adoption of HKFRS 18 upon its effective date is expected to have certain pervasive impact on the presentation and disclosures of the Group's consolidated financial statements which were described in the Group's annual consolidated financial statements for the year ended 31 December 2025.

3. REVENUE AND SEGMENT INFORMATION

The Company's executive directors are the chief operating decision maker (the "**CODMs**"). The CODMs periodically review the Group's internal report in order to assess performance and allocate resources. The CODMs have determined the operating segments based on these reports. Operating segments are reported in a manner consistent with the internal reporting provided to the CODMs.

During the period ended 30 June 2026 and 2025, the CODMs focus on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is reviewed. Accordingly, no operating segment information is presented.

Disaggregation of revenue from contracts with customers

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Restaurant operation	**49,312**	71,696
Delivery business	**79,370**	73,567
Sale of food ingredients	**40,453**	45,008
Total	**169,135**	190,271

The Group's principal market is the PRC and its sales to overseas customers contributed to less than 10% of revenue. Also, none of the Group's non-current assets is located outside the PRC. Accordingly, no geographical information is presented.

The Group has a large number of customers. For the six months ended 30 June 2026 and 2025, no revenue derived from transactions with a single external customer represented 10% or more of the Group's total revenue.

4. OTHER INCOME

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Franchise income	**2,797**	3,561
Investment income on wealth management products	**447**	169
Management service income *(a)*	**651**	1,066
Interest income on loans	**28**	162
Others	**638**	555
	4,561	5,513

(a) Management service income mainly includes service fees received by the Group in relation to the provision of commercial, management, administrative support services and fund management fee.

5. OTHER EXPENSES

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Daily maintenance expenses	**2,432**	4,006
Advertising and marketing expenses	**2,128**	2,387
Business development expense	**2,645**	2,951
Professional fees	**2,861**	2,409
Auditors' remuneration		
— Audit services	**900**	900
— Non-audit services	**—**	—
Other expenses	**1,852**	5,838
Total other expense	**12,818**	18,491

6. GAIN ON PARTIAL DISPOSAL OF INVESTMENT IN AN ASSOCIATE

	Unaudited Six months ended 30 June **2026** ***RMB'000***	 2025 *RMB'000*
Gain on partial disposal of investment in an associate	**4,858**	—

For the 6 months ended 30 June 2026, Tianshuilai (Beijing) Catering Trade Management Co. Ltd (北京天水來餐飲管理有限公司) ("**Tianshuilai**"), an associate of the Group, repurchased certain interests in the associate from the Group for an aggregate consideration of RMB5.1 million. Upon completion of the disposal, the Group's percentage of shareholding in Tianshuilai decreased from 25.03% to 24.90%. The Group recognised a pre-tax gain of approximately RMB4.9 million and Tianshuilai continues to be an associate of the Group. After deducting the related withholding income tax of approximately RMB0.5 million, the Group is expected to receive net proceeds of approximately RMB4.6 million from the disposal in the year.

7. INCOME TAX EXPENSES

	Unaudited Six months ended 30 June **2026** ***RMB'000***	 2025 *RMB'000*
Current income tax		
Hong Kong profits tax	**—**	—
Withholding income tax in relation to dividends received from an associate	**284**	379
Withholding income tax in relation to gain on partial disposal of investment in an associate	**468**	—
PRC enterprise income tax ("**EIT**")	**59**	42
	811	421
Deferred income tax charge	**83**	177
Income tax expense	**894**	598

Cayman Islands

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and accordingly, is exempted from the Cayman Islands income tax.

Hong Kong

Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. (2025: 16.5%).

The PRC

Under the Law of the PRC on Enterprise Income Tax and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

Withholding income tax

For the 6 months ended 30 June 2026, Wonderful Dawn Holdings Limited ("**Wonderful Dawn**", a wholly owned subsidiary of the Company incorporated in Hong Kong) was subject to withholding income tax in respect of the following:

- Wonderful Dawn received dividends from an associate which is incorporated in the PRC. The taxable income is subject to withholding income tax at the rate of 10%; and

- Wonderful Dawn disposed of a portion of its investment in an associate that is incorporated in the PRC. The taxable income is subject to withholding income tax at the rate of 10%.

8. DEPRECIATION, AMORTISATION, PROPERTY RENTALS AND OTHER RELATED EXPENSES

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Depreciation of right-of-use assets	**20,059**	24,826
Depreciation of property, plant and equipment	**4,653**	6,493
Amortization of intangible assets	**154**	167
Total depreciation and amortization	**24,866**	31,486
Property rentals		
— office premises (fixed payments)	**123**	128
— restaurants		
— fixed payments	**1,194**	1,564
Property management fee	**2,798**	2,886
Total property rentals and other related expenses	**4,115**	4,578

9. DIVIDENDS

The board of directors of the Company has determined not to declare interim dividend for the six months ended 30 June 2026 (2025: nil).

10. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the period attributable to equity holders of the Company of RMB24,417,000 (2025: loss of RMB32,859,000) and the weighted average number of ordinary shares in issue of 1,578,664,000 (2025: 1,578,664,000) shares during the period.

Diluted loss per share is calculated by adjusting the weighted average number of shares in issue to assume conversion of all dilutive potential shares. The Company's dilutive potential shares comprise shares to be issued under convertible bonds, share option scheme and share award scheme. In relation to shares issued under share option schemes, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares during the period) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

The Group was making loss from its operations during the six months ended 30 June 2026 and 2025 and the inclusion of the dilutive potential ordinary shares would therefore be anti-dilutive. Hence, the diluted loss per share is same as the basic loss per share for the respective periods.

11. TRADE AND OTHER RECEIVABLES

	Unaudited As at 30 June 2026	Audited As at 31 December 2025
	RMB'000	*RMB'000*
Trade receivables	**10,022**	11,652
Other receivables	**91,663**	80,983
Total trade and other receivables	**101,685**	92,635
Less: provision for expected credit loss allowance for trade receivables	**(2,709)**	(2,709)
provision for expected credit loss allowance for other receivables	**(33,931)**	(34,908)
Trade and other receivables — net	**65,045**	55,018
Including:		
Current portion		
Trade receivables — net	**7,313**	8,943
Other receivables — net	**50,650**	38,982
	57,963	47,925
Non-current portion		
Other receivables — net	**7,082**	7,093
Trade and other receivables — net	**65,045**	55,018

The ageing analysis of trade receivables based on the invoice date at the end of the reporting period is as follows:

	Unaudited As at 30 June 2026	Audited As at 31 December 2025
	RMB'000	*RMB'000*
Within 6 months	**6,721**	6,249
6 months to 1 year	**3,301**	5,403
	10,022	11,652

12. TRADE AND OTHER PAYABLES

	Unaudited As at 30 June 2026	Audited As at 31 December 2025
	RMB'000	*RMB'000*
Trade payables	**36,691**	39,055
Other payables and accruals	**80,292**	73,870
	116,983	112,925

The ageing analysis of trade payables based on the invoice date at the end of the reporting period is as follows:

	Unaudited As at 30 June 2026	Audited As at 31 December 2025
	RMB'000	*RMB'000*
Within 6 months	**21,125**	25,066
Over 6 months	**15,566**	13,989
	36,691	39,055

13. BORROWINGS

	Unaudited As at 30 June 2026 *RMB'000*	Audited As at 31 December 2025 *RMB'000*
Current		
Guaranteed		
Bank borrowings — denominated in RMB	**—**	1,600
Unsecured and unguaranteed		
Bank borrowings — denominated in RMB	**10,000**	5,000
Loans from a related party — denominated in HKD	**8,686**	9,032
Total borrowings	**18,686**	15,632

(a) Maturity of borrowings

	Unaudited As at 30 June 2026 *RMB'000*	Audited As at 31 December 2025 *RMB'000*
12 months or less	**18,686**	15,632

(b) Weighted average annual interest rates

	Unaudited As at 30 June 2026 *RMB'000*	Audited As at 31 December 2025 *RMB'000*
Borrowings	**5.26%**	6.02%

14. CONVERTIBLE BONDS

	Unaudited	Audited
	As at	As at
	30 June	31 December
	2026	2025
	RMB'000	*RMB'000*
Current		
Convertible bonds — due within one year	**16,145**	16,785
Non-current		
Convertible bonds	**591,499**	592,021

As at 30 June 2026, the current portion of the Convertible Bonds due within one year amounted to HK$18,588,000 (equivalent to approximately RMB16,145,000), which represented the interest payable due on 23 November 2026 and was calculated at the coupon rate of 3% per annum. The remaining portion of the Convertible Bonds are classified as non-current liabilities.

The fair value of the liability component was calculated using a market interest rate for an equivalent non-convertible bond at the issue date. The remainder of the proceeds is allocated to the conversion option and recognised in shareholders' equity on special reserve.

The movement in the components of the Convertible Bonds during the six months ended 30 June 2025 and 2026 are as follows:

	Liability component	**Equity component**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Six months ended 30 June 2025 (Unaudited)			
As at 1 January 2025	647,780	104,294	752,074
Interest expenses *(Note)*	20,748	—	20,748
Exchange difference	(10,046)	—	(10,046)
As at 30 June 2025	658,482	104,294	762,776
Six months ended 30 June 2026 (Unaudited)			
As at 1 January 2026	**608,806**	**104,294**	**713,100**
Interest expenses *(Note)*	**22,531**	**—**	**22,531**
Exchange difference	**(23,693)**	**—**	**(23,693)**
As at 30 June 2026	**607,644**	**104,294**	**711,938**

Note: The interest expense of RMB22,531,000 (2025: RMB20,748,000) was calculated using the effective interest method.

15. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to 30 June 2026 and up to the date of this results announcement, no important event affecting the Group had occurred.

16. The condensed consolidated interim financial information is unaudited but has been reviewed by the audit committee of the Company.

INTERIM DIVIDEND

The Board has resolved not to declare interim dividend for the six months ended 30 June 2026 (2025: nil).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group recorded a total shareholders' deficit of RMB155.1 million as at 30 June 2026 (31 December 2025: total shareholders' deficit of RMB152.5 million). As at 30 June 2026, the Group had current assets of RMB178.4 million (31 December 2025: RMB 177.3 million) and current liabilities of RMB242.5 million (31 December 2025: RMB240.9 million).

The Group generally finances its operations and possible redemption with internally generated cash flow, bank borrowings, loans from related parties and convertible bonds. As at 30 June 2026, the Group had outstanding borrowings of RMB18.7 million (31 December 2025: 15.6 million). As at 30 June 2026, the Group maintained cash and cash equivalents of RMB20.1 million (31 December 2025: RMB41.4 million).

As at 30 June 2026, the Group had outstanding convertible bonds of RMB607.6 million (31 December 2025: RMB608.8 million). Please refer to Note 14 to the condensed consolidated financial results of the Company in this announcement for further details.

The Group's ability to meet its commitments and working capital requirements is supported by its future operating cash flow generation capacity and financing facilities. The Directors have reasonable expectation that the Group will maintain sufficient liquidity. By enabling the Group to settle liabilities and avoid operational curtailments, the Directors believe that adequate funding is available to fulfil the Group's debt obligations and capital expenditure requirements for the next 12-month period commencing from the date of this announcement.

The capital structure of the Group consists of debts, which include convertible bonds, lease liabilities and borrowings, and equity attributable to equity holders of the Company, comprising share capital and reserves.

Key financial ratios of the Group are listed as below:

	As at 30 June 2026	As at 31 December 2025	2024	2023	2022
Current ratio[(1)]	**0.74**	0.74	0.17	0.68	0.67
Net cash-to-equity ratio[(2)]	**(0.009)**	(0.17)	(0.002)	0.53	0.09

Notes:

(1) Calculated based on total current assets as at the end of the relevant period/year divided by total current liabilities as at the end of the corresponding period/year.

(2) Calculated based on our cash and cash equivalents net of total borrowings at the end of the relevant period/year over shareholders' deficit/equity as at the end of the corresponding period/year.

CAPITAL COMMITMENTS

As at 30 June 2026, the Group had no capital expenditure contracted for but not provided in the consolidated financial results in respect of property, plant and equipment (31 December 2025: nil).

SIGNIFICANT INVESTMENTS

As of 30 June 2026, the significant investments held by the Group were the investments in Guangzhou Xiao Noodles Catering Management Co., Ltd. ("**Xiao Noodles**") and Tianshuilai (Beijing) Catering Trade Management Co. Ltd ("**Tianshuilai**"), of which the individual carrying amount of such investments was more than 5% of the Group's total assets.

The following table summarises the information regarding the Group's investments in Xiao Noodles and Tianshuilai:

	Number of shares held as of 30 June 2026	**Percentage of shareholding as of 30 June 2026**	**Carrying value calculated using the equity method as of 30 June 2026**	**Percentage of carrying value relative to the Group's total assets as of 30 June 2026**
Xiao Noodles	94,725,310 shares	13.33%	RMB129.6 million	16.4%
Tianshuilai	N/A	24.90%	RMB53.5 million	6.8%

Xiao Noodles is a leading and fast-growing modern Chinese noodle restaurants operator established in Guangzhou in 2014, specializing in Sichuan and Chongqing-style, in the Chinese mainland, Hong Kong and Singapore. Xiao Noodles is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (stock code: 2408). It has expanded its restaurant network from 170 as of 31 December 2022 to 550 as of 30 June 2026. The cost of the Group's investment in Xiao Noodles is approximately RMB30.8 million.

Tianshuilai, operating the "Paotsai King" claypot rice brand, specializes in freshly prepared multi-flavor clay pot rice, served alongside slow-cooked soups and side dishes to focus on improving product satisfaction. As of 30 June 2026, it has expanded its footprint to over 200 stores nationwide, primarily operating through direct-owned stores. The cost of the Group's investment in Tianshuilai is approximately RMB41.8 million.

In recent years, the Group has established a multi-brand investment matrix based on cross-region, cross-sector and multiple business forms. The Group has implemented internal control measures to ensure effective monitoring of its investments. With a focus on generating investment returns and enhancing value, the Group is committed to leverage the platform synergy to support the growth of associates' businesses across diverse catering categories.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group had no material acquisition or disposal of subsidiaries, associates or joint ventures during the six months ended 30 June 2026.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group currently has no definite plans for material investments and capital assets as at the date of this announcement.

CHARGE ON ASSETS

As at 30 June 2026 and as at 31 December 2025, there was no charge over the assets of the Group.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any material contingent liabilities (31 December 2025: nil).

GEARING RATIO

The Group's gearing ratios are listed as below:

	As at 30 June 2026	As at 31 December 2025	2024	2023	2022
Gearing ratio	**134%**	135%	152%	92%	72%

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including borrowings and convertible bonds as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as "deficit/equity" as shown in the consolidated balance sheet plus net debt.

FOREIGN EXCHANGE EXPOSURE

The Group's businesses are principally conducted in HK dollars and Renminbi ("**RMB**") which are exposed to foreign currency risk with respect to transactions denominated in currencies other than HK dollars and RMB. Foreign exchange risk arises from recognised assets and liabilities and net investments in foreign operations. The Group did not enter into any forward contract to hedge its exposure to foreign currency risk for the six months ended 30 June 2026 (31 December 2025: nil).

HUMAN RESOURCES

As at 30 June 2026, the Group had a workforce of 1,107 people (31 December 2025: 1,128 people). The Group maintains a good relationship with its employees, and provides them with proper training and competitive compensation and incentives. The staff are remunerated based on their work performance, professional experience and prevailing market situation. Remuneration packages comprise salary and bonuses based on individual merits.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at 30 June 2026, the Company did not hold any treasury shares.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Throughout the six months ended 30 June 2026, the Company had complied with the code provisions set out in Part 2 of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange in force.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code. The Company has made specific enquiry with all Directors and they have confirmed that they have complied with the Model Code throughout the six months ended 30 June 2026.

EVENTS AFTER REPORTING PERIOD

Save as disclosed in Note 15 to the condensed consolidated financial results of the Company above, as at the date of this announcement, no significant event has taken place subsequent to 30 June 2026.

AUDIT COMMITTEE

The unaudited interim results of the Group for the six months ended 30 June 2026 have not been reviewed by the auditors of the Company but have been reviewed by the audit committee of the Company, which comprises all the independent non-executive Directors. The audit committee of the Company has also discussed with the management the accounting principles and practices adopted by the Group and its internal controls and financial reporting matters.

INTERIM REPORT

This results announcement is published on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (www.bestfoodholding.com). The interim report of the Company for the six months ended 30 June 2026 will be made available on the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 28 August 2026

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.