BEST FOOD HOLDING COMPANY LIMITED
百 福 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01488)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Revenue	**399,160**	474,209
Adjusted profit/(loss) for the year *(Note)*	**17,161**	(76,509)
Adjusted items		
Interest on convertible bonds	**(42,447)**	(39,811)
Impairment of intangible assets	**(44,554)**	(93,528)
Impairment of investments in associates	**(9,902)**	(71,385)
Gain on dilution of investment in an associate	**65,997**	—
Tax impact in respect of the impairment of intangible assets	**11,138**	23,382
Effect of deferred income tax in respect of the gain on dilution of investment in an associate	**(6,600)**	—
Loss for the year	**(9,207)**	(257,851)
Loss per share attributable to equity holders of the Company:		
Loss per share (RMB cents) — basic and diluted	**(0.33)**	(15.32)

Note:

The adjusted profit/(loss) for the year is a non-GAAP financial measure and is calculated as the loss for the year excluding interest on convertible bonds, impairment of intangible assets, impairment of investment in associates, gain on dilution of investment in an associate, tax impact in respect of the impairment of intangible assets and effect of deferred income tax in respect of the gain on dilution of investment in an associate. The Group uses such adjusted profit/(loss) as an additional financial measure to supplement the consolidated financial statements which are presented in accordance with HKFRS Accounting Standards and to evaluate the financial performance of the Group by excluding the impact of certain non-operating, non-recurring and non-cash items which the Group does not consider to be indicative of the operating performance of the Group.

Such 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 may be defined differently from similar terms used 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.

PERFORMANCE REVIEW

Best Food Holding Company Limited (the "**Company**" or "**Best Food**") and its subsidiaries (collectively the "**Group**") are engaged in the operation of, and investment in, food and beverage business under several brands, including "Xinladao" fish hot pot, "HHG" Chinese fast food, "Xiao Noodles" Sichuan and Chongqing style fast food, "Paotsai King" claypot rice, "Yuepin" Vietnamese cuisine, "Foook" malatang, "Dafulan" Hunan rice noodles and snacks and "Panda Hot Pot" small hot pot.

For the year 2025, 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 RMB3,740.0 million, representing an increase of 7% compared to the corresponding period of 2024. As at 31 December 2025, the number of stores under all the brands of the Group and its associates was 1,149, which is flat compared with that as at 31 December 2024. For the year 2025, the revenue as recorded in the consolidated financial statements of the Group amounted to RMB399 million, representing an decrease of 15.8% over the corresponding period of 2024.

In 2025, China's catering market maintained low single-digit growth, with weaker consumption recovery than in previous years. Market differentiation was pronounced, and consumption in first-tier cities in the PRC remained under persistent pressure. The industry suffered from supply-demand imbalance, both inadequate demand for mid-to-high-end catering and oversupply in the mid-to-low-end segment accelerated industry reshuffling, resulting in high number of annual store closures. Consumers trended toward consumption downgrade and preference for fresh, made-to-order food. Major food delivery platforms competed for traffic, driving up online consumption while eroding dine-in foot traffic and profitability. As the secondary capital market rebounded, large-scale catering chains pressed ahead with IPOs and steadily expanded into overseas markets.

Beijing's fast-food market is fiercely competitive, with non-local chain brands accelerating expansion in the city, while local fast-food brands have adjusted their strategies to respond. "HHG", a Chinese rice-based fast-food brand, proactively adapted to consumer demand, strengthened its core positioning of fresh, on-site cooking and stir-frying, and maintained steady product launch rhythm. It also capitalized on the traffic boom on food delivery platforms, implemented refined control over operating costs and expenses, and improved operational efficiency and market competitiveness.

The hot pot sector, where "Xinladao" operates, has become hyper-competitive. It carried out strategic optimization and scaled back its presence to focus on the Beijing market. To match shifting consumer demand, it centered on core competitiveness of fresh, on-site cut ingredients, highlighted seasonal specialty products, and drove innovation and upgrades in brand image and in-store dining scenarios. Leveraging a resource-efficient model and internal-external joint venture partnerships, it worked to sustain its competitiveness in the Beijing regional market.

Among Best Food investments of joint venture brands, many recorded steady growth. Notably, "Xiao Noodles" successfully listed on The Stock Exchange of Hong Kong Limited at the end of 2025. Supported by the rapid expansion of store network and optimized regional layout, the numbers of stores of the brand exceeded 500, further diluting headquarters operating costs and achieving record profit levels. "Paotsai King" innovated and promoted a clay pot rice round-table stove business model, continuously refined its store model, and steadily deepened direct-operated business and expanded franchising on the basis of its existing 200-plus stores, realizing scalable brand growth.

Best Food adheres to a dual-wheel drive strategy of catering operation empowerment and investment management. Drawing on years of practical experience in the catering industry, the Group accurately identifies industry developments and future trends. It has built an industry resource integration platform through its "Co-Creation Camp" (共創營) program, with training empowerment and investment in new-concept stores as core value drivers. The Group specially established "Shendianbao"(神店寶) partnership enterprise to systematically explore new investment opportunities, focus on the investment and layout of high-quality catering stores, and foster new growth engines for the Group's performance.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

Revenue of the Group decreased by 15.8% from RMB474.2 million for the year ended 31 December 2024 to RMB399.2 million for the corresponding period of 2025, among which revenue from restaurant operations decreased by 41.0% from RMB213.2 million for the year ended 31 December 2024 to RMB125.7 million for the corresponding period of 2025, and revenue from delivery business increased by 3.7% from RMB168.6 million for the year ended 31 December 2024 to RMB174.9 million for the corresponding period of 2025. The decrease in restaurant operations revenue is primarily due to intense market competition, the Group's own strategic transformation which resulted in a reduction in the number of directly operated stores and an increase in the number of franchise stores. Revenue from delivery business increased due to boosted consumer demand driven by concentrated platform promotions.

Raw materials and consumables used

Raw materials and consumables used decreased by 9.8% from RMB199.3 million for the year ended 31 December 2024 to RMB179.7 million for the corresponding period of 2025, which was mainly attributable to the decline in sales amount. Raw materials and consumables used as a percentage of revenue were 42.0% for the year ended 31 December 2024 and 45.0% for the corresponding period of 2025, respectively.

Online platform service charges and delivery fees

Online platform service charges and delivery fees decreased by 4.8% from RMB33.6 million for the year ended 31 December 2024 to RMB32.0 million for the corresponding period of 2025. Online platform service charges and delivery fees as a percentage of revenue from delivery business decreased from 19.9% for the year ended 31 December 2024 to 18.3% for the corresponding period of 2025.

Employee benefit expense

Employee benefit expense decreased by 25.3% from RMB144.1 million for the year ended 31 December 2024 to RMB107.7 million for the corresponding period of 2025, which was mainly attributable to expense control and cost reduction during the reporting period, and employee benefit expense as a percentage of revenue decreased from 30.4% for the year ended 31 December 2024 to 27.0% for the corresponding period of 2025.

Depreciation of right-of-use assets

Depreciation of right-of-use assets decreased by 19.9% from RMB55.7 million for the year ended 31 December 2024 to RMB44.6 million for the corresponding period of 2025, which was mainly due to the closure of certain underperforming restaurants during the reporting period; depreciation of right-of-use assets as a percentage of revenue decreased from 11.7% for the year ended 31 December 2024 to 11.2% for the corresponding period of 2025.

Depreciation and amortisation of other assets

Depreciation and amortisation of other assets decreased by 31.0% from RMB16.8 million for the year ended 31 December 2024 to RMB11.6 million for the corresponding period of 2025, which was mainly due to the closure of certain underperforming restaurants and disposal of underlying assets with lower revenue contribution during the reporting period. Depreciation and amortisation of other assets as a percentage of revenue decreased from 3.5% for the year ended 31 December 2024 to 2.9% for the corresponding period of 2025.

Property rentals and other related expenses

Property rentals and other related expenses decreased by 34.7% from RMB14.7 million for the year ended 31 December 2024 to RMB9.6 million for the corresponding period of 2025, property rentals and other related expenses as a percentage of revenue decreased from 3.1% for the year ended 31 December 2024 to 2.4% for the corresponding period of 2025.

Other expenses

Other expenses decreased by 38.3% from RMB51.5 million for the year ended 31 December 2024 to RMB31.8 million for the corresponding period of 2025, which was mainly due to the recovery of operating activities and attributable to (i) the daily maintenance expenses decreased by RMB5.3 million; and (ii) business development expenses decreased by RMB2.4 million; (iii) impairment of property, plant and equipment and right-of-use assets decreased by an aggregated amount of RMB4.9 million during the reporting period. Other expenses as a percentage of revenue decreased from 10.9% for the year ended 31 December 2024 to 8.0% for the corresponding period of 2025.

Finance expenses — net

Finance expenses — net (which includes finance income, interest on convertible bonds and other financial expenses) increased by 1.9% from RMB47.5 million for the year ended 31 December 2024 to RMB48.4 million for the corresponding period of 2025.

Income tax expense/credit

Income tax expense amounted to RMB8.8 million for the year ended 31 December 2025, as compared to income tax credit of RMB7.9 million for the corresponding period of 2024, which was mainly due to the withholding income tax on dividends received from associates and gain on partial disposal of investment in an associate; and the increase in net deferred income tax charge during the reporting period.

Loss for the year attributable to equity holders of the Company

The Group recorded a loss for the year attributable to equity holders of the Company of approximately RMB5.2 million for the year ended 31 December 2025, as compared to loss attributable to equity holders of the Company of approximately RMB241.8 million for the year ended 31 December 2024.

The substantial decrease of net loss is primarily attributable to (i) a reduction in the impairment losses of intangible assets and investment in associates by approximately RMB110.5 million; (ii) the recognition of a dilution gain arising from the listing of an associate on the Main Board of The Stock Exchange of Hong Kong Limited of approximately RMB66.0 million; (iii) gain on partial disposal of investment in an associate of approximately RMB41.6 million; and (iv) an increase in the share of profits from associates of approximately RMB26.3 million.

Non-GAAP Financial Measure

Adjusted profit/(loss) for the year

The adjusted profit/(loss) for the year is an additional financial measure, which is not required by, or presented in accordance with the HKFRS Accounting Standards. It is calculated as an additional financial measure to the loss for the year to supplement the consolidated financial statements to evaluate the financial performance of the Group by excluding the impact of certain non-operating, non-recurring and non-cash items which the Group does not consider to be indicative of the operating performance of the Group, including interest on convertible bonds, impairment of intangible assets, impairment of investment in associates, gain on dilution of investment in an associate, tax impact in respect of the impairment of intangible assets and effect of deferred income tax in respect of the gain on dilution of investment in an associate.

The table below sets forth the reconciliation of loss for the year to adjusted profit/(loss) for the year:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Loss for the year	**(9,207)**	(257,851)
Interest on convertible bonds *(i)*	**42,447**	39,811
Impairment of intangible assets *(ii)*	**44,554**	93,528
Impairment of investment in associates *(iii)*	**9,902**	71,385
Gain on dilution of investment in an associate *(iv)*	**(65,997)**	—
Tax impact in respect of the impairment of intangible assets *(ii)*	**(11,138)**	(23,382)
Effect of deferred income tax in respect of the gain on dilution of investment in an associate *(iv)*	**6,600**	—
Adjusted profit/(loss) for the year	**17,161**	(76,509)

Notes:

(i) Interest on convertible bonds: Considering that the Convertible Bonds are financial liabilities solely arising from the Company's fundraising activities, the Company considered that this adjusting item was non-operating and not indicative of the operating performance of the principal business of the Group.

(ii) Impairment of intangible assets and the related tax impact: The Company made impairment on trademarks as disclosed in Note 12 to the annual results, which set out the related assumptions, assessment and calculation of the impairment on trademarks. The impairment loss in respect of the CGUs was determined based on FVLCOD which was higher than VIU. The decrease of FVLCOD was mainly triggered by (1) the underperformed enterprise value/sales multiples of selected comparable listed companies engaging in catering businesses and (2) the decrease of revenue for the year ended 31 December 2025 as a result of the closure of restaurants and the underperformance of certain restaurants. Therefore, the Company considered that the impairment loss was not directly related to the operating performance of the Group.

(iii) Impairment of investment in associates: During the year ended 31 December 2025, the Group recognised impairment losses amounting to approximately RMB9.9 million on its investment in an associate, after considering relevant factors in determining the recoverable amount of the investment in the associate including the deterioration of its business and the corresponding financial performance and financial condition as well as the decrease in the enterprise value to sales multiples of comparable companies of the associate. The Company considered that such impairment loss was non-operating in nature and not directly related to the operating performance of the Group.

(iv) Gain on dilution of investment in an associate and the effect of deferred income tax: During the year ended 31 December 2025, the Group recognised gain on dilution of investment in an associate of approximately RMB66.0 million in respect of the listing of an associate on the Main Board of The Stock Exchange of Hong Kong. The Company considered that such gain was non-recurring and non-cash in nature.

Such 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 may be defined differently from similar terms used 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 recognised 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 31 December 2025, the Group recognised right-of-use assets with an amount of RMB65.6 million (2024: RMB95.3 million) and the decrease was mainly due to the closure of certain underperforming restaurants.

Investments accounted for using the equity method

Total investments accounted for using the equity method amounted to RMB208.7 million as at 31 December 2025, as compared to RMB153.8 million as of 31 December 2024, representing an increase of 35.7%, which was mainly attributable to the increased share of profits from associates and the successful listing of one associate in 2025, partly offset by the impairment losses recognised on investment in an associate. For further details regarding the gain on partial disposal of investment in an associate and dilution of investment in an associate, please refer to notes 7 and 8 to the consolidated financial results of the Company in this announcement.

Trademarks

Net book amount of the Group's trademarks decreased by 16.0% from RMB279.5 million as of 31 December 2024 to RMB234.9 million as of 31 December 2025, which was attributable to the recognized impairment loss of trademarks for the year ended 31 December 2025 of RMB44.6 million (2024: RMB93.5 million). For further details, please refer to note 12 to the consolidated financial results of the Company in this announcement.

Upon completion of the acquisition of Beijing Xinladao Catering Management Ltd. ("**Xinladao**") and its subsidiaries (the "**Xinladao Group**") in November 2018 (the "**Acquisition**"), (i) the excess amount of the total consideration for the Acquisition over the fair value of the net identifiable assets of the Xinladao Group was recognized as goodwill, which amounted to approximately RMB535.0 million; and (ii) acquired identifiable intangible assets of approximately RMB400.0 million represented trademark of Xinladao Group. Details of the Acquisition are set out in the announcements of the Company dated 19 June 2018, 18 October 2018 and 30 November 2018, and the circular of the Company dated 2 October 2018.

Since completion of the Acquisition, management of the Company has been conducting annual impairment review on the goodwill and trademarks with indefinite useful life attributable to the Xinladao Group in accordance with HKAS 36 "Impairment of assets", or more frequently if events or changes in circumstances indicate potential impairment. For the purpose of conducting the impairment assessment, the recoverable amount of the Xinladao Group is determined as the higher of value in use ("**VIU**") and fair value less costs of disposal ("**FVLCOD**"). VIU is calculated using the discounted cash flow method based on the business plan of the Xinladao Group as approved by the management, while FVLCOD is primarily affected by the market condition of the chain-restaurant industry in which the Xinladao Group operates.

In 2025, the Xinladao Group accelerated the transformation of its business model to cope with changes in the consumer market and the macro-economy, pushed forward the implementation of the strategy of integrating its direct-sales and franchising businesses. The Xinladao Group also restructured its owned store network by steadily operating profitable stores and closing those with unsatisfactory operating results, while investing in the expansion of its franchised store network.

For the purpose of the impairment review conducted as at 31 December 2025, the management of the Company has taken into account the situation of comparable companies in the capital markets, as well as Xinladao's results of operations for the year 2025 and future expectations, including (1) in respect of the calculation of the FVLCOD, the management noted that as at 31 December 2025, the market statistics for the minimum enterprise value to sales ratios ("**enterprise value to sales ratios**") among the selected comparable companies listed on the Stock Exchange have not improved when compared to that as at 31 December 2024, both are 0.31, while revenue of the Xinladao Group decreased during the year ended 31 December 2025; and (2) for the purpose of VIU calculations, the management has updated the Xinladao Group's business plan based on its business objectives in line with the operating scale in 2025, which mainly consists of the number of directly operated and franchised restaurants. The retention rate of franchise stores needs to be improved, and the results of franchise business expansion have been limited. Taking into account the impact of the business model restructuring failed to meet expectations and intensified market competition, the management decided to adjust downward the target number of restaurants as well as comparable same-store performance of the Xinladao Group's directly operated restaurants and franchised restaurants during the forecast period, which resulted in a decrease in the projected revenue for the forecast period.

According to the management's assessment of impairment based on the higher of (1) the FVLCOD calculated in accordance with the market approach using key inputs as at 31 December 2025; and (2) the VIU calculated based on the Xinladao Group's updated business plan as at 31 December 2025, an impairment loss on trademark of RMB44.6 million was recorded for the year ended 31 December 2025.

Inventories

Inventories mainly represented the food ingredients used in restaurant operations. Inventories decreased from RMB23.3 million as of 31 December 2024 to RMB17.1 million as of 31 December 2025. For the years ended 31 December 2024 and 2025, the turnover days of inventories, calculated based on the average inventory at the beginning of the year and that at the end of the year divided by the costs of raw materials and consumables during the same year and multiplied by 365 days, decreased from 43 days to 35 days.

Trade and other receivables

Trade and other receivables decreased by 11.7% from RMB62.3 million as of 31 December 2024 to RMB55.0 million as of 31 December 2025, among which, other receivables decreased by 15.6% from RMB54.6 million as of 31 December 2024 to RMB46.1 million as of 31 December 2025.

Trade and other payables

Trade and other payables decreased from RMB116.3 million as of 31 December 2024 to RMB112.9 million as of 31 December 2025, among which, trade payables increased from RMB36.6 million as of 31 December 2024 to RMB39.1 million as of 31 December 2025, and the turnover days of trade payables decreased from 79 days for the year ended 31 December 2024 to 77 days for the corresponding period of 2025.

Borrowings

As of 31 December 2025, the Group had borrowings of RMB15.6 million (as of 31 December 2024: RMB20.9 million).

Convertible bonds

As of 31 December 2025, convertible bonds and related interests totalled RMB608.8 million, representing a decrease of RMB39.0 million as compared to RMB647.8 million as of 31 December 2024. The decrease in convertible bonds as of 31 December 2025 was mainly attributable to the decrease in carrying amount of convertible bonds as a result of the extension of the maturity date and the effect of change in exchange rate during the reporting period which was partially offset by the interest incurred during the reporting period. For further details regarding the movement in convertible bonds, please refer to note 16 to the consolidated financial results of the Company in this announcement.

Lease liabilities

As of 31 December 2025, the total lease liabilities amounted to RMB74.1 million, representing a decrease of 28.6% as compared to RMB103.8 million as of 31 December 2024. Such decrease in lease liabilities was mainly attributable to the rent payment for existing lease and the closure of certain restaurants during the year ended 31 December 2025.

FUTURE PROSPECTS

The catering market will continue to evolve amid intense competition over time, and the overall industry is gradually presenting trend of steady yet moderate growth alongside quality upgrading and efficiency enhancement.The Group maintains unwavering confidence in the catering industry's recovery momentum and robust long-term growth potential, and will continue to implement operation and investment-driven strategy to pursue value creation and deliver returns to shareholders, including but not limited to:

(i) Consolidate existing business, strengthen empowerment through brand operation, and elevate operational profitability;

(ii) Develop the incremental business "Shendianbao", deepen investment management, realize value conversion and cash inflow, and boost the Group's overall performance; and

(iii) Build an ecosystem platform enterprise centered on the new catering sector.

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of the Company is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2025 together with comparative figures for the year ended 31 December 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OF LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

		Year ended 31 December	
		2025	2024
	Note	***RMB'000***	*RMB'000*
Revenue	*3*	**399,160**	474,209
Other income	*4*	**12,190**	21,307
Raw materials and consumables used		**(179,718)**	(199,329)
Online platform service charges and delivery fees		**(31,968)**	(33,570)
Employee benefit expenses		**(107,722)**	(144,108)
Depreciation of right-of-use assets	*10*	**(44,573)**	(55,684)
Depreciation and amortisation of other assets	*10*	**(11,552)**	(16,783)
Utility expenses		**(13,905)**	(17,499)
Property rentals and other related expenses	*10*	**(9,550)**	(14,682)
Other expenses	*5*	**(31,823)**	(51,479)
Provision for expected credit loss allowance for financial assets, net		**(5,198)**	(2,358)
Impairment of intangible assets	*12*	**(44,554)**	(93,528)
Other gains/(losses), net	*6*	**3,691**	(2,964)
Gain on partial disposal of investment in an associate	*7*	**41,639**	—
Gain on dilution of investment in an associate	*8*	**65,997**	—
Share of profit/(loss) of associates and a joint venture	*17*	**15,831**	(10,420)
Impairment loss on investments in associates	*17*	**(9,902)**	(71,385)
Finance income		**107**	228
Interest on convertible bonds	*16*	**(42,447)**	(39,811)
Other finance expenses		**(6,100)**	(7,909)
Loss before taxation		**(397)**	(265,765)
Income tax (expense)/credit	*9*	**(8,810)**	7,914
Loss for the year		**(9,207)**	(257,851)

	Note	Year ended 31 December 2025 RMB'000	2024 RMB'000
Other comprehensive (loss)/income			
Item that may be reclassified subsequently to profit or loss:			
Currency translation differences		**(3,745)**	5,727
Item that will not be reclassified subsequently to profit or loss:			
Currency translation differences		**15,724**	(13,510)
Other comprehensive income/(loss) for the year, net of tax		**11,979**	(7,783)
Total comprehensive income/(loss) for the year		**2,772**	(265,634)
Loss for the year attributable to			
— Equity holders of the Company		**(5,246)**	(241,826)
— Non-controlling interest		**(3,961)**	(16,025)
		(9,207)	(257,851)
Total comprehensive income/(loss) for the year attributable to:			
— Equity holders of the Company		**6,733**	(249,609)
— Non-controlling interests		**(3,961)**	(16,025)
		2,772	(265,634)
Loss per share for loss attributable to equity holders of the Company:			
Loss per share (RMB cents) — basic	*11*	**(0.33)**	(15.32)
Loss per share (RMB cents) — diluted	*11*	**(0.33)**	(15.32)

CONSOLIDATED BALANCE SHEET

At 31 December 2025

		As at 31 December	
		2025	2024
	Note	***RMB'000***	*RMB'000*
Non-current assets			
Property, plant and equipment		**37,584**	44,353
Right-of-use assets		**65,576**	95,303
Investments accounted for using the equity method	*17*	**208,727**	153,759
Goodwill	*12*	**45,495**	45,495
Intangible assets	*12*	**236,322**	281,196
Deferred income tax assets		**15,018**	18,757
Other receivables	*13*	**7,093**	9,112
Other non-current assets		**1,154**	961
Financial assets at fair value through profit or loss		**2,940**	—
		619,909	648,936
Current assets			
Inventories		**17,116**	23,335
Trade and other receivables	*13*	**47,925**	53,209
Other current assets		**35,021**	30,776
Financial assets at fair value through profit or loss		**35,687**	23,505
Cash and cash equivalents		**41,373**	21,325
Restricted cash		**168**	596
		177,290	152,746
Total assets		**797,199**	801,682

		As at 31 December	
		2025	2024
	Note	***RMB'000***	*RMB'000*
Current liabilities			
Trade and other payables	*14*	**112,925**	116,282
Contract liabilities		**59,006**	60,750
Lease liabilities		**31,315**	46,473
Borrowings	*15*	**15,632**	20,860
Current income tax liabilities		**5,215**	5,535
Convertible bonds — due within one year	*16*	**16,785**	647,780
		240,878	897,680
Non-current liabilities			
Convertible bonds	*16*	**592,021**	—
Lease liabilities		**42,831**	57,344
Deferred income tax liabilities		**66,516**	66,814
Other non-current liabilities		**7,500**	—
Deferred government grants		**—**	21
		708,868	124,179
Total liabilities		**949,746**	1,021,859
Capital and reserves			
Share capital		**133,023**	133,023
Reserves		**(311,058)**	(382,649)
Deficit attributable to equity holders of the Company		**(178,035)**	(249,626)
Non-controlling interests		**25,488**	29,449
Total deficit		**(152,547)**	(220,177)
Total liabilities and deficit		**797,199**	801,682

Notes:

1 GENERAL INFORMATION

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

The Company is a public limited company incorporated in the Cayman Islands under the Companies Law (Revised) Chapter 22 of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong (the "**Stock Exchange**"). The Company's immediate parent company is Sonic Tycoon Limited (the "**Parent Company**"), a company incorporated in British Virgin Islands ("**BVI**") and its ultimate parent company is Exponential Fortune Group Limited ("**Exponential Fortune**"), a company incorporated in the Cayman Islands. The ultimate controlling party of the Company is Zhao John Huan, who is also the Chairman of the Board of Directors of the Company. The address of the registered office of the Company is Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-111 Cayman Islands.

The functional currency of the Company is Hong Kong dollars ("**HK dollars**" or "**HK**$"), while the Company's primary subsidiaries are incorporated in the People's Republic of China (the "**PRC**") and these subsidiaries consider RMB as their functional currency. The consolidated financial statements are presented in Renminbi ("**RMB**"), unless otherwise stated.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

HKFRS Accounting Standards comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards ("**HKFRS**")
- Hong Kong Accounting Standards ("**HKAS**"), and
- Interpretations developed by the Hong Kong Institute of Certified Public Accountants.

The consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets and financial liabilities measured at fair value through profit or loss.

2.1.2 Going concern

As of 31 December 2025, the Group's current liabilities exceeded its current assets by RMB63,588,000. The significant decrease in net current liabilities by RMB681,346,000 was mainly due to the reclassification of the convertible bonds issued by the Company (the "**Convertible Bonds**") as non-current liabilities as a result of the extension of the maturity date of the Convertible Bonds to 23 December 2027 as mentioned in Note 16.

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 has taken the following measures to mitigate its liquidity pressure:

(1) The Group will continue to implement plans and measures to improve the operation performance of its chain restaurant businesses and control costs and expenses to generate operating cash inflows; and

(2) The Group has secured the financial support from a related party (a wholly-owned subsidiary of Exponential Fortune which is an assets and wealth management financial institution) as and when the Group may have funding needs in the next 12 months from the date of approval of the consolidated financial statements (the "**foreseeable future**"). The related party has already confirmed its intention to provide adequate financial support for the continuing operations of the Group so as to enable the Group to meet its liabilities as they fall due and carry on its business without a significant curtailment of its operations in the foreseeable future.

Management has prepared cashflow projections for not less than twelve months from 31 December 2025 to assess whether the Group will have sufficient funds to fulfil its financial obligations and continue as a going concern. The directors of the Company (the "**Directors**") have reviewed the Group's cash flow projections prepared by management and also after considering the financial support as confirmed by the abovementioned related party, the Directors believe that the Group will have adequate financial resources to fulfil its debt obligations and capital expenditure requirements for the next 12 months period commencing from 31 December 2025. Therefore, the Directors have prepared the consolidated financial statements on a going concern basis.

2.1.3 Amended standards adopted by the Group

The Group has applied the following amendments for the first time for the annual reporting period commencing 1 January 2025:

Amendments to HKAS 21	*Lack of exchangeability*

The amended standard listed above is not relevant to the Group and hence did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.1.4 New or amended standards and annual improvements not yet adopted

The following new or amended accounting standards and annual improvements have been published which are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group:

	Effective date
Amendments to HKFRS 9 and HKFRS 7 — Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 — Amendments to the Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
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 and annual improvements 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 pervasive impact on the presentation and disclosures of the Group's financial statements as described below.

HKFRS 18 will replace HKAS 1 'Presentation of Financial Statements', introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of profit or loss and other comprehensive income and providing management-defined performance measures within the financial statements.

Management is in the process of assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. In additional to the high-level preliminary assessment as disclosed in the Group's annual consolidated financial statements for the year ended 31 December 2024, the following potential impacts have been identified based on the on-going assessment performed during the current reporting period:

- Although the adoption of HKFRS 18 will have no impact on the Group's net profit/loss, the Group will be required to present an operating profit subtotal in the consolidated statements of profit or loss and other comprehensive income. The Group is performing a detailed assessment to determine the appropriate classification of items to ensure that the operating profit subtotal will comply with the requirements of HKFRS 18.

- The Group currently reports an adjusted profit or loss for the year (non-HKFRS measure) to the investors. The Group expects that this measure will meet the definition of a management-defined performance measure. The Group is performing an assessment of other measures that are currently being reported outside the consolidated financial statements and whether or not these meet the definition of a management-defined performance measure.

- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply HKFRS 18 from its mandatory effective date of 1 January 2027. At each subsequent reporting period, the Group will provide an update on the progress towards transition to HKFRS 18.

3 REVENUE AND SEGMENT INFORMATION

The Company's executive directors are identified as the chief operating decision makers (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 years ended 31 December 2025 and 2024, 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

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Restaurant operation	**125,737**	213,244
Delivery business	**174,941**	168,593
Sale of food ingredients	**98,482**	92,372
	399,160	474,209

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 years ended 31 December 2025 and 2024, no revenue derived from transactions with a single external customer represented 10% or more of the Group's total revenue.

4 OTHER INCOME

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Franchise income *(a)*	**7,394**	14,894
Consulting services	**1,677**	1,847
Investment income on wealth management products *(b)*	**796**	772
Interest income on loans	**131**	340
Government grants *(c)*	**74**	232
Others	**2,118**	3,222
	12,190	21,307

Notes:

(a) Franchise income, which includes royalty fee income and franchising income, is recognised on an accrual basis over the period in accordance with the terms of the relevant agreements.

(b) For the year ended 31 December 2025, investment income on wealth management products includes realized fair value gains of RMB101,000 (2024: RMB253,000) and unrealized fair value gains of RMB695,000 (2024: RMB519,000).

(c) For the years ended 31 December 2025 and 2024, there are no unfulfilled conditions or other contingencies attaching to these government grants.

5 OTHER EXPENSES

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Daily maintenance expenses	**7,243**	12,522
Business development expense	**7,118**	9,482
Advertising and marketing expenses	**4,181**	6,303
Professional fees	**5,979**	6,269
(Reversal of impairment)/impairment of property, plant and equipment	**(893)**	1,733
Impairment of right-of-use assets	**3,053**	5,369
Auditors' remuneration		
— Audit services	**1,800**	1,800
— Non-audit services	**365**	118
Other expenses	**2,977**	7,883
Total other expenses	**31,823**	51,479

6 OTHER GAINS/(LOSSES), NET

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Gain/(loss) on termination of leases — net	**327**	(450)
Loss on disposal of property, plant and equipment — net	**(753)**	(1,912)
Loss on closure of restaurants — net	**(475)**	(163)
Net exchange gain/(loss)	**708**	(127)
Gain on derecognition of lease liabilities arising from rent reduction *(note)*	**3,226**	—
Others	**658**	(312)
	3,691	(2,964)

Note: The amount represented the gain on derecognition of lease liabilities arising from rent reduction as agreed with certain landlords during the year ended 31 December 2025.

7 GAIN ON PARTIAL DISPOSAL OF INVESTMENT IN AN ASSOCIATE

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Gain on partial disposal of investment in an associate	**41,639**	—

During the year ended 31 December 2025, the Group disposed of certain interests in Guangzhou Xiao Noodles Catering Management Co., Ltd. (廣州遇見小麵餐飲管理有限公司) ("**Guangzhou Xiao Noodles**"), an associate of the Group, to third parties for an aggregate consideration of RMB48 million. Upon completion of the disposal, the Group's percentage of shareholding in Guangzhou Xiao Noodles decreased from 17.16% to 15.44%. The Group recognised a pre-tax gain of approximately RMB41.6 million and Guangzhou Xiao Noodles continues to be an associate of the Group. After deducting the related withholding income tax of approximately RMB4.5 million, the Group has received net proceeds of approximately RMB43.5 million from the disposal during the year ended 31 December 2025.

8 GAIN ON DILUTION OF INVESTMENT IN AN ASSOCIATE

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Gain on dilution of investment in an associate	**65,997**	—

In December 2025, Guangzhou Xiao Noodles issued new shares upon the listing on the Main Board of the Stock Exchange. Consequently, the Group's percentage of shareholding in Guangzhou Xiao Noodles was diluted from 15.44% to 13.33%. The increase in the Group's share of net assets of Guangzhou Xiao Noodles upon its listing, after netting of the decrease in existing carrying amount of the Group's investment, resulted in a dilution gain of RMB66 million. After the dilution, Guangzhou Xiao Noodles continues to be an associate of the Group as the Group can exercise significant influence over Guangzhou Xiao Noodles through its representative in the board of directors of Guangzhou Xiao Noodles.

9 INCOME TAX EXPENSE/(CREDIT)

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Current income tax		
Withholding income tax in relation to dividends received from associates and a subsidiary	**905**	743
Withholding income tax in relation to gains on partial disposal of investment in an associate	**4,458**	—
PRC enterprise income tax ("**EIT**")	**6**	56
	5,369	799
Deferred income tax charge/(credit)	**3,441**	(8,713)
Income tax expense/(credit)	**8,810**	(7,914)

Cayman Islands

The Company is incorporated in Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and accordingly, is exempted from 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 profit 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% (2024: 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 applicable to the PRC subsidiaries is 25%.

Withholding income tax

During the year ended 31 December 2025, Wonderful Dawn Holdings Limited ("Wonderful Dawn", a wholly owned subsidiary of the Company incorporated in Hong Kong) was subject to withholding tax in respect of the following:

- Wonderful Dawn received dividends from two associates which are incorporated in the PRC. The taxable income is subject to withholding 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 tax at the rate of 10%.

During the year ended 31 December 2024, Delightful Year Holdings Limited, a wholly owned subsidiary of the Company incorporated in Hong Kong, received dividends from a subsidiary in the PRC which is subject to withholding tax at the rate of 10%.

10 DEPRECIATION, AMORTISATION, PROPERTY RENTALS AND OTHER RENTAL-RELATED EXPENSES

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Depreciation of right-of-use assets	**44,573**	55,684
Depreciation of property, plant and equipment	**11,232**	16,117
Amortization of intangible assets	**320**	666
Total depreciation and amortization	**56,125**	72,467
Short-term property rentals		
— office premises (fixed payments)	**347**	1,452
— restaurants		
— fixed payments	**2,414**	3,513
— variable lease payments	**979**	282
Property management fee	**5,810**	9,435
Total property rentals and other related expenses	**9,550**	14,682

11 LOSS PER SHARE

	Year ended 31 December	
	2025	2024
	RMB cents	*RMB cents*
Basic loss per share *(a)*	**(0.33)**	(15.32)
Diluted loss per share *(b)*	**(0.33)**	(15.32)

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2025	2024
Loss attributable to equity holders of the Company used in calculating basic loss per share (RMB'000):	**(5,246)**	(241,826)
Weighted average number of ordinary shares in issue (thousands)	**1,578,664**	1,578,664

(b) Diluted loss per share

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 year) 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 years ended 31 December 2025 and 2024 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 years.

12 GOODWILL AND INTANGIBLE ASSETS

	Goodwill *RMB'000*	Computer software *RMB'000*	Trademarks *RMB'000*	Total *RMB'000*
At 1 January 2024				
Cost	580,931	11,392	499,346	1,091,669
Accumulated amortisation and impairment	(535,436)	(8,969)	(126,318)	(670,723)
Net book amount	45,495	2,423	373,028	420,946
Year ended 31 December 2024				
Opening net book amount	45,495	2,423	373,028	420,946
Additions	—	95	—	95
Disposal	—	(156)	—	(156)
Amortisation charge	—	(666)	—	(666)
Impairment	—	—	(93,528)	(93,528)
Closing net book amount	45,495	1,696	279,500	326,691
At 31 December 2024				
Cost	580,931	11,331	499,346	1,091,608
Accumulated amortisation and impairment	(535,436)	(9,635)	(219,846)	(764,917)
Net book amount	45,495	1,696	279,500	326,691
Year ended 31 December 2025				
Opening net book amount	45,495	1,696	279,500	326,691
Amortisation charge	—	(320)	—	(320)
Impairment	—	—	(44,554)	(44,554)
Closing net book amount	45,495	1,376	234,946	281,817
At 31 December 2025				
Cost	580,931	11,331	499,346	1,091,608
Accumulated amortisation and impairment	(535,436)	(9,955)	(264,400)	(89,791)
Net book amount	45,495	1,376	234,946	281,817

(a) Useful life of intangible assets

Computer software is amortised on a straight-line basis over the expected useful life of 5 years.

The trademarks have a legal life of 10 years and is renewable every 10 years at minimal cost. The directors of the Company are of the opinion that the Group would renew the trademark continuously and has the ability to do so. Various studies including product life cycle studies, market, competitive and environmental trends and brand extension opportunities have been performed by management of the Group, which support that the trademarks have no foreseeable limit to the period over which the trademarked products are expected to generate net cash flows for the Group.

As a result, the management of the Group considers the trademarks to have an indefinite useful life. The trademarks will not be amortised until the useful life is determined to be finite. Instead they will be tested for impairment annually and whenever there is an indication that they may be impaired.

(b) Impairment tests for goodwill and trademarks

For the purposes of impairment testing, goodwill and trademarks with indefinite useful life have been allocated to the cash generating units ("**CGUs**") of the relevant group of restaurants, which are owned and operated by: (1) Beijing HHG Restaurant Management Co., Ltd. ("**HHG**") and its subsidiaries (the "**HHG Group**"); and (2) Beijing Xinladao Catering Management Ltd. ("**Xinladao**") and its subsidiaries (the "**Xinladao Group**").

As at 31 December 2025, management has conducted impairment reviews on the goodwill and trademarks with indefinite useful life of the HHG Group and the Xinladao Group in accordance with HKAS 36 "Impairment of assets", based on the updated forecasts and assumptions approved by management.

(i) *Impairment assessment for the HHG Group*

For the CGU of the HHG Group (the "**HHG Group CGU**"), the value-in-use ("**VIU**") calculation used cash flow projections based on financial forecast approved by management covering a five-year period. Management engaged an independent external valuer to assist them in performing the impairment assessments. Based on management's calculation, the VIU of the HHG Group CGU as at 31 December 2025 amounted to approximately RMB276 million (2024: RMB291 million), which was 9.5% (2024: 6.7%) higher than the carrying amount of the HHG Group CGU under this approach. Key assumptions used to determine the VIU of the HHG Group CGU included revenue compound growth rate and gross margins during the forecast period, long-term growth rate and pre-tax discount rate.

In addition to the assessment of VIU, management also assessed the FVLCOD of the HHG Group CGU with the assistance of the independent external valuer. Based on management's assessment, the FVLCOD of the HHG Group CGU as at 31 December 2025 amounted to approximately RMB354 million, which was 50.4% higher than the corresponding carrying amount of the HHG Group CGU under this approach. The approach used to determine the FVLCOD of the HHG Group CGU as at 31 December 2025 was the market approach and key assumptions included enterprise value to sales multiple of selected comparable public companies, discount for lack of marketability ("**DLOM**"), control premium and cost of disposal.

Based on above assessment, since both VIU and FVLCOD of the HHG Group CGU exceeded the carrying amount of the HHG Group CGU, management of the Company is of the view that no impairment on the goodwill and intangible assets with indefinite useful life attributable to the HHG Group CGU has to be recognised as of 31 December 2025.

(ii) ***Impairment assessment for the Xinladao Group***

For the CGU of the Xinladao Group (the "**Xinladao Group CGU**"), management had determined the recoverable amount of the Xinladao Group CGU by assessing the FVLCOD of the Xinladao Group CGU as at 31 December 2025 and 2024. The valuation was considered within level 3 in the fair value hierarchy due to unobservable inputs used in the valuation.

Management engaged an independent external valuer to assist them in performing the impairment assessments. The approach used to determine the FVLCOD of the Xinladao Group CGU as at 31 December 2025 and 2024 was the market approach and key assumptions included enterprise value to sales multiple of selected comparable public companies, DLOM, control premium and cost of disposal.

Based on the above approach and key assumptions, the FVLCOD of the Xinladao Group CGU amounted to RMB12 million (2024: RMB25 million) and was RMB33 million (2024: RMB94 million) lower than the carrying amount of the Xinladao Group CGU under this approach.

As a result, the Group concluded that a further net impairment of RMB33 million is required to be recognised for the Xinladao Group CGU as at 31 December 2025, among which an impairment charge of RMB44 million was recognised against the trademarks of the Xinladao Group with a corresponding credit to income tax expense of RMB11 million due to the reversal of deferred income tax liabilities as previously recognised on the initial recognition of the trademarks.

As to the VIU calculations of the Xinladao Group CGU as at 31 December 2025 and 2024, management used cash flow projections based on financial forecast approved by management covering a five-year period from year 2026 to 2030 (2024: a five-year period from year 2025 to 2029). The key assumptions adopted in the VIU calculations included revenue compound growth rate and gross margins during the forecast period, long-term growth rate and pre-tax discount rate.

The results of the aforesaid impairment assessment reveal that the amount of impairment loss as calculated under the VIU calculation is higher than that as determined using the FVLCOD calculation. Therefore, management of the Company is of the view that a further impairment loss of RMB44 million (2024: RMB94 million), being the carrying amount of the Xinladao Group CGU in excess of its FVLCOD, is required to be recognised on the trademarks with indefinite useful life of the Xinladao Group during the year ended 31 December 2025.

13 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Trade receivables *(a)*	**11,652**	9,414
Other receivables	**80,983**	85,326
Total trade and other receivables	**92,635**	94,740
Less: provision for expected credit loss allowance for trade receivables	**(2,709)**	(1,694)
provision for expected credit loss allowance for other receivables	**(34,908)**	(30,725)
Trade and other receivables — net	**55,018**	62,321
Less: Non-current portion	**(7,093)**	(9,112)
Trade and other receivables — current portion	**47,925**	53,209

(a) Trade receivables

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Related parties	**3,004**	2,274
Third parties	**8,648**	7,140
Subtotal	**11,652**	9,414
Less: provision for expected credit loss allowance	**(2,709)**	(1,694)
Trade receivables — net	**8,943**	7,720

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

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Within 6 months	**6,249**	5,304
Over 6 months	**5,403**	4,110
	11,652	9,414

Movement for expected credit loss allowance

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
At beginning of the year	**1,694**	959
Provision for expected credit loss allowance	**1,015**	735
At end of the year	**2,709**	1,694

14 TRADE AND OTHER PAYABLES

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period obtained for trade purchases is 30 to 180 days.

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Trade payables *(a)*	**39,055**	36,649
Other payables and accruals	**73,870**	79,633
	112,925	116,282

(a) Trade payables

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Related parties	**7,192**	6,220
Third parties	**31,863**	30,429
	39,055	36,649

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

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Within 6 months	**25,066**	20,675
Over 6 months	**13,989**	15,974
	39,055	36,649

15 BORROWINGS

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Current		
Guaranteed		
Bank borrowings — denominated in RMB *(c)*	**1,600**	1,600
Unsecured and unguaranteed		
Bank borrowings — denominated in RMB	**5,000**	10,000
Loans from a related party — denominated in HKD	**9,032**	9,260
Total borrowings	**15,632**	20,860

(a) Maturity of borrowings

At 31 December 2025 and 2024, the Group's borrowings are repayable as follows:

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
12 months or less	**15,632**	20,860

(b) Weighted average annual interest rates

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Borrowings	**6.02%**	5.16%

(c) As at 31 December 2025 and 2024, bank borrowings of RMB1,600,000 were guaranteed by a financial institution and the Group has to pay fixed guarantee fees to that financial institution on an annual basis.

16 CONVERTIBLE BONDS

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Current		
Convertible bonds — due within one year	**16,785**	647,780
Non-current		
Convertible bonds	**592,021**	—

As disclosed in Note 2.1.2 above, all of the carrying amounts of the Convertible Bonds were classified as current liabilities as at 31 December 2024 considering that the original maturity date of the Convertible Bonds was 23 November 2025 (the "**Original CB Maturity Date**").

On 3 April 2025, in accordance with the terms and conditions of the Convertible Bonds, the Company and the parent Company entered into a deed of amendment (the "**Extension Deed**") to extend the Original CB Maturity Date by 25 months from 23 November 2025 to 23 December 2027 (the "**Extended CB Maturity Date**"), with all the other terms and conditions of the outstanding Convertible Bonds unchanged (the "**Extension**"). In addition, the Company and the Parent Company agreed that the repayment date of any accrued interest of the Convertible Bonds up to the date of the Extension shall also be extended to 23 December 2027.

The extension, which was approved at the annual general meeting of the Company held on 24 June 2025 and approved by the Stock exchange of Hong Kong Limited on 8 July 2025, took effect since 8 July 2025.

As at 31 December 2025, the current portion of the Convertible Bonds due within one year amounted to HK$18,320,000 (equivalent to approximately RMB16,785,000), 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.

Other than those amendments covered by the Extension Deed as mentioned above, the major terms and conditions of the Convertible Bonds are disclosed in the Group's annual financial statements for the year ended 31 December 2024.

The movement in the components of the Convertible Bonds during the years ended 31 December 2024 and 2025 are as follows:

	Liability component *RMB'000*	Equity component *RMB'000*	Total *RMB'000*
As at 1 January 2024	594,390	104,294	698,684
Interest expenses *(a)*	39,811	—	39,811
Exchange differences	13,579	—	13,579
As at 31 December 2024	647,780	104,294	752,074
As at 1 January 2025	**647,780**	**104,294**	**752,074**
Interest expenses *(a)*	**42,447**	**—**	**42,447**
Extension of the Convertible Bonds *(b)*	**(64,858)**	**—**	**(64,858)**
Exchange differences	**(16,563)**	**—**	**(16,563)**
As at 31 December 2025	**608,806**	**104,294**	**713,100**

Notes:

(a) The interest expense of RMB42,447,000 (2024: RMB39,811,000) was calculated using the effective interest method.

(b) Based on management's assessment, the Extension does not constitute a substantial modification of the Convertible Bonds, and therefore does not result in an extinguishment of the Convertible Bonds. Accordingly, on 8 July 2025, the Group adjusted the carrying amount of the Convertible Bonds to the present value of the cash flows under the revised terms using the original effective interest rate (being 7.79%), which amounted to HK$649.7 million (equivalent to approximately RMB586.8 million). The difference between the adjusted carrying amount and the previous carrying amount immediately prior to the modification, which amounted to HK$71.8 million (equivalent to approximately RMB64.9 million), is recognised as a deemed contribution from shareholder and recorded in shareholder's equity on special reserve.

(c) During the years ended 31 December 2025 and 2024, none of the Convertible Bonds was converted.

17 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
At beginning of the year	**153,759**	229,848
Additions	**1,060**	90
Share of profit/(loss) for the year *(note)*	**18,124**	(10,420)
Dividends received	**(9,050)**	—
Disposal	**(7,861)**	—
Increase in share of net assets of an associate after dilution	**65,997**	—
Impairment	**(9,902)**	(71,385)
Currency translation differences	**(3,400)**	5,626
At end of the year	**208,727**	153,759

Note: During the year ended 31 December 2025, the total share of profit/(loss) of associates and a joint venture of the Group amounted to RMB15,831,000, which comprise the net amounts of (i) the share of net profit of associates in an aggregated amount of RMB18,124,000 with a corresponding increase in investments accounted for using the equity method as shown in the table above; and (ii) the share of loss of a joint venture of RMB2,293,000 with a corresponding increase in other payables as the Group has not yet paid up the subscribed capital to the joint venture as at 31 December 2025.

18 DIVIDENDS

The Board resolved not to declare any dividend for the year ended 31 December 2025 (2024: Nil).

19 EVENTS AFTER THE BALANCE SHEET DATE

There is no material events taken place subsequent to 31 December 2025 which may have significant impact on the consolidated financial statements.

FINAL DIVIDEND

The Board has resolved not to declare final dividend for the year ended 31 December 2025 (2024: nil).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The total decifit of the Group as at 31 December 2025 was RMB152.5 million (31 December 2024: total equity of RMB220.2 million). As at 31 December 2025, the Group had current assets of RMB177.3 million (31 December 2024: RMB152.7 million) and current liabilities of RMB240.9 million (31 December 2024: RMB897.7 million).

The Group generally finances its operations and possible redemption with internally generated cash flow, bank borrowings, loans from a related party and convertible bonds. As at 31 December 2025, the Group had outstanding borrowings of RMB15.6 million (31 December 2024: RMB20.9 million). As at 31 December 2025, the Group maintained cash and cash equivalents of RMB41.4 million (31 December 2024: RMB21.3 million).

As at 31 December 2025, the Group had outstanding convertible bonds of RMB608.8 million (31 December 2024: RMB647.8 million). Please refer to note 16 to the 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. The related party financing commitment in terms of a letter of support was provided to ensure the Group's operational continuity by supplying adequate financial resources as needed. 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 30 March 2026.

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 31 December				
	2025	2024	2023	2022	2021
Current ratio(1)	**0.74**	0.17	0.68	0.67	0.69
Net cash-to-equity ratio(2)	**–0.17**	–0.002	0.53	0.09	0.13

Notes:

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

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

CAPITAL COMMITMENTS

As at 31 December 2025, 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 2024: nil).

SIGNIFICANT INVESTMENTS

As of 31 December 2025, 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 31 December 2025	**Percentage of shareholding as of 31 December 2025**	**Carrying value calculated using the equity method as of 31 December**		**Percentage of carrying value relative to the Group's total assets as of 31 December**		**Dividends received during the year ended 31 December 2025**	**Realised gain during the year ended 31 December 2025**	**Unealised gain during the year ended 31 December 2025**
			2025	2024	**2025**	2024			
Xiao Noodles	94,725,310 shares	13.33%	**RMB125.3 million**	RMB56.7 million	**15.7%**	7.1%	RMB7.9 million	RMB41.6 million(1)	RMB83.6 million(2)
Tianshuilai	N/A	25.03%	**RMB55.4 million**	RMB54.3 million	**7.0%**	6.8%	RMB1.2 million	—	RMB3.5 million(3)

Notes:

(1) Represented the gain on partial disposal of investment in Xiao Noodles during the year ended 31 December 2025. Please refer to note 7 to the consolidated financial results of the Company in this announcement for further details of the gain on partial disposal of investment in Xiao Noodles.

(2) Represented the share of profit of Xiao Noodles and gain on dilution of investment in Xiao Noodles during the year ended 31 December 2025. Please refer to note 8 to the consolidated financial results of the Company in this announcement for further details of the gain on dilution of investment in Xiao Noodles.

(3) Represented the share of profit of Tianshuilai during the year ended 31 December 2025.

Xiao Noodles is a Chinese fast-food chain brand specializing in Sichuan-Chongqing style noodles and snacks. Its signature dish, Chongqing noodles, is complemented by a variety of regional specialties such as Sichuan snacks, braised meats, desserts and beverages. As of 31 December 2025, the brand has expanded its network to over 500 stores worldwide, primarily focusing on first-tier and new first-tier cities, gradually expanding into second and third-tier cities,while exploring Hong Kong and Singapore market. Its outlets are strategically located across diverse commercial settings, including shopping malls, transportation hubs and residential communities, ensuring broad accessibility and convenience. The cost of the Group's investment in Xiao Noodles is RMB30.8 million as at 31 December 2025.

Tianshuilai, operating the renowned "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. The brand continuously refines its product offerings and store models, leveraging economies of scale to drive supply chain efficiency improvements and achieve cost reduction and operational efficiency. As of 31 December 2025, the brand has expanded its footprint to over 200 stores nationwide, primarily operating through direct-owned stores. Its strategic presence focuses on first-tier and new first-tier cities, with gradual penetration into high-consumption second-tier cities to capture growing demand for premium dining experiences. The cost of the Group's investment in Tianshuilai is RMB42.1 million as at 31 December 2025.

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

Save as disclosed in this announcement, the Group had no material acquisition or disposal of subsidiaries, associates or joint ventures during the year ended 31 December 2025.

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 31 December 2025, there was no charge over the assets of the Group (31 December 2024: Nil).

CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any material contingent liabilities (31 December 2024: Nil).

GEARING RATIO

The Group's gearing ratios are listed as below:

	As at 31 December				
	2025	2024	2023	2022	2021
Gearing ratio	**135%**	152%	92%	72%	56%

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 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 year ended 31 December 2025 (2024: Nil).

HUMAN RESOURCES

As at 31 December 2025, the Group had a workforce of about 1,128 people (2024: about 1,582 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. In addition, the Company had adopted a share award scheme on 11 November 2019 to provide incentives to the employees of the Group and to recognise their contributions to the Group (including sale of treasury shares).

As at 31 December 2025, the Company did not hold any treasury shares.

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

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Throughout the year ended 31 December 2025, 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 of Hong Kong Limited (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 year ended 31 December 2025.

AUDIT COMMITTEE

The audit committee of the Company, comprising all the independent non-executive Directors of the Company, has reviewed the audited annual results of the Group for the year ended 31 December 2025 and discussed with the management the accounting principles and practices adopted by the Group and its internal controls and financial reporting matters.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated balance sheet, and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Company's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

ANNUAL REPORT

This results announcement is published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.bestfoodholding.com). The annual report of the Company for the year ended 31 December 2025 will be made available to the shareholders of the Company on 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, 30 March 2026

As at the date of this announcement, the Board 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. Lo Wei-Ren and Ms. Zhuo Ping.