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**Nissin Foods Company Limited**

**日清食品有限公司**

*(Incorporated in Hong Kong with limited liability)*

(Stock code: 1475)

**(I) UNAUDITED CONSOLIDATED FINANCIAL INFORMATION OF THE COMPANY  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019**

**AND**

**(II) INSIDE INFORMATION — UNAUDITED FINANCIAL RESULTS OF  
THE CONTROLLING SHAREHOLDER, NISSIN FOODS HOLDINGS CO., LTD.  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019**

The Board of the Company is pleased to announce that on 7 November 2019, it has resolved to approve the unaudited consolidated financial information of the Group for the nine months ended 30 September 2019. The publication of the aforesaid financial information, which is set out in Section (I) of this announcement, is made in the pursuit of the Appendix 14 of the Listing Rules.

On the same day (around 12:15 p.m. Hong Kong time), the Company's controlling shareholder, Nissin Japan, which is listed on the Tokyo Stock Exchange, Inc. in Japan and beneficially owns approximately 70.00% of the total issued shares of the Company as at the date of this announcement, published its unaudited financial results for the six months ended 30 September 2019 (i.e. Nissin Japan Financial Results). Such results contain certain financial information relating to Nissin Japan's performance for its China segment, which comprises the financial performance of the Group for the same period. Pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), the Company would like to disclose in Section (II) of this announcement the China segment information being extracted from the announcement of Nissin Japan in respect of Nissin Japan Financial Results.

**Shareholders of the Company and potential investors are advised not to place undue reliance on the contents of Nissin Japan's Quarterly Disclosures and to exercise caution when dealing in the securities of the Company.**

**(I) UNAUDITED CONSOLIDATED FINANCIAL INFORMATION OF THE COMPANY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019**

In the pursuit of the Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”), the board of directors (the “Board”) of Nissin Foods Company Limited (the “Company”) is pleased to announce that on 7 November 2019, it has resolved to approve the unaudited consolidated financial information of the Company and its subsidiaries (the “Group”) for the nine months ended 30 September 2019 (the “Period”) as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
*FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019*

	<i>NOTES</i>	<b>Nine months ended 30 September</b>	
		<b>2019</b>	<b>2018</b>
		<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
Revenue		<b>2,348,138</b>	2,274,832
Cost of sales and services		<b>(1,578,060)</b>	(1,579,326)
Gross profit		<b>770,078</b>	695,506
Other income		<b>36,253</b>	36,149
Selling and distribution costs		<b>(338,663)</b>	(323,028)
Administrative expenses		<b>(154,272)</b>	(145,778)
Finance costs		<b>(99)</b>	—
Other expenses		<b>(19,044)</b>	(16,032)
Other gains and losses		<b>(3,974)</b>	(2,040)
Profit before taxation		<b>290,279</b>	244,777
Income tax expense	3	<b>(55,800)</b>	(58,109)
Profit for the period		<b>234,479</b>	186,668
Profit for the period attributable to:			
Owners of the Company		<b>211,243</b>	166,213
Non-controlling interests		<b>23,236</b>	20,455
		<b>234,479</b>	186,668
Earnings per share			
— Basic and diluted ( <i>HK cents</i> )	4	<b>19.67</b>	15.48

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 30 SEPTEMBER 2019**

	<b>30 September 2019 HK\$'000 (unaudited)</b>	31 December 2018 HK\$'000 (audited)
<b>Non-current Assets</b>		
Property, plant and equipment	1,336,778	1,307,820
Right-of-use assets	78,222	—
Prepaid lease payments for leasehold land	—	77,793
Goodwill	40,082	40,082
Trademark	25,848	28,271
Interest in an associate	116	116
Financial assets at fair value through profit or loss	28,210	31,821
Deferred tax assets	20,774	18,806
Loan receivable	2,052	2,463
Deposits paid for acquisition of property, plant and equipment	11,248	14,454
	<u>1,543,330</u>	<u>1,521,626</u>
<b>Current Assets</b>		
Prepaid lease payments for leasehold land	—	2,100
Inventories	280,797	294,086
Trade receivables	465,283	449,932
Other receivables, prepayments and deposits	70,917	81,839
Loan receivable	547	547
Amount due from ultimate holding company	933	1,666
Amounts due from fellow subsidiaries	3,358	8,965
Tax recoverable	1,464	4,350
Financial assets at fair value through profit or loss	397,723	88,536
Other financial assets	156,630	313,260
Time deposits over three months	—	292,758
Bank balances and cash	1,610,505	1,384,707
	<u>2,988,157</u>	<u>2,922,746</u>

	<b>30 September 2019 HK\$'000 (unaudited)</b>	31 December 2018 HK\$'000 (audited)
<b>Current Liabilities</b>		
Trade payables	239,497	252,540
Other payables and accruals	522,592	502,071
Amount due to ultimate holding company	27,432	23,961
Amounts due to fellow subsidiaries	3,549	4,438
Lease liabilities	1,305	—
Tax liabilities	30,803	11,812
Deferred income	836	1,274
	<u>826,014</u>	<u>796,096</u>
<b>Net Current Assets</b>	<u>2,162,143</u>	<u>2,126,650</u>
<b>Total Assets less Current Liabilities</b>	<u><u>3,705,473</u></u>	<u><u>3,648,276</u></u>
<b>Capital and Reserves</b>		
Share capital	2,941,441	2,941,441
Reserves	<u>591,831</u>	<u>539,095</u>
Equity attributable to owners of the Company	3,533,272	3,480,536
Non-controlling interests	<u>116,484</u>	<u>114,637</u>
<b>Total Equity</b>	<u>3,649,756</u>	<u>3,595,173</u>
<b>Non-current Liabilities</b>		
Deferred tax liabilities	36,041	33,277
Deferred income	19,032	19,826
Lease liabilities	644	—
	<u>55,717</u>	<u>53,103</u>
	<u><u>3,705,473</u></u>	<u><u>3,648,276</u></u>

## NOTES:

### 1. GENERAL

The Company is a limited company incorporated in Hong Kong on 19 October 1984 and its shares are listed on the Stock Exchange of Hong Kong Limited with effect from 11 December 2017. Its immediate and ultimate holding company is Nissin Foods Holdings Co., Ltd. (“Nissin Japan”), a company incorporated in Japan with its shares listed on the Tokyo Stock Exchange, Inc.

The addresses of the registered office and principal place of business of the Company are 21–23 Dai Shing Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong, and 11–13 Dai Shun Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong, respectively.

The Group is principally engaged in the manufacturing and sales of noodles, retort foods, frozen foods, beverage products, snacks, and provision of publicity services.

The unaudited consolidated financial information are presented in Hong Kong Dollar (“HK\$”), which is also the functional currency of the Company.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated financial information have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) and an interpretation, the accounting policies and methods of computation used in the condensed consolidated financial information for the nine months ended 30 September 2019 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2018.

### 3. TAXATION

Hong Kong Profits Tax was calculated at 16.5% of the estimated assessable profits for both periods.

The People’s Republic of China (“PRC”) Enterprise Income Tax represents the income tax in the PRC which is calculated at 25% on the taxable income of the PRC Subsidiaries for both periods.

### 4. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	<b>Nine months ended 30 September</b>	
	<b>2019</b>	<b>2018</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Earnings</b>		
Profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share ( <i>HK\$’000</i> )	<u>211,243</u>	<u>166,213</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,074,144,370	1,074,036,980
Effect of dilutive potential ordinary shares in respect of outstanding share awards	<u>159,210</u>	<u>61,350</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>1,074,303,580</u>	<u>1,074,098,330</u>

## 5. REVIEW OF UNAUDITED CONSOLIDATED FINANCIAL INFORMATION

The unaudited consolidated financial information for the period has been reviewed by the Audit Committee of the Company.

## 6. INTERIM DIVIDEND

The Board does not recommend the payment of any dividend for the Period (Nine months ended 30 September 2018: Nil).

## 7. FINANCIAL PERFORMANCE REVIEW

The revenue for the Period amounted to HK\$2,348.1 million, representing an increase of 3.2% from HK\$2,274.8 million of the corresponding period of 2018. Revenue from Hong Kong operation decreased by 2.2%, mainly attributable to the change in product portfolio in our MC Marketing & Sales (Hong Kong) Limited as reported in the interim result announcement in August 2019, and partly offset by the growth in instant noodles and other products for the period. Revenue from the PRC operations increased by 7.3% (in local currency 12.5%) although the foreign exchange translation from Renminbi to Hong Kong Dollar has been depreciated for the period. Segment information about the operation is presented below:

For the nine months ended 30 September 2019 (unaudited):

	HK Operations HK\$'000	PRC Operations HK\$'000	Reportable segment total HK\$'000	Elimination HK\$'000	Total HK\$'000
<b>Revenue</b>					
Segment revenue from external customers	960,188	1,387,950	2,348,138	—	2,348,138
Inter-segment revenue	115,142	127,153	242,295	(242,295)	—
Segment revenue	<u>1,075,330</u>	<u>1,515,103</u>	<u>2,590,433</u>	<u>(242,295)</u>	<u>2,348,138</u>
<b>Result</b>					
Segment results	<u>80,450</u>	<u>177,550</u>	<u>258,000</u>	<u>—</u>	<u>258,000</u>

For the nine months ended 30 September 2018 (unaudited):

	HK Operations HK\$'000	PRC Operations HK\$'000	Reportable segment total HK\$'000	Elimination HK\$'000	Total HK\$'000
<b>Revenue</b>					
Segment revenue from external customers	981,598	1,293,234	2,274,832	—	2,274,832
Inter-segment revenue	83,946	120,034	203,980	(203,980)	—
Segment revenue	<u>1,065,544</u>	<u>1,413,268</u>	<u>2,478,812</u>	<u>(203,980)</u>	<u>2,274,832</u>
<b>Result</b>					
Segment results	<u>83,645</u>	<u>127,023</u>	<u>210,668</u>	<u>—</u>	<u>210,668</u>

## **Gross profit and gross profit margin**

The consolidated gross profit for the Period was HK\$770.1 million, representing an increase of 10.7% from HK\$695.5 million for the corresponding period of 2018. The gross profit margin for the Period was 32.8%, representing an increase of 2.2% from 30.6% of the corresponding period of 2018, mainly attributable to the stable raw material costs and better control in fixed costs.

## **Profit attributable to owners of the Company**

Profit attributable to owners of the Company for the Period was HK\$211.2 million, compared with HK\$166.2 million for the corresponding period of 2018.

## **(II) INSIDE INFORMATION — UNAUDITED FINANCIAL RESULTS OF THE CONTROLLING SHAREHOLDER OF THE COMPANY, NISSIN FOODS HOLDINGS CO., LTD. FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019**

This section in this announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Company's controlling shareholder, Nissin Japan, is listed on the Tokyo Stock Exchange, Inc. in Japan. As at the date of this announcement, Nissin Japan beneficially owns approximately 70.00% of the total issued shares of the Company.

Nissin Japan publishes unaudited quarterly and annual financial results announcements including periodic financial results and explanatory statements released pursuant to the requirements under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended). Such filing contains financial information and certain operating statistics about the operation of the Group. Nissin Japan's financial reports are available in the public domain.

Nissin Japan has announced and filed its unaudited financial results for the six months ended 30 September 2019 (the "Nissin Japan Financial Results") on 7 November 2019 (around 12:15 p.m. Hong Kong time). On the same day, Nissin Japan has also posted supplemental data for the Nissin Japan Financial Results (the "Supplemental Data") and the presentation materials in respect of such financial results (the "Presentation Materials", and together with the Nissin Japan Financial Results and the Supplemental Data are collectively known as "Quarterly Disclosures") on its website. The Quarterly Disclosures have been prepared by Nissin Japan in accordance with the International Financial Reporting Standards ("IFRS"). If you wish to review the Quarterly Disclosures, please visit the following:

Nissin Japan Financial Results	:	<a href="https://www.nissin.com/en_jp/ir/library/statements/">https://www.nissin.com/en_jp/ir/library/statements/</a>
Supplemental Data	:	<a href="https://www.nissin.com/en_jp/ir/library/supplemental/">https://www.nissin.com/en_jp/ir/library/supplemental/</a>
Presentation Materials	:	<a href="https://www.nissin.com/en_jp/ir/library/materials/">https://www.nissin.com/en_jp/ir/library/materials/</a>

The Nissin Japan Financial Results were prepared in accordance with the IFRS on a consolidated basis without taking into account the impact or effect of any intra-group transactions that are otherwise relevant for the purpose of the Group's reporting and disclosure under HKFRS and the Listing Rules. Furthermore, the financial year end of Nissin Japan and that of the Group are also different. Nissin Japan's financial year end falls on 31 March and the financial year end of the Group falls on 31 December. As such, while the financial results and related information set forth in the Quarterly Disclosures contain financial results of Nissin Japan's China segment, such financial information are not directly comparable to the financial results and related financial information that the Company will disclose as a company listed on the Main Board of The Stock Exchange of Hong Kong Limited.

**Extract of Nissin Japan Financial Results**  
— Released by Nissin Japan and prepared under IFRS

**NOTES RELATING TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**Segment information**

The following is a summary of the selected financial information relating to Nissin Japan's performance for its China segment, which comprises the whole financial performance of the Group for the same period, extracted from the Nissin Japan Financial Results:

	For the three months ended 30 September (July to September)		For the six months ended 30 September (April to September)	
	2019 <i>JPY million</i> (unaudited)	2018 <i>JPY million</i> (unaudited)	2019 <i>JPY million</i> (unaudited)	2018 <i>JPY million</i> (unaudited)
Net sales				
Sales to third Party	11,332	11,111	20,967	20,342
Intersegment Sales	283	124	495	376
Total	11,616	11,235	21,463	20,718
Segment income	1,451	1,329	2,291	1,743

**Qualitative Information Concerning Consolidated Business Results**

***China***

In China, the market for high value-added products is expanding in mainland China. The Group has taken steps to expand its geographical sales areas and strengthen its *CUP NOODLES* brand. In this environment, sales increased year on year thanks to strong sales of cup-type noodles, mainly in the *CUP NOODLES* brand. Profit increased year on year due to the increase in sales volume in China, and cost reductions associated with increase in volume.

Consequently, revenue was JPY20,967 million (+3.1%) and operating profit was JPY2,291 million (+31.4%) of this reportable segment.



Nissin Japan's Quarterly Disclosures contain forward-looking financial estimates and/or management targets relating to the China segment. Nissin Japan has full and independent discretion as to the determination of such forward-looking information by considering factors which Nissin Japan considers appropriate and relevant for its reporting and disclosure purposes. Forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, the Company's financial results may differ from those expressed in any forward-looking statements made by Nissin Japan, including the Quarterly Disclosures. In light of the risks and uncertainties, the inclusion of forward-looking information in the Quarterly Disclosures should not be regarded as representation by the Board or the Company that the plans and objectives will be achieved.

**Shareholders of the Company and potential investors are advised not to place undue reliance on the contents of Nissin Japan's Quarterly Disclosures and to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**Kiyotaka Ando**  
*Chief Executive Officer and Executive Director*

Hong Kong, 7 November 2019

*As at the date of this announcement, Executive Directors are Mr. Kiyotaka Ando, Mr. Toshimichi Fujinawa, Mr. Shinji Tatsutani, Mr. Kazuo Kawasaka and Mr. Munehiko Ono; and Independent Non-executive Directors are Dr. Sumio Matsumoto, Mr. Junichi Honda and Professor Lynne Yukie Nakano.*