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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)

VOLUNTARY ANNOUNCEMENT FORMATION OF JOINT VENTURE

This announcement of Nissin Foods Company Limited (the “Company”, together with its subsidiaries, the “Group”) is made on a voluntary basis to inform its shareholders and its potential investors of the latest business development of the Group regarding formation of joint venture and proposed arrangements of import and sale of Japanese brand food and beverage products in the People’s Republic of China (the “PRC”).

The board of directors (the “Board”) of the Company is pleased to announce that on 23 January 2020, the Company and Ms. Liu Feng entered into a shareholders’ and cooperation agreement (the “Shareholders Agreement”) pursuant to which the said parties will form a joint venture company (the “JV Company”), which in turn will establish a wholly foreign-owned enterprise in Shanghai (the “PRC WFOE”). The JV Company and the PRC WFOE will engage in import and sale of Japanese brand food and beverage products in the PRC, and target to commence the business in Shanghai by second quarter of 2020.

The Board believes that the foregoing joint venture arrangements would enable the Group to provide further diversified products to satisfy customers’ increasing demand for Japanese brand food and beverage products in the PRC, including Shanghai and other first tier cities in the PRC, and strategic partnership with Ms. Liu Feng will strengthen Group’s business foundations in Shanghai, thus enhancing the revenue stream and overall competitiveness of the Group. There will be no material adverse impact on the financial performance in the Group’s PRC operations as a result of entering into this joint venture.

THE JOINT VENTURE

On 23 January 2020, the Company and Ms. Liu Feng entered into the Shareholders Agreement pursuant to which the parties shall form the JV Company, which will be owned as to 81% by the Company and 19% by Ms. Liu Feng. An option will be granted by Ms. Liu Feng to the Company pursuant to which the Company may purchase any or all of the shares held by Ms. Liu Feng in the JV Company during the period up to and ending on 31 December 2023. The Company will contribute approximately HKD18.6 million in cash to the share capital of the JV Company, which will be financed by internal resources of the Group.

The JV Company, which is intended to be a holding company, will in turn establish the PRC WFOE. The JV Company and the PRC WFOE will principally engage in the import and sale of a comprehensive range of food and beverage products in the PRC, including Shanghai and other first tier cities in the PRC, and target to commence the business by second quarter of 2020. The JV Company and the PRC WFOE will be subsidiaries of the Company, the results of which will be consolidated into the financial statements of the Group.

REASONS FOR AND BENEFITS OF THE SHAREHOLDERS AGREEMENT

Through the respective strengths of the parties under the joint venture, the Group is expected to provide more comprehensive products for customers to satisfy their increasing demand for Japanese brand food and beverage products in the PRC.

The Board believes that the strategic cooperation with Ms. Liu Feng will enable the Group to further strengthen Group's business foundations in Shanghai, which is beneficial to the further growth and business development of the Group.

The Group is confident that the strategic partnership with Ms. Liu Feng is in the interest of the Company and its shareholders (the "Shareholders") as a whole and will offer a good opportunity for the Group to diversify its products and seek new revenue streams in the long run.

GENERAL INFORMATION RELATING TO THE GROUP AND MS. LIU FENG

The Group is a renowned food company in Hong Kong and the PRC with a diversified portfolio of well-known and highly popular brands, primarily focusing on the premium instant noodle segment. The Group also engages in the manufacture and sale of high quality frozen food products, including frozen dim sum and frozen noodles, and sale of other food and beverage products, including retort pouch, snack food, mineral water and sauce products.

Ms. Liu Feng is the founder of DONGFENG GROUP, which is established in 1994, and is currently serving as the general manager and director of Dachang Dongfeng Food (Shanghai) Co., Ltd.* 大昌東峰食品(上海)有限公司 ("DCH DONGFENG"), which is a renowned importer and wholesaler of Japanese brand food and beverage in Shanghai. It is anticipated that Ms. Liu Feng will dispose of her interest in DCH DONGFENG and resign as the general manager and director of DCH DONGFENG upon formation of the joint venture.

To the best of the knowledge, information and belief of the directors of the Company, having made all reasonable enquiry, Ms. Liu Feng is not a connected person of the Company (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")) as of the date of this announcement. Upon establishment of the PRC WFOE, Ms. Liu Feng will be appointed as a director of the PRC WFOE.

LISTING RULES IMPLICATIONS

As each of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in respect of the Shareholders Agreement is below 5%, the entering into of the Shareholders Agreement by the Company does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. This announcement is made by the Company on a voluntary basis to inform the Shareholders and the public investors of the latest development of the Group.

By order of the Board

Kiyotaka Ando

Chief Executive Officer and Executive Director

Hong Kong, 23 January 2020

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.

* *For identification purpose only*