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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 THREE MONTHS ENDED 31 MARCH 2020  
AND  
(II) INSIDE INFORMATION — UNAUDITED FINANCIAL RESULTS OF  
THE CONTROLLING SHAREHOLDER, NISSIN FOODS HOLDINGS CO., LTD.  
FOR THE FISCAL YEAR ENDED 31 MARCH 2020**

The Board of the Company is pleased to announce that on 11 May 2020, it has resolved to approve the unaudited consolidated financial information of the Group for the three months ended 31 March 2020. 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 fiscal year ended 31 March 2020 (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 FY Disclosures and to exercise caution when dealing in the securities of the Company.**

**(I) UNAUDITED CONSOLIDATED FINANCIAL INFORMATION OF THE COMPANY FOR THE THREE MONTHS ENDED 31 MARCH 2020**

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 11 May 2020, it has resolved to approve the unaudited consolidated financial information of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2020 (the “Period”) as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
*FOR THE THREE MONTHS ENDED 31 MARCH 2020*

	<i>NOTES</i>	<b>Three months ended 31 March</b>	
		<b>2020</b>	<b>2019</b>
		<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
Revenue		<b>884,564</b>	799,579
Cost of sales		<b>(600,341)</b>	(536,188)
Gross profit		<b>284,223</b>	263,391
Other income		<b>12,643</b>	14,401
Selling and distribution costs		<b>(100,062)</b>	(107,081)
Administrative expenses		<b>(52,605)</b>	(51,994)
Finance costs		<b>(45)</b>	—
Other expenses		<b>(5,811)</b>	(4,310)
Other gains and losses		<b>(852)</b>	4,070
Profit before taxation		<b>137,491</b>	118,477
Income tax expense	3	<b>(30,029)</b>	(18,994)
Profit for the Period		<b>107,462</b>	99,483
Profit for the Period attributable to:			
Owners of the Company		<b>98,966</b>	91,675
Non-controlling interests		<b>8,496</b>	7,808
		<b>107,462</b>	99,483
Earnings per share			
— Basic and diluted (HK cents)	4	<b>9.2</b>	8.5

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 31 MARCH 2020**

	<b>31 March 2020 HK\$'000 (unaudited)</b>	31 December 2019 HK\$'000 (audited)
<b>Non-current Assets</b>		
Property, plant and equipment	<b>1,399,818</b>	1,365,671
Right-of-use assets	<b>143,726</b>	145,621
Goodwill	<b>40,082</b>	40,082
Trademark	<b>24,232</b>	25,040
Interest in an associate	<b>116</b>	116
Financial assets at fair value through profit or loss	<b>35,545</b>	33,239
Deferred tax assets	<b>23,669</b>	20,977
Loan receivable	<b>1,779</b>	1,916
Deposits paid for acquisition of property, plant and equipment	<b>5,844</b>	6,050
	<b><u>1,674,811</u></b>	<b><u>1,638,712</u></b>
<b>Current Assets</b>		
Inventories	<b>245,032</b>	326,593
Trade receivables	<b>512,235</b>	421,056
Other receivables, prepayments and deposits	<b>89,621</b>	73,187
Loan receivable	<b>547</b>	547
Amount due from ultimate holding company	<b>4,849</b>	5,760
Amounts due from fellow subsidiaries	<b>11,306</b>	3,269
Tax recoverable	<b>—</b>	93
Financial assets at fair value through profit or loss	<b>397,774</b>	397,819
Other financial assets	<b>—</b>	156,630
Time deposits with maturity over three months	<b>35,544</b>	105,003
Bank balances and cash	<b>1,751,313</b>	1,505,261
	<b><u>3,048,221</u></b>	<b><u>2,995,218</u></b>

	<b>31 March 2020 HK\$'000 (unaudited)</b>	31 December 2019 HK\$'000 (audited)
<b>Current Liabilities</b>		
Trade payables	245,289	213,944
Other payables and accruals	589,507	586,317
Amount due to ultimate holding company	21,787	31,355
Amounts due to fellow subsidiaries	6,482	5,327
Lease liabilities	131	1,660
Tax liabilities	25,937	19,561
Deferred income	1,055	1,063
	<u>890,188</u>	<u>859,227</u>
<b>Net Current Assets</b>	<u>2,158,033</u>	<u>2,135,991</u>
<b>Total Assets less Current Liabilities</b>	<u><u>3,832,844</u></u>	<u><u>3,774,703</u></u>
<b>Capital and Reserves</b>		
Share capital	2,941,441	2,941,441
Reserves	711,256	648,124
	<u>3,652,697</u>	<u>3,589,565</u>
Equity attributable to owners of the Company	3,652,697	3,589,565
Non-controlling interests	116,409	122,753
	<u>3,769,106</u>	<u>3,712,318</u>
<b>Total Equity</b>	<u>3,769,106</u>	<u>3,712,318</u>
<b>Non-current Liabilities</b>		
Deferred tax liabilities	40,874	42,231
Lease liabilities	1,257	131
Deferred income	21,607	20,023
	<u>63,738</u>	<u>62,385</u>
	<u><u>3,832,844</u></u>	<u><u>3,774,703</u></u>

## **NOTES:**

### **1. GENERAL**

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited. 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 and 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 accounting policies used in the preparation of the unaudited consolidated financial information for the Period are consistent with those used in the audited consolidated financial statements for the year ended 31 December 2019.

### **3. TAXATION**

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduced the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong profits tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

The EIT Law requires withholding tax to be levied on distribution of profits earned by the PRC entities for profits generated after 1 January 2008 at rate of 5% for Hong Kong resident companies, which are the beneficial owners of the dividend received.

#### 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>Three months ended 31 March</b>	
	<b>2020</b>	2019
	<b>(unaudited)</b>	(unaudited)
<b>Earnings figures are calculated as follows:</b>		
Profit for the year attributable to owners of the Company		
For the purpose of basic and diluted earnings per share (HK\$'000)	<b>98,966</b>	91,675
	<u>          </u>	<u>          </u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>1,074,144,370</b>	1,074,144,370
Effect of dilutive potential ordinary shares in respect of outstanding share awards	<b>151,380</b>	159,210
	<u>          </u>	<u>          </u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b>1,074,295,750</b>	1,074,303,580
	<u>          </u>	<u>          </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 (Three months ended 31 March 2019: Nil).

## 7. FINANCIAL PERFORMANCE REVIEW

The revenue for the Period amounted to HK\$884.6 million, representing an increase of 10.6% from HK\$799.6 million of the corresponding period of 2019. Revenue from Hong Kong operations increased by 11.1% due to the increase in demand of bag-type instant noodles in Hong Kong. Revenue from the PRC operations increased by 10.3% (in local currency: 16.1%) due to the improvement in sales volume of cup-type instant noodles in PRC although the foreign exchange translation from Renminbi to Hong Kong Dollar has been depreciated this year. Segment information about the operations is presented below:

### For the three months ended 31 March 2020

	HK Operations <i>HK\$'000</i> (unaudited)	PRC Operations <i>HK\$'000</i> (unaudited)	Reportable segment total <i>HK\$'000</i> (unaudited)	Elimination <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
<b>Revenue</b>					
Segment revenue from external customers	358,372	526,192	884,564	—	884,564
Inter-segment revenue	<u>50,217</u>	<u>40,702</u>	<u>90,919</u>	<u>(90,919)</u>	<u>—</u>
Segment revenue	<u><u>408,589</u></u>	<u><u>566,894</u></u>	<u><u>975,483</u></u>	<u><u>(90,919)</u></u>	<u><u>844,564</u></u>
<b>Result</b>					
Segment results	<u><u>45,486</u></u>	<u><u>80,214</u></u>	<u><u>125,700</u></u>	<u><u>—</u></u>	<u><u>125,700</u></u>

### For the three months ended 31 March 2019

	HK Operations <i>HK\$'000</i> (unaudited)	PRC Operations <i>HK\$'000</i> (unaudited)	Reportable segment total <i>HK\$'000</i> (unaudited)	Elimination <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
<b>Revenue</b>					
Segment revenue from external customers	322,670	476,909	799,579	—	799,579
Inter-segment revenue	<u>33,884</u>	<u>41,621</u>	<u>75,505</u>	<u>(75,505)</u>	<u>—</u>
Segment revenue	<u><u>356,554</u></u>	<u><u>518,530</u></u>	<u><u>875,084</u></u>	<u><u>(75,505)</u></u>	<u><u>799,579</u></u>
<b>Result</b>					
Segment results	<u><u>34,646</u></u>	<u><u>65,359</u></u>	<u><u>100,005</u></u>	<u><u>—</u></u>	<u><u>100,005</u></u>

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

The gross profit for the Period was HK\$284.2 million, representing an increase of 7.9% from HK\$263.4 million of the corresponding period of 2019. The gross profit margin for the Period was 32.1%, representing a decrease of 0.8% from 32.9% of the corresponding period of 2019, mainly attributable to the increase in raw material costs year-on-year.

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

Profit attributable to owners of the Company for the Period was HK\$99.0 million, compared with HK\$91.7 million of the corresponding period of 2019.

## **(II) INSIDE INFORMATION — UNAUDITED FINANCIAL RESULTS OF THE CONTROLLING SHAREHOLDER OF THE COMPANY, NISSIN FOODS HOLDINGS CO., LTD. FOR THE FISCAL YEAR ENDED 31 MARCH 2020**

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 fiscal year ended 31 March 2020 (the "Nissin Japan Financial Results") on 11 May 2020 (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 "FY Disclosures") on its website. The FY Disclosures have been prepared by Nissin Japan in accordance with the International Financial Reporting Standards ("IFRS"). If you wish to review the FY 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 FY 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 fiscal year ended 31 March	
	2020	2019
	JPY million	JPY million
	(unaudited)	(unaudited)
Net sales		
Sales to third Party	43,083	41,447
Intersegment Sales	1,079	947
Total	44,162	42,394
Segment income	4,865	3,843

### 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 addition, in the wake of Coronavirus disease 2019 (COVID-19), the stay-at-home economy during the period of fourth quarter has increased higher demand for premium instant noodles. In this environment, sales increased year on year thanks to strong volume of cup-type noodles in mainland China and bag-type noodles in Hong Kong, mainly in the *CUP NOODLES* brand and *DEMAE ICCHO* brand. Profit increased year on year due to increase in sales volume in mainland China and Hong Kong, and cost reduction associated with increase in volume.

Consequently, revenue was JPY43,083 million (+3.9%) and operating profit was JPY4,865 million (+26.6%) in this reportable segment.

Nissin Japan's FY 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 FY Disclosures. In light of the risks and uncertainties, the inclusion of forward-looking information in the FY 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 FY 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, 11 May 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, Professor Lynne Yukie Nakano and Mr. Toshiaki Sakai.*