

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 2023**

AND

**(II) INSIDE INFORMATION – UNAUDITED FINANCIAL RESULTS OF THE
CONTROLLING SHAREHOLDER, NISSIN FOODS HOLDINGS CO., LTD.
FOR THE FISCAL YEAR ENDED 31 MARCH 2023**

The Board of the Company is pleased to announce that on 10 May 2023, it has resolved to approve the unaudited consolidated financial information of the Group for the three months ended 31 March 2023. 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 72.05% 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 2023 (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 2023**

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 10 May 2023, 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 2023 (the “Period”) as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

	NOTES	Three months ended 31 March	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue		1,024,396	1,061,805
Cost of sales		<u>(662,296)</u>	<u>(728,965)</u>
Gross profit		362,100	332,840
Other income		10,811	7,550
Selling and distribution costs		(142,477)	(129,759)
Administrative expenses		(69,074)	(71,759)
Other expenses		(7,374)	(8,192)
Other gains and losses		(4,101)	3,199
Finance costs		<u>(70)</u>	<u>(69)</u>
Profit before taxation		149,815	133,810
Income tax expense	3	<u>(38,348)</u>	<u>(31,581)</u>
Profit for the Period		<u>111,467</u>	<u>102,229</u>
Profit for the Period attributable to:			
– Owners of the Company		110,491	90,311
– Non-controlling interests		<u>976</u>	<u>11,918</u>
		<u>111,467</u>	<u>102,229</u>
Earnings per share			
– Basic and diluted (HK cents)	4	<u>10.59</u>	<u>8.7</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2023

	31 March 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Non-current Assets		
Property, plant and equipment	1,605,279	1,580,304
Right-of-use assets	185,680	186,398
Goodwill	63,578	63,108
Intangible assets	30,574	31,454
Interest in an associate	116	116
Financial assets at fair value through profit or loss	33,568	34,371
Deferred tax assets	59,192	57,041
Loan receivable	137	274
Deposits paid for acquisition of property, plant and equipment	28,647	34,322
Time deposits with maturity over one year	79,962	78,364
Rental deposits	1,788	1,789
	<u>2,088,521</u>	<u>2,067,541</u>
Current Assets		
Inventories	358,339	431,610
Trade receivables	475,734	426,835
Other receivables, prepayments and deposits	100,287	85,661
Loan receivable	547	547
Amount due from ultimate holding company	4,327	4,174
Amounts due from fellow subsidiaries	42,025	34,582
Tax recoverable	759	12,698
Financial assets at fair value through profit or loss	207,883	204,239
Time deposits with maturity over three months but not exceeding one year	17,763	17,763
Cash and cash equivalents	1,351,460	1,249,460
	<u>2,559,124</u>	<u>2,467,569</u>

	31 March 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Current Liabilities		
Trade payables	162,327	179,942
Other payables and accruals	618,568	653,197
Amount due to ultimate holding company	32,781	33,808
Amounts due to fellow subsidiaries	4,031	3,623
Lease liabilities	2,900	6,249
Tax liabilities	40,885	37,588
Deferred income	2,884	2,826
	<u>864,376</u>	<u>917,233</u>
Net Current Assets	<u>1,694,748</u>	<u>1,550,336</u>
Total Assets less Current Liabilities	<u><u>3,783,269</u></u>	<u><u>3,617,877</u></u>
Capital and Reserves		
Share capital	2,941,441	2,941,441
Reserves	<u>736,639</u>	<u>577,489</u>
Equity attributable to owners of the Company	3,678,080	3,518,930
Non-controlling interests	<u>27,587</u>	<u>25,773</u>
Total Equity	<u>3,705,667</u>	<u>3,544,703</u>
Non-current Liabilities		
Deferred tax liabilities	58,098	53,655
Lease liabilities	2,266	2,126
Deferred income	<u>17,238</u>	<u>17,393</u>
	<u>77,602</u>	<u>73,174</u>
	<u><u>3,783,269</u></u>	<u><u>3,617,877</u></u>

NOTES:

1. GENERAL

Nissin Foods Company Limited (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 Company and its subsidiaries (collectively referred to as the “Group”) is principally engaged in the manufacturing and sales of noodles, retort foods, frozen foods, beverage products, snacks and vegetable products, and provision of research and publicity services. The place of operation are located in Hong Kong and mainland China, the People’s Republic of China (the “PRC”).

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

2. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

The financial information relating to the year ended 31 December 2022 that is included in this unaudited consolidated financial information as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (the “Companies Ordinance”) is as follows.

The Company has delivered the consolidated financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company’s auditor has reported on the consolidated financial statements for the year ended 31 December 2022. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report, and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

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, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial information for the three months ended 31 March 2023 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2022.

3. TAXATION

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

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:

	Three months ended 31 March	
	2023	2022
	(unaudited)	(unaudited)
Earnings figures are calculated as follows:		
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>110,491</u>	<u>90,311</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,043,675,960	1,044,205,871
Effect of dilutive potential ordinary shares in respect of outstanding share awards	<u>15,520</u>	<u>–</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>1,043,691,480</u>	<u>1,044,205,871</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. DIVIDEND

The Board does not recommend the payment of any dividend for the Period (Three months ended 31 March 2022: Nil).

7. FINANCIAL PERFORMANCE REVIEW

The revenue for the Period amounted to HK\$1,024.4 million, representing a decrease of 3.5% from HK\$1,061.8 million of the corresponding period of 2022. Revenue from Hong Kong operations decreased by 2.7% due to the absence of a sudden surge in demand especially bag-type instant noodles under the fifth wave of the pandemic last year. Revenue from the Mainland China operations decreased by 4.0% (in local currency: +3.3%) due to the depreciation of Reminbi against the Hong Kong Dollars. Segment information about the operations is presented below:

For the three months ended 31 March 2023

	Hong Kong	Mainland	Reportable	Elimination	Total
	HK\$'000	China	segment	HK\$'000	HK\$'000
	(unaudited)	HK\$'000	total	(unaudited)	(unaudited)
	(unaudited)	(unaudited)	HK\$'000	(unaudited)	(unaudited)
Revenue					
Segment revenue from external customers	348,407	675,989	1,024,396	–	1,024,396
Inter-segment revenue	<u>48,153</u>	<u>54,175</u>	<u>102,328</u>	<u>(102,328)</u>	<u>–</u>
Segment revenue	<u>396,560</u>	<u>730,164</u>	<u>1,126,724</u>	<u>(102,328)</u>	<u>1,024,396</u>
Result					
Segment results	<u>31,579</u>	<u>111,526</u>	<u>143,105</u>	<u>–</u>	<u>143,105</u>

For the three months ended 31 March 2022

	Hong Kong HK\$'000 (unaudited)	Mainland China HK\$'000 (unaudited)	Reportable segment total HK\$'000 (unaudited)	Elimination HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Revenue					
Segment revenue from external customers	357,931	703,874	1,061,805	–	1,061,805
Inter-segment revenue	<u>33,805</u>	<u>73,737</u>	<u>107,542</u>	<u>(107,542)</u>	<u>–</u>
Segment revenue	<u>391,736</u>	<u>777,611</u>	<u>1,169,347</u>	<u>(107,542)</u>	<u>1,061,805</u>
Result					
Segment results	<u>21,426</u>	<u>101,635</u>	<u>123,061</u>	<u>–</u>	<u>123,061</u>

Gross profit and gross profit margin

The gross profit for the Period was HK\$362.1 million, representing an increase of 8.8% from HK\$332.8 million of the corresponding period of 2022. The gross profit margin for the Period was 35.3%, representing a significant increase of 4.0 percentage points from 31.3% of the corresponding period of 2022, mainly attributable to the implementation of price adjustments and easing of raw material costs.

Profit attributable to owners of the Company

Profit attributable to owners of the Company for the Period was HK\$110.5 million, compared with HK\$90.3 million of the corresponding period of 2022.

(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 2023

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 72.05% 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 2023 (the “Nissin Japan Financial Results”) on 10 May 2023 (at about 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 https://www.nissin.com/en_jp/ir/library/materials/.

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	
	2023	2022
	JPY million	JPY million
	(unaudited)	(unaudited)
Net sales		
Sales to third Party	66,128	55,478
Intersegment Sales	2,776	1,776
Total	68,905	57,255
Segment income	8,421	6,039

Qualitative Information Concerning Consolidated Business Results

China

In China, as the market for high value-added products expands in mainland China, the Group has taken steps to expand its geographical sales areas and strengthen its *CUP NOODLES* brand. Revenue increased over the previous year due to the implementation of price adjustments. Profit also increased year on year as the increase in revenue offset the surge in raw material costs. In addition, the strengthening of the local currency against the Japanese yen had a positive impact on sales and profits.

Consequently, revenue was JPY66,128 million (+19.2%), core operating profit was JPY7,836 million (+27.5%) and operating profit was JPY8,421 million (+39.4%) in this reportable segment. Excluding the impact of currency translation, revenue was JPY57,402 million (+3.5%), core operating profit was JPY6,835 million (+11.2%).

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, 10 May 2023

As at the date of this announcement, Executive Directors are Mr. Kiyotaka Ando, Mr. Toshimichi Fujinawa, Mr. Shinji Tatsutani, Mr. Kazuo Kawasaka and Mr. Yasuhiro Yamada; and Independent Non-executive Directors are Dr. Sumio Matsumoto, Mr. Masaru Takahashi, Professor Lynne Yukie Nakano and Mr. Toshiaki Sakai.