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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) CONNECTED TRANSACTION  
ACQUISITION AND CAPITAL CONTRIBUTION  
IN NISSIN VIETNAM  
(II) CONTINUING CONNECTED TRANSACTIONS  
WITH A CONNECTED SUBSIDIARY**

**(I) CAPITAL TRANSFER AGREEMENT**

The Board is pleased to announce that on 29 June 2023, the Company (as purchaser) and the Vendor have entered into the Capital Transfer Agreement, pursuant to which (i) the Vendor has agreed to sell, and the Company has agreed to purchase, the Assigned Contributed Capital, for the Consideration of approximately USD9.5 million, and (ii) the Company has agreed to contribute USD2.0 million to the capital of Nissin Vietnam after completion of the Acquisition. The Total Consideration payable by the Company for the Acquisition and the Capital Contribution is approximately USD11.5 million.

As of the date of this announcement, Nissin Vietnam is wholly-owned by the Vendor. Upon completion of the Acquisition and the Capital Contribution, Nissin Vietnam will be held as to 67% by the Company and 33% by the Vendor and will be a non-wholly-owned subsidiary of the Company, and its financial results will be consolidated into that of the Group.

**LISTING RULE IMPLICATIONS**

As of the date of this announcement, Nissin Japan holds approximately 72.05% of the total issued Shares and is therefore the Controlling Shareholder and a connected person of the Company. The Vendor is a wholly-owned subsidiary of Nissin Japan. Therefore, the Vendor is a connected person of the Company by virtue of it being an associate of Nissin Japan. Accordingly, the Acquisition and the Capital Contribution constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios of the Acquisition and the Capital Contribution, on an aggregate basis, is more than 0.1% but less than 5%, the Acquisition and the Capital Contribution are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but exempt from the circular, independent financial advice and independent Shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

## **(II) CONTINUING CONNECTED TRANSACTIONS WITH A CONNECTED SUBSIDIARY**

The Board would like to announce that on 29 June 2023, the Company and Nissin Vietnam have entered into the (1) Master Supply Agreement and (2) Master Procurement Agreement pursuant to which the Group has agreed to supply the Supply Products to, and procure the Procurement Products from, Nissin Vietnam respectively. The term of both the Master Supply Agreement and Master Procurement Agreement is a term commencing from 1 July 2023 to 31 December 2025, renewable upon expiry for further three years, subject to compliance with applicable requirements under the Listing Rules.

### **LISTING RULE IMPLICATIONS**

Upon completion of the Acquisition, Nissin Vietnam will become a connected subsidiary of the Company pursuant to Rule 14A.16 of the Listing Rules by virtue of it being a non-wholly-owned subsidiary of the Company where Nissin Japan, being a connected person at the Company's level, can exercise or control the exercise of 10% or more of the voting power of Nissin Vietnam. Accordingly, after the completion of the Acquisition, Nissin Vietnam is a connected person of the Company under the Listing Rules, and the transactions contemplated under the Master Supply Agreement and Master Procurement Agreement constitute intra-group connected transactions of the Group under the Listing Rules.

As all applicable percentage ratios for the Proposed Annual Caps of the transactions under the Master Supply Agreement and Master Procurement Agreement are more than 0.1% but less than 5%, the transactions under the Master Supply Agreement and Master Procurement Agreement are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but exempt from the independent Shareholders' approval requirement pursuant to Rule 14A.76(2) of the Listing Rules.

## **INTRODUCTION**

The Board is pleased to announce that on 29 June 2023, the Company (as purchaser), and the Vendor have entered into the Capital Transfer Agreement, pursuant to which (i) the Vendor has agreed to sell, and the Company has agreed to purchase, the Assigned Contributed Capital, for the Consideration of approximately USD9.5 million, and (ii) the Company has agreed to contribute USD2.0 million to the capital of Nissin Vietnam after completion of the Acquisition. The Total Consideration payable for the Acquisition and the Capital Contribution is approximately USD11.5 million.

## CAPITAL TRANSFER AGREEMENT

The principal terms of the Capital Transfer Agreement are set out below:

<b>Date</b>	29 June 2023
<b>Parties</b>	(i) Nissin Foods Asia Co., Ltd (as seller); and (ii) the Company (as purchaser).
<b>Nature of the transaction</b>	<p>Pursuant to the Capital Transfer Agreement, the Vendor (i) has agreed to sell, and the Company has agreed to purchase, the Assigned Contributed Capital in the amount of approximately USD44.0 million representing 66.01% of all contributed capital in the Target Company; and (ii) the Company has agreed to contribute USD2.0 million to the capital of the Target Company after completion of the Acquisition.</p> <p>Upon completion of the Capital Contribution, the contributed capital of the Target Company will be increased to approximately USD68.6 million from approximately USD66.6 million, among which an aggregate of approximately USD46.0 million will be capital attributable to the Company, with its shareholding in the Target Company increased to 67% from 66.01%.</p>
<b>Total Consideration</b>	<p>The Consideration for the Acquisition was approximately USD9.5 million which was determined after arm's length negotiation between the parties, and with reference to (i) the appraised value of the 100% equity interest of the Target Company of approximately USD14.4 million as at the Valuation Date as determined by the Valuer using the income approach and proportional interest; and (ii) the future prospects of the Target Company.</p> <p>Due to the capital needs for future business development, the Vendor and the Company negotiated and agreed to increase the contributed capital of the Target Company by USD2.0 million.</p> <p>The Company intends to fund the Acquisition and the Capital Contribution from internal resources of the Group.</p>
<b>Payment terms</b>	<p>The Consideration for the Acquisition shall be paid on the Completion Date.</p> <p>The Capital Contribution to the Target Company in the amount of USD2.0 million shall be settled by cash within 10 working days from the issuance of the amended Investment Registration Certificate by Binh Duong Province Industrial Zone Authority, Vietnam.</p>
<b>Completion</b>	<p>Completion of the Acquisition will take place on the Completion Date.</p> <p>Completion of the Capital Contribution will take place on the date when the Capital Contribution is fully settled.</p>

As at the date of this announcement, the Target Company is wholly-owned by the Vendor.

## INFORMATION ON NISSIN VIETNAM

Nissin Vietnam is a manufacturer and distributor of instant noodles. The principal activities of Nissin Vietnam include manufacturing, importing, and exporting instant noodles. Nissin Vietnam exports its instant noodles to the Group and Nissin Japan Group. As at the date of this announcement, it is wholly-owned by the Vendor. Upon completion of the Acquisition and the Capital Contribution, Nissin Vietnam will be held as to 67% by the Company and 33% by the Vendor and become a non-wholly-owned subsidiary of the Company, and its financial results will be consolidated into that of the Group.

As at 31 March 2023, the audited net asset value of Nissin Vietnam was approximately VND345.3 billion (equivalent to USD14.7 million). According to the Valuation Report, the appraised value (as at the Valuation Date) of Nissin Vietnam was approximately USD14.4 million using the discounted cash flow approach of the income method. The net profit (both before and after tax) of Nissin Vietnam for the two years ended 31 March 2022 and 2023, which were prepared in accordance with Vietnamese Accounting Standards, were as follows:

	<b>Year ended 31 March 2022</b>		<b>Year ended 31 March 2023</b>	
	<b>(Audited)</b>	<b>Equivalent to</b>	<b>(Audited)</b>	<b>Equivalent to</b>
	<b>(VND billion)</b>	<b>approximately</b>	<b>(VND billion)</b>	<b>approximately</b>
		<b>USD million</b>		<b>USD million</b>
Net loss before tax	(59.0)	(2.5)	(33.2)	(1.4)
Net loss after tax	(59.0)	(2.5)	(33.2)	(1.4)

Insofar as the Company is aware, the original cost of investment incurred by the Vendor in respect of the Assigned Contributed Capital amounted to approximately USD44.0 million, representing the Vendor's capital contribution to Nissin Vietnam.

## INFORMATION ON THE GROUP

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. In addition, the Group also manufactures and sells high-quality frozen food products, including frozen dim sum and frozen noodles and sells other food and beverage products, including retort pouches, snacks, mineral water, sauce and vegetable products.

## INFORMATION ON NISSIN JAPAN AND THE VENDOR

Nissin Japan is a company listed on the Tokyo Stock Exchange, Inc. (stock code: 2897) and is one of the largest manufacturers and sellers of instant noodles in the world. Apart from instant noodles, Nissin Japan also manufactures and sells other products including chilled and frozen food, snack, confectionery and beverage products.

Nissin Foods Asia Co., Ltd. is a wholly-owned subsidiary of Nissin Japan. It is a company established in Thailand with limited liability and is principally engaged in the provision of managerial or support services to associated companies and performing offshore trading activities.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE CAPITAL CONTRIBUTION**

Prior to the Acquisition, Nissin Vietnam is an indirect wholly-owned subsidiary of Nissin Japan, which operates the instant noodle business in Vietnam. Nissin Vietnam has also been manufacturing bag-type noodle products (including Fuku) for the Company and purchasing granola products from the Company for its onward sales. Nissin Vietnam has an instant noodles factory in Binh Duong Province, Vietnam with an area of approximately 60,000 square metres.

In recent years, it has been observed that the instant noodles market in Vietnam witnessed substantial growth during the period from 2019 to 2022. Following the COVID-19 pandemic, consumers have become more health-conscious and developed a tendency to opt for premium instant noodle products. The Company believes that this trend will continue going forward and there will be ample opportunities for expansion of the premium instant noodles market in Vietnam.

The Directors believe that the Acquisition allows the Company to gain control over Nissin Vietnam, thereby expanding the geographic portfolio of the Group businesses and providing greater flexibility to deploy the Group's production capabilities in Vietnam to respond to the increasing market demand and the changing business environment. The Capital Contribution will enhance Nissin Vietnam's instant noodles production, sale and distribution capability. In addition, the Company can invest its human resources, expertise and experiences from the operations in Hong Kong and mainland China in Nissin Vietnam to accelerate business growth and capitalise on the long-term growth trends in the Vietnamese instant noodles market, which will in turn increase the overall income and profitability of the Group. It is anticipated that after the Acquisition, the Group will be able to leverage the production capacity of Nissin Vietnam to strengthen the Group's overall production capability as well as to facilitate its cost efficiency, thereby allowing the Group to maintain its competitive prices for a number of instant noodle products which are suitable for production at Nissin Vietnam.

The Directors (including the independent non-executive Directors) are of the view that the terms of the transaction contemplated under the Capital Transfer Agreement are fair and reasonable and are on normal commercial terms, and the Acquisition and the Capital Contribution are in the interests of the Company and its Shareholders as a whole.

## **VALUATION**

According to the Valuation Report, the market value of the entire equity interests of the Target Company as at the Valuation Date using the discounted cash flow approach of the income method amounted to approximately USD14.4 million. As the discounted cash flow method of the income approach was applied in the Valuation, the Valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules and accordingly, the requirements under Rules 14A.68(7) and 14.62 of the Listing Rules are applicable.

Pursuant to Rule 14.62 of the Listing Rules, details of the bases and assumptions (including the commercial assumptions) upon which the Profit Forecast is based are as follows:

### **General assumptions**

1. It is assumed that the Target Company will continue with its current operations, as a going concern, under the same management on an "as-is-where-is" basis;
2. Pricing analyses are reliable insofar as the forecasts and projections, as well as other information provided by the Target Company and the Vendor, are reliable;

3. It is assumed that there will be no significant changes in the present legislation, government regulations, inflation rates, foreign currency exchange, the bases and rates of taxation, or other lending guidelines which will affect the activities of the Target Company or the markets in which it operates;
4. It is assumed that there will be no significant changes in the current market conditions, or the prevailing economic and political climate in Vietnam or elsewhere, which will directly or indirectly affect the activities of the Target Company;
5. It is assumed that there will be no major changes in the key personnel and management of the Target Company;
6. It is assumed that there will be no material changes in the present structure or principal activities of the Target Company;
7. It is assumed that there will be no major industrial disputes or any other abnormal factors or changes, either domestic or overseas, which will seriously affect the operations of the Target Company;
8. It is assumed that there will be no significant changes in the accounting, management and operating policies currently adopted by the management of the Target Company;
9. It is assumed that there will be no material acquisition or disposal of fixed assets other than those planned; and
10. It is assumed that capital replacement and maintenance costs will not differ materially from current levels.

### **Special assumptions**

1. It is assumed that the Target Company will be able to achieve the projected performance for the period from the last six months of fiscal year 2022 to fiscal year 2030 based on the assumptions provided by the management of the Vendor; and
2. The assessment of the Target Company's value was performed on an "as-is-where-is" basis as at the Valuation Date, with no material changes being foreseen to the current business strategy and direction of the Target Company.

The Board has reviewed the principal assumptions upon which the Profit Forecast was based and are of the view that the Profit Forecast was made after due care and enquiry.

Deloitte Touche Tohmatsu, the reporting accountant of the Company, has also reported on the calculations of the discounted future estimated cash flows of the Target Company upon which the Valuation prepared by the Valuer was based on. The discounted future estimated cash flows of the Target Company do not involve the adoption of accounting policies.

A letter from the board of Directors and a letter from Deloitte Touche Tohmatsu are included in the appendices to this announcement for the purpose of Rules 14A.68(7) and 14.62(2) of the Listing Rules, respectively.

The following are the qualifications of the experts who have given their opinion and advice included in this announcement:

<b>Name</b>	<b>Qualification</b>
Deloitte Touche Tohmatsu PwC (Vietnam) Limited	Certified Public Accountants Independent professional valuer

To the best knowledge, information and belief of the board of Directors and having made all reasonable enquiries, the experts are third parties independent of the Group and its connected persons (as defined under the Listing Rules). As at the date of this announcement, each of the experts:

- (i) has given, and has not withdrawn, its written consent to the publication of this announcement that includes its letter and all references to its name in the form and context in which they appear; and
- (ii) does not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate any person to subscribe for securities in any member of the Group.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Nissin Japan holds approximately 72.05% of the total issued Shares and is therefore the Controlling Shareholder and a connected person of the Company. The Vendor is an indirect wholly-owned subsidiary of Nissin Japan. Therefore, the Vendor is a connected person of the Company by virtue of it being an associate of Nissin Japan. Accordingly, the Acquisition and the Capital Contribution constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As one or more applicable percentage ratios of the Acquisition and the Capital Contribution, on an aggregate basis, is more than 0.1% but less than 5%, the Acquisition and the Capital Contribution are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but exempt from the circular, independent financial advice and independent Shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

Mr. Kiyotaka Ando, the executive Director, who is also a director of the Vendor, is regarded as having material interest in the transactions contemplated under the Capital Transfer Agreement and has abstained from voting on the board resolutions approving the Capital Transfer Agreement and the transactions contemplated thereunder. Save for the above Director, none of other Directors has been or is deemed to be materially interested in the transactions contemplated under the Capital Transfer Agreement, so no other Director was required to abstain from voting on the Board resolutions of the Company approving the Acquisition and the Capital Contribution. The Directors (including the independent non-executive Directors but excluding Mr. Kiyotaka Ando) have considered and approved the resolution on the Acquisition and the Capital Contribution.

## CONTINUING CONNECTED TRANSACTIONS WITH A CONNECTED SUBSIDIARY

On 29 June 2023, the Company and Nissin Vietnam have entered into the (1) Master Supply Agreement and (2) Master Procurement Agreement pursuant to which the Group has agreed to supply the Supply Products to, and procure the Procurement Products from, Nissin Vietnam respectively.

Principal terms of the Master Supply Agreement and Master Procurement Agreement are set forth below:

	<b>Master Supply Agreement</b>	<b>Master Procurement Agreement</b>
<b>Date</b>	29 June 2023	29 June 2023
<b>Parties</b>	(i) The Company (on behalf of the Group) (ii) Nissin Vietnam	(i) The Company (on behalf of the Group) (ii) Nissin Vietnam
<b>Subject</b>	The Group sells to Nissin Vietnam the Supply Products, which include granola and snacks	The Group purchases from Nissin Vietnam the Procurement Products, which include instant noodles and other food products
<b>Pricing basis</b>	Determined with reference to the cost of finished goods plus a profit margin agreed at arm's length basis and taking into account the sale price for similar products that the Group sells to other Independent Third Parties in open market	Determined with reference to the cost of such finished goods plus a profit margin agreed at arm's length basis and taking into account the purchase price for similar products that the Group can procure from other Independent Third Parties in open market
<b>Term</b>	From 1 July 2023 to 31 December 2025, renewable upon expiry for further three years subject to compliance with applicable requirements under the Listing Rules	From 1 July 2023 to 31 December 2025, renewable upon expiry for further three years subject to compliance with applicable requirements under the Listing Rules

## ANNUAL CAPS OF THE SALE AND PURCHASE OF THE PRODUCTS

The proposed purchase caps and the sale caps of the continuing connected transactions of the Group for each of the six months period ending 31 December 2023 and the years ending 31 December 2024 and 31 December 2025 are set out below:

	<b>For the six months period ending 31 December 2023 <i>HK\$ million</i></b>	<b>For the financial year ending 31 December 2024 <i>HK\$ million</i></b>	<b>For the financial year ending 31 December 2025 <i>HK\$ million</i></b>
Sale to Nissin Vietnam	3.0	4.4	5.5
Purchase from Nissin Vietnam	15.2	40.0	49.9



The Proposed Annual Caps are based on various considerations, including but not limited to (i) the historical amounts of the sale and purchase of the Supply Products and the Procurement Products; (ii) the anticipated increase in the sale and purchases between the Group and Nissin Vietnam with reference to the expected market demand of relevant products. The transaction amounts of the Supply Products were nil, nil and HK\$1.3 million, and of the Procurement Products were HK\$21.5 million, HK\$21.5 million and HK\$25.4 million respectively for the three years ended 31 December 2020, 2021 and 2022.

If the transactions contemplated under the Master Supply Agreement or Master Procurement Agreement for any of the above years exceed the relevant Proposed Annual Cap(s), the Company will comply with the relevant requirements stipulated under Chapter 14A of the Listing Rules.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTIONS**

As mentioned in “Reasons for and Benefits of the Acquisition and Capital Contribution” above, Nissin Vietnam has been manufacturing bag-type noodle products (including Fuku) for the Company and purchasing granola products from the Company for its onward sales. In anticipation of the expected increase in demand in the noodles and granola markets in Vietnam, the Company believes that the sales and distribution network of Nissin Vietnam provide an effective sale channel for the products of the Group and which in turn would increase the overall sales revenue of the Group. The Procurement Products the Group purchased from Nissin Vietnam comprise instant noodles. The Board considers it beneficial to the Group as a whole to purchase such finished goods from Nissin Vietnam for its onward sales to distributors in Hong Kong, Macau and Taiwan at a more competitive price, which in turn is expected to enhance the overall income and profitability of the Group. Hence, it is believed that the transactions contemplated under the Master Supply Agreement and Master Procurement Agreement are beneficial to the business growth and development of the Group as a whole.

On the aforesaid basis, the Directors (including the independent non-executive Directors) consider that the terms of the Master Supply Agreement and the Master Procurement Agreement were entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and the respective terms of such agreements and the Proposed Annual Caps are fair and reasonable and such transactions are in the interests of the Company and its Shareholders as a whole.

## **LISTING RULE IMPLICATIONS**

Upon completion of the Acquisition, Nissin Vietnam will become a connected subsidiary of the Company pursuant to Rule 14A.16 of the Listing Rules by virtue of it being a non-wholly-owned subsidiary of the Company where Nissin Japan, being a connected person at the Company’s level, can exercise or control the exercise of 10% or more of the voting power of Nissin Vietnam. Accordingly, after completion of the Acquisition, Nissin Vietnam is a connected person of the Company under the Listing Rules, and the transactions contemplated under the Master Supply Agreement and Master Procurement Agreement constitute intra-group connected transactions of the Group under the Listing Rules.

None of the Directors have any material interest in the continuing connected transactions herein announced so that no Director was required to abstain from voting on the Board resolutions of the Company approving the Master Supply Agreement and the Master Procurement Agreement.

As all applicable percentage ratios for the Proposed Annual Caps of the transactions under the Master Supply Agreement and Master Procurement Agreement are more than 0.1% but less than 5%, the transactions under the Master Supply Agreement and Master Procurement Agreement are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but exempt from the independent Shareholders’ approval requirement pursuant to Rule 14A.76(2) of the Listing Rules.

## GENERAL INFORMATION RELATING TO THE GROUP AND NISSIN VIETNAM

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. In addition, the Group also manufactures and sells high-quality frozen food products, including frozen dim sum and frozen noodles and sells other food and beverage products, including retort pouches, snacks, mineral water, sauce and vegetable products.

Nissin Vietnam is a manufacturer and distributor of instant noodles. The principal activities of Nissin Vietnam include manufacturing, importing and exporting instant noodles.

## DEFINITIONS

Unless the context requires otherwise, the capitalised terms used in this announcement shall have the following meanings:

“Acquisition”	the acquisition of the Assigned Contributed Capital pursuant to the Capital Transfer Agreement
“Assigned Contributed Capital”	the contributed capital with the amount of approximately USD44.0 million, representing 66.01% of the Target Company’s contributed charter capital
“Board”	the board of Directors of the Company
“Capital Contribution”	the capital contribution made by the Company to the contributed capital of the Target Company in the amount of USD2.0 million pursuant to the Capital Transfer Agreement
“Capital Transfer Agreement”	the capital transfer agreement dated 29 June 2023 entered into between the Vendor and the Company in relation to the Acquisition by the Company from the Vendor and the Capital Contribution
“Company”	Nissin Foods Company Limited, a company incorporated under the laws of Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion Date”	the fifth working days after the entering of the Capital Transfer Agreement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the Acquisition
“Controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board of the Stock Exchange
“Master Procurement Agreement”	means the master procurement agreement dated 29 June 2023 entered into between the Company and Nissin Vietnam for the procurement of the Procurement Products by the Group
“Master Supply Agreement”	means the master supply agreement dated 29 June 2023 entered into between the Company and Nissin Vietnam for the supply of the Supply Products by the Group
“Nissin Japan”	Nissin Foods Holdings Co., Ltd., a company established under the laws of Japan on 4 September 1948 whose shares are listed on the Tokyo Stock Exchange, Inc. (stock code: 2897) and the controlling shareholder of the Company
“percentage ratios”	refers to the percentage ratios under rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Procurement Products”	means instant noodles and other food products, which Nissin Vietnam is to sell to the relevant members of the Group as agreed between the parties to the Master Procurement Agreement from time to time
“Profit Forecast”	a profit forecast for the purpose of Rule 14.61 of the Listing Rules, in which the Valuation constitutes
“Proposed Annual Caps”	the anticipated maximum annual value for the transactions contemplated under each of the Master Procurement Agreement and Master Supply Agreement for the years ending 31 December 2023, 2024 and 2025
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supply Products”	means the instant noodles and other food products such as granola and snack that the relevant members of the Group as agreed between the parties to the Master Supply Agreement from time to time
“Target Company” or “Nissin Vietnam”	Nissin Foods Vietnam Co., Ltd., a company incorporated under the laws of Vietnam on 5 March 2011

“Total Consideration”	the aggregate consideration payable by the Company pursuant to the Capital Transfer Agreement, inclusive of the Consideration and the Capital Contribution
“USD”	United States dollar, the lawful currency of the United States of America
“Valuation”	the valuation of the entire equity interests of Nissin Vietnam as at the Valuation Date using the discounted cash flow method of the income approach prepared by the Valuer
“Valuation Date”	30 September 2022
“Valuation Report”	the valuation report prepared by the Valuer in respect of the Target Company for the purpose of the Acquisition dated 27 March 2023
“Valuer”	PwC (Vietnam) Limited, an independent valuer commissioned by the Vendor and the Company
“Vendor”	Nissin Foods Asia Co., Ltd., a company established in Thailand and a wholly-owned subsidiary of Nissin Japan
“Vietnam”	the Socialist Republic of Vietnam
“VND”	Vietnamese dong, the lawful currency of Vietnam
“%”	per cent

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

Hong Kong, 29 June 2023

*In this announcement, amounts quoted in VND have been converted into US at the rate of VND23,520 = USD1. Such exchange rate has been used, where applicable, for purpose of illustration only and does not constitute representation that any amounts were or may have been exchanged at such rate or any other rates.*

*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.*

## APPENDIX I – LETTER FROM THE BOARD OF DIRECTORS

29 June 2023

Listing Division  
The Stock Exchange of Hong Kong Limited  
12th Floor, Two Exchange Square  
8 Connaught Place  
Central Hong Kong

Dear Sirs,

We refer to the announcement of Nissin Foods Company Limited (the “Company”) dated 29 June 2023 (the “Announcement”) of which this letter forms part. Unless the context otherwise requires, terms defined in the Announcement shall have the same meanings when used herein.

We refer to the Valuation Report dated 27 March 2023 issued by the Valuer regarding the valuation of the entire equity interests in Nissin Vietnam as at the Valuation Date using the discounted cash flow method of the income approach, which constitutes a profit forecast as defined under Rule 14.61 of the Listing Rules.

We have discussed with the Valuer about different aspects including the bases and assumptions based upon which the Valuation has been prepared, and reviewed the Valuation for which the Valuer is responsible. We have also considered the letter dated 29 June 2023 from Deloitte Touche Tohmatsu regarding whether the Profit Forecast, so far as the calculations are concerned, have been properly complied in all material respects in accordance with the bases and assumptions as set out in the Valuation Report. We have noted that the Profit Forecast in the Valuation are mathematically accurate.

We hereby confirm that pursuant to the Valuation Report, the Profit Forecast has been made after due and careful enquiry of the Board.

Yours faithfully,  
For and on behalf of the Board  
**Nissin Foods Company Limited**  
**Shinji Tatsutani**  
*Executive Director*

## **APPENDIX II – LETTER FROM DELOITTE TOUCHE TOHMATSU**

### **INDEPENDENT ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF THE ENTIRE EQUITY INTERESTS OF NISSIN FOODS VIETNAM CO., LTD.**

#### **TO THE DIRECTORS OF NISSIN FOODS COMPANY LIMITED**

We have examined the calculations of the discounted future estimated cash flows on which the valuation prepared by PwC (Vietnam) Limited dated 27 March 2023, of the entire equity interests of Nissin Foods Vietnam Co., Ltd. as at 30 September 2022 (the “Valuation”) is based. Nissin Foods Vietnam Co., Ltd. is a company incorporated in the Socialist Republic of Vietnam and is principally engaged in the producing and processing kinds of instant noodles, implementing the rights to export flour mixture, denatured tapioca starch and monosodium glutamate, the rights to import instant noodles, the rights of wholesale instant noodles, market research services, management consulting services, general management consulting services, financial management consulting services (except business taxes), marketing management consulting services, human resources management consulting services, production management consulting services, community relations services, and other management consulting services. The Valuation based on the discounted future estimated cash flows of the Target Company is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Valuation will be included by reference in the announcement dated 29 June 2023 to be issued by Nissin Foods Company Limited (the “Company”) in connection with (I) connected transaction acquisition and capital contribution in the target company and (II) continuing connected transactions with a connected subsidiary (the “Announcement”).

#### **Directors’ Responsibility for the Discounted Future Estimated Cash Flows**

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions as set out in the valuation report (the “Assumptions”). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

#### **Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **Reporting Accountants’ Responsibility**

Our responsibility is to express an opinion on whether the calculations of the discounted future estimated cash flows have been properly compiled, in all material respects, in accordance with the Assumptions on which the Valuation is based and to report solely to you, as a body, as required by Rule 14.62(2) of the Listing Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our engagement was conducted in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions. Our work was limited primarily to making inquiries of the Company’s management, considering the analyses and assumptions on which the discounted future estimated cash flows are based and checking the arithmetic accuracy of the compilation of the discounted future estimated cash flows. Our work does not constitute any valuation of Nissin Foods Vietnam Co., Ltd..

Because the Valuation relates to discounted future estimated cash flows, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

### **Opinion**

Based on the foregoing, in our opinion, the discounted future estimated cash flows of Nissin Foods Vietnam Co. Ltd., so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong  
29 June 2023