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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 2024**

AND

**(II) INSIDE INFORMATION – UNAUDITED FINANCIAL RESULTS OF THE
CONTROLLING SHAREHOLDER, NISSIN FOODS HOLDINGS CO., LTD.
FOR THE FISCAL YEAR ENDED 31 MARCH 2024**

The Board of the Company is pleased to announce that on 13 May 2024, it has resolved to approve the unaudited consolidated financial information of the Group for the three months ended 31 March 2024. 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 2024 (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 2024**

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 13 May 2024, 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 2024 (the “Period”) as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTHS ENDED 31 MARCH 2024**

	NOTES	Three months ended 31 March	
		2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited and restated)
Revenue		963,015	1,036,597
Cost of sales		<u>(616,429)</u>	<u>(671,356)</u>
Gross profit		346,586	365,241
Other income		11,244	10,611
Selling and distribution costs		(122,479)	(144,443)
Administrative expenses		(72,021)	(70,735)
Other expenses		(8,580)	(7,374)
Other gains and losses		1,493	(4,200)
Finance costs		<u>(115)</u>	<u>(70)</u>
Profit before taxation		156,128	149,030
Income tax expense	3	<u>(36,876)</u>	<u>(38,348)</u>
Profit for the Period		<u>119,252</u>	<u>110,682</u>
Profit for the Period attributable to:			
– Owners of the Company		117,947	109,917
– Non-controlling interests		<u>1,305</u>	<u>765</u>
		<u>119,252</u>	<u>110,682</u>
Earnings per share			
– Basic and diluted (HK cents)	4	<u>11.30</u>	<u>10.49</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2024

	31 March	31 December
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Non-current Assets		
Property, plant and equipment	1,658,070	1,679,372
Right-of-use assets	176,925	179,994
Goodwill	62,771	62,779
Intangible assets	25,244	26,444
Interest in an associate	116	116
Financial assets at fair value through profit or loss	38,487	38,487
Deferred tax assets	73,534	69,684
Prepayment for acquisition of property, plant and equipment	32,953	42,941
Time deposits with maturity over one year	97,071	77,244
Rental deposits	2,516	2,516
	2,167,687	2,179,577
Current Assets		
Inventories	344,554	415,015
Trade receivables	428,277	372,854
Other receivables, prepayments and deposits	63,039	66,318
Loan receivable	137	274
Amount due from ultimate holding company	5,211	4,558
Amounts due from fellow subsidiaries	27,637	34,349
Tax recoverable	29,539	29,539
Financial assets at fair value through profit or loss	219,007	215,679
Time deposits with original maturity over one year	55,174	55,174
Time deposits with maturity over three months but not exceeding one year	213,797	111,342
Cash and cash equivalents	1,171,080	1,199,054
	2,557,452	2,504,156

	31 March 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Current Liabilities		
Trade payables	144,031	150,320
Other payables and accruals	607,929	666,738
Amount due to ultimate holding company	16,685	29,693
Amounts due to fellow subsidiaries	4,887	4,332
Lease liabilities	4,948	8,559
Tax liabilities	31,183	33,165
Deferred income	3,286	3,378
	<u>812,949</u>	<u>896,185</u>
Net Current Assets	<u>1,744,503</u>	<u>1,607,971</u>
Total Assets less Current Liabilities	<u>3,912,190</u>	<u>3,787,548</u>
Capital and Reserves		
Share capital	2,941,441	2,941,441
Reserves	806,421	690,000
	<u>3,747,862</u>	<u>3,631,441</u>
Equity attributable to owners of the Company	3,747,862	3,631,441
Non-controlling interests	44,649	43,262
	<u>44,649</u>	<u>43,262</u>
Total Equity	<u>3,792,511</u>	<u>3,674,703</u>
Non-current Liabilities		
Deferred tax liabilities	96,530	93,117
Lease liabilities	2,512	1,113
Deferred income	20,637	18,615
	<u>119,679</u>	<u>112,845</u>
	<u>3,912,190</u>	<u>3,787,548</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 other Asia 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 2023 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 2023 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 2023. 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 2024 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2023.

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	
	2024	2023
	(unaudited)	(unaudited and restated)
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>117,947</u>	<u>109,917</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,043,691,480	1,047,790,480
Effect of dilutive potential ordinary shares in respect of outstanding share awards	<u>36,100</u>	<u>15,520</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>1,043,727,580</u>	<u>1,047,806,000</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 2023: Nil).

7. FINANCIAL PERFORMANCE REVIEW

The revenue for the Period amounted to HK\$963.0 million, representing a decrease of 7.1% from HK\$1,036.6 million (restated) of the corresponding period of 2023. Revenue from Hong Kong and other Asia operations decreased by 3.4% due to the growing trend of outbound cross-boarder travel of Hong Kong residents to Shenzhen, offsetting the demand growth in Vietnam. Revenue from the Mainland China operations decreased by 9.1% (in local currency: -5.7%) due to slower consumption growth momentum in Mainland China and the negative effects of foreign currency translation. Segment information about the operations is presented below:

For the three months ended 31 March 2024

	Hong Kong and other Asia <i>HK\$'000</i> (unaudited)	Mainland China <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)
Revenue					
Segment revenue from external customers	348,384	614,631	963,015	–	963,015
Inter-segment revenue	<u>42,687</u>	<u>39,497</u>	<u>82,184</u>	<u>(82,184)</u>	<u>–</u>
Segment revenue	<u>391,071</u>	<u>654,128</u>	<u>1,045,199</u>	<u>(82,184)</u>	<u>963,015</u>
Result					
Segment results	<u>21,890</u>	<u>121,501</u>	<u>143,391</u>	<u>–</u>	<u>143,391</u>

For the three months ended 31 March 2023

	Hong Kong and other Asia <i>HK\$'000</i> (unaudited and restated)	Mainland China <i>HK\$'000</i> (unaudited and restated)	Reportable segment total <i>HK\$'000</i> (unaudited and restated)	Elimination <i>HK\$'000</i> (unaudited and restated)	Total <i>HK\$'000</i> (unaudited and restated)
Revenue					
Segment revenue from external customers	360,607	675,990	1,036,597	–	1,036,597
Inter-segment revenue	<u>48,377</u>	<u>54,175</u>	<u>102,552</u>	<u>(102,552)</u>	<u>–</u>
Segment revenue	<u>408,984</u>	<u>730,165</u>	<u>1,139,149</u>	<u>(102,552)</u>	<u>1,036,597</u>
Result					
Segment results	<u>31,093</u>	<u>111,526</u>	<u>142,619</u>	<u>–</u>	<u>142,619</u>

Gross profit and gross profit margin

The gross profit for the Period was HK\$346.6 million, representing a decrease of 5.1% from HK\$365.2 million (restated) of the corresponding period of 2023. The gross profit margin for the Period was 36.0%, representing an increase of 0.8 percentage points from 35.2% of the corresponding period of 2023, mainly attributable to the easing of raw material costs.

Profit attributable to owners of the Company

Profit attributable to owners of the Company for the Period was HK\$117.9 million, which increased by 7.3% compared with HK\$109.9 million (restated) of the corresponding period of 2023.

(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 2024

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 2024 (the “Nissin Japan Financial Results”) on 13 May 2024 (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	
	2024	2023
	JPY million	JPY million
	(unaudited)	(unaudited and restated)
Net sales		
Sales to third Party	66,452	66,972
Intersegment Sales	3,022	2,832
Total	69,474	69,804
Segment profit (operating profit)	8,129	8,360

Note 1: In the first quarter (from April to July) for the current fiscal year, Nissin Japan has changed the method of presenting Nissin Foods Vietnam Co., Ltd., to be included in “China”, which was included in “Others”, resulting from the review of the business management classification of Nissin Japan. Accordingly, the amount of the same period for the previous fiscal year reflected this change.

Qualitative Information Concerning Consolidated Business Results

China

In China, the Group has expanded its geographical sales areas, strengthened its *CUP NOODLES* Brand, and promoted premium bag-type noodles. In Mainland China, sales recovered slightly in the fourth quarter, but consumption remained weak throughout the current fiscal year. In Hong Kong, sales of instant noodles to the catering industry increased, with further growth in exports and sales of premium bag-type noodles like *Hokkaido Demae Iccho*, and sales in the fourth quarter were boosted by the increased number of inbound travellers from mainland China. In addition, Nissin Vietnam, which was changed to be included in China segment from the current fiscal year, expanded its domestic sales channels over the previous year, and sales of instant noodles in Vietnam also increased. Throughout the current fiscal year, sales growth decreased due to changes in the consumption patterns of Hong Kong residents, including the outbound travellers to Shenzhen. Under these circumstances, sales for the year declined slightly year-on-year, as higher sales in the fourth quarter could not offset the downward factors in sales up to the third quarter. Profit was lower than the previous fiscal year due to the absence of the one-off government grant received in the previous fiscal year. On the other hand, profit on a core business basis increased year-on-year, with an improved margin, mainly due to lower raw material prices, reduced selling expenses and the impact of currency translation.

Consequently, revenue was JPY66,452 million (-0.8%), core operating profit was JPY8,053 million (+3.6%) and operating profit was JPY8,129 million (-2.8%) in this reportable segment. Excluding the impact of currency translation, revenue was JPY64,027 million (-4.4%), core operating profit was JPY7,839 million (+0.8%).

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, 13 May 2024

As at the date of this announcement, Executive Directors are Mr. Kiyotaka Ando, Mr. Toshimichi Fujinawa, Mr. Shinji Tatsutani, Mr. Yasuhiro Yamada, Mr. Katsunori Hiroi and Mr. Xi Xiaotong; and Independent Non-executive Directors are Mr. Masaru Takahashi, Professor Lynne Yukie Nakano, Professor Toshiaki Sakai and Professor Keiko Ito.