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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)

**DISCLOSEABLE TRANSACTION IN RELATION TO  
ACQUISITION OF THE SALE SHARES PURSUANT TO  
THE SHARE PURCHASE AGREEMENT**

**SHARE PURCHASE AGREEMENT**

The Board is pleased to announce that on 3 June 2024, the Company, as purchaser, and the Vendor entered into the Share Purchase Agreement in relation to the acquisition of 100% equity interest in Gaemi Food. The Consideration for the Acquisition is KRW48,000 million (equivalent to approximately HK\$271.7 million).

As of the date of this announcement, Gaemi Food is a wholly-owned subsidiary of the Vendor. Upon completion of the Acquisition, the entire equity interest in Gaemi Food will be held by the Company and Gaemi Food will become a wholly-owned subsidiary of the Company.

**LISTING RULE IMPLICATIONS**

As one or more of the applicable percentage ratios of the Acquisition is 5% or more but less than 25%, the Acquisition constitutes a discloseable transaction of the Company pursuant to Rule 14.06 of the Listing Rules and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

**INTRODUCTION**

The Board is pleased to announce that on 3 June 2024, the Company, as purchaser, and the Vendor entered into the Share Purchase Agreement. Pursuant to the Share Purchase Agreement, the Vendor conditionally agreed to sell, and the Company conditionally agreed to buy, the Sale Shares, being 100% of the equity interest of Gaemi Food, at the total Consideration of KRW48,000 million (equivalent to approximately HK\$271.7 million). Upon completion of the Acquisition, Gaemi Food will become a wholly-owned subsidiary of the Company.

## SHARE PURCHASE AGREEMENT

The principal terms of the Share Purchase Agreement are set out below:

<b>Date</b>	3 June 2024
<b>Parties</b>	(i) Sung Gyung Food Co., Ltd. (as Vendor); and (ii) Nissin Foods Company Limited (as purchaser)
<b>Nature of the transaction</b>	Pursuant to the Share Purchase Agreement, the Company conditionally agreed to purchase, and the Vendor conditionally agreed to sell, 50,000 common shares of Gaemi Food, representing 100% of the equity interest of Gaemi Food.
<b>Conditions Precedent</b>	<p>Closing is conditional upon fulfilment or waiver of conditions precedent relating to, among other things, certain operational matters of Gaemi Food, contained in the Share Purchase Agreement.</p> <p>If all the conditions precedent are not fulfilled or waived (as the case may be) by 30 November 2024, the Share Purchase Agreement will terminate with immediate effect.</p>
<b>Consideration</b>	<p>The Consideration for the Acquisition is KRW48,000 million (equivalent to approximately HK\$271.7 million).</p> <p>The Consideration was arrived at after arm's length negotiations among the parties to the Share Purchase Agreement and was determined with reference to, including but not limited to: (i) the value of the Sale Shares in the amount of KRW61,000 million (equivalent to approximately HK\$368.0 million) as at 31 December 2023 according to the independently appraised Valuation, adopting the market approach, (ii) the audited net assets of Gaemi Food amounted to approximately KRW10,148 million (equivalent to approximately HK\$61.2 million) as at 31 December 2023, and (iii) the financial position and track record as demonstrated from the key financial metrics of Gaemi Food.</p>
<b>Payment terms</b>	An upfront payment of KRW14,400 million (equivalent to approximately HK\$81.5 million), representing 30% of the Consideration, is payable by the Company within 5 Business Days from signing of the Share Purchase Agreement to the Vendor, as part Consideration. The remaining payment of KRW33,600 million (equivalent to approximately HK\$190.2 million) is payable by the Company on the Closing Date.

## Closing

Closing will take place on the Closing Date, subject to fulfilment or waiver (as the case may be) of all the conditions precedent contained in the Share Purchase Agreement. Upon Closing, Gaemi Food will become a wholly-owned subsidiary of the Company. The results and assets and liabilities of Gaemi Food will be consolidated with, and accounted for as a subsidiary, in the Company's consolidated financial statements.

## Termination

Prior to Closing, the Share Purchase Agreement may be terminated by (i) mutual written consent of the parties, (ii) by either party, provided such terminating party is not in breach of the Share Purchase Agreement, if any governmental or regulatory entity of competent jurisdiction shall have issued a final order, decree or ruling or taken any other final action restraining or otherwise prohibiting the sale of the Shares and such order, decree, ruling or other action is or shall have become final and non-appealable, (iii) by either party, in the event the other party breaches any provision of the Share Purchase Agreement and fails to cure such breach within 10 days of receiving a notice of breach, or (iv) by either party, in the event the Closing does not take place on or before 30 November 2024.

## INFORMATION ON GAEMI FOOD

Gaemi Food is a manufacturer of crispy roll snacks, being a top national brand in the domestic crispy roll market in the Republic of Korea ("Korea"), and its revenue was approximately KRW20,150 million (equivalent to approximately HK\$121.6 million) for the year ended 31 December 2023. Gaemi Food has a national brand portfolio that includes its flagship product line "Baked Crispy Roll" and other product lines targeted at the high-value market of kids and toddlers' snacks. Gaemi Food also supplies private brand and original design manufacturer products to many customers. As at the date of this announcement, it is currently owned wholly by the Vendor. Upon Closing, Gaemi Food will become a wholly-owned subsidiary of the Company.

As at 31 December 2023, the audited net asset value of Gaemi Food was approximately KRW10,148 million (equivalent to approximately HK\$61.2 million). In addition, the independently appraised Valuation of the entire equity interest of Gaemi Food as at 31 December 2023 as commissioned by the Company for the purpose of the Acquisition was KRW61,000 million (equivalent to approximately HK\$368.0 million). The net profit (both before and after tax) of Gaemi Food for the two years ended 31 December 2022 and 2023, which were prepared in accordance with the Korean Generally Accepted Accounting Principles (K-GAAP), were as follows:

	<b>Year ended 31 December 2022</b> <i>(Audited)</i> <i>(KRW million)</i>	<b>Year ended 31 December 2023</b> <i>(Audited)</i> <i>(KRW million)</i>
Net profits before tax	2,840 (equivalent to approximately HK\$17.6 million)	4,083 (equivalent to approximately HK\$24.6 million)
Net profits after tax	2,317 (equivalent to approximately HK\$14.3 million)	3,277 (equivalent to approximately HK\$19.8 million)

## **INFORMATION ON THE COMPANY**

The Company is a renowned food company in Hong Kong and mainland China, with a diversified portfolio of well-known and highly popular brands, primarily focusing on the premium instant noodle segment. In addition, the Company, together with its subsidiaries, also engages in the manufacture and sales of high quality frozen food products, including frozen dim sum and frozen noodles, and sales of other food and beverage products, including retort pouch, snack food, mineral water, sauce and vegetable products.

## **INFORMATION ON THE VENDOR**

Sung Gyung Food Co., Ltd., is a limited liability company incorporated under the laws of the Republic of Korea. Founded in 1994, it is one of the top three laver manufacturers in Korea with a substantial presence, in particular, in sales to supermarkets. Sung Gyung Food Co., Ltd. has a traditional laver portfolio under its flagship brand, “Jidopyo Sung Gyung Laver”. Recently, as laver has gained popularity in the global market as a health snack, Sung Gyung Food Co., Ltd. also manufactures laver snacks for overseas markets, with exports accounting for more than 40% of its total sales.

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

The snack bars market is expected to experience robust growth in the next five years, not only in Korea but also in overseas markets such as China and Southeast Asia. This growth is driven by the continuous increase in consumer demand for convenient food products.

The Company believes that this trend will continue and there will be ample opportunities for expansion of the baked grain crispy rolls market.

The Directors believe that the Acquisition allows the Company to run Gaemi Food, thereby providing greater flexibility to deploy the Group’s distribution capabilities in China and Southeast Asia to respond to the increasing market demand and the changing business environment.

While leveraging the core competence of the marketing and food technology of the Group, the Group is developing a non-noodle business that can generate synergies with the instant noodle business. Following the Acquisition, baked grain crispy rolls in the Korean and overseas markets, and the Korean confectionery brand, “Kemy”, will be added to the Group’s non-noodle business portfolio. The Group will seek to expand the business by further deepening its understanding of the Korean market with respect and leveraging the sales, logistics and related networks in the Korean market.

The Directors (including the independent non-executive Directors) are of the view that the Acquisition is in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios of the Acquisition is 5% or more but less than 25%, the Acquisition constitutes a discloseable transaction of the Company pursuant to Rule 14.06 of the Listing Rules and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiry, Sung Gyung Food Co., Ltd. and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

None of the Directors have any material interest in the transactions contemplated under the Share Purchase Agreement, therefore no Director was required to abstain from voting on the Board resolutions of the Company approving the Acquisition. The Board has considered and approved the resolutions on the Acquisition.

## DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares pursuant to Share Purchase Agreement
“Board”	the board of Directors of the Company
“Business Day”	any day other than a Saturday or Sunday on which banks are open for business in both Korea and Hong Kong
“China”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Closing”	closing of the Acquisition
“Closing Date”	the later of (i) the date falling five (5) Business Days after fulfilment or waiver of each of the conditions precedent or (ii) 2 September 2024
“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
“Consideration”	the consideration for the Acquisition
“Director(s)”	the director(s) of the Company
“Gaemi Food”	Gaemi Food Co. Ltd., a company incorporated under the laws of Korea
“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 People’s Republic of China
“KRW”	Korean won, the lawful currency of Korea
“Korea”	as defined in the section headed “Information on Gaemi Food”
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“percentage ratios”	refers to the percentage ratios under rule 14.07 of the Listing Rules

“Share Purchase Agreement”	the Share Purchase agreement dated 3 June 2024 entered into between the Company and the Vendor in relation to the acquisition of the Sale Shares by the Company from the Vendor
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sale Shares”	50,000 common shares of Gaemi Food
“Valuation”	the preliminary valuation of Gaemi Food using market approach conducted by Roma Appraisals Limited, an independent professional valuer, in relation to the market value of the entire equity interest of Gaemi Food
“Vendor”	Sung Gyung Food Co., Ltd., a limited liability company incorporated under the laws of Korea
“%”	per cent

In this announcement translations of certain KRW amounts into HK\$ are made at the approximate exchange rates at the time of the relevant translations to which they apply. Such conversion rates are for illustration purpose only and should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.

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

Hong Kong, 3 June 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.*