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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)

PROFIT WARNING

This announcement is made by Nissin Foods Company Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “Board”) wishes to inform shareholders of the Company (“Shareholders”) and potential investors that, based on preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2024 (the “Year”), the Group is expected to record profit attributable to owners of the Company for the Year in the range of approximately HK\$195.0 million to HK\$205.0 million, as compared with profit attributable to owners of the Company for the year ended 31 December 2023 of approximately HK\$330.2 million.

The expected decrease in profit for the Year is primarily attributable to the recognition of one-off and non-cash charges resulting from impairment of assets in the range of approximately HK\$130.0 million to HK\$140.0 million made in accordance with *Hong Kong Accounting Standard 36*.

These impairment-related charges primarily consist of (i) impairment loss amounting to approximately HK\$85.0 million on property, plant and equipment relating to eight less profitable production facilities under complementary business such as non-fried noodles and frozen foods in Mainland China and Hong Kong, (ii) impairment loss on goodwill and intangible assets of distribution business in Mainland China amounting to approximately HK\$35.0 million, and (iii) revaluation loss of approximately HK\$15.0 million on certain right-of-use assets acquired by the Company for warehouse use in Hong Kong as a result of a sluggish local property market.

In response to (i) weakened consumer confidence due to slower economic growth momentum in Mainland China, and (ii) shifting consumption patterns in Mainland China such as reduced consumer spending on gifts as disclosed in the Company’s 2024 interim report, the management of the Company performed a comprehensive assessment of the macroeconomic environment. The assessment revealed overall weak domestic demand for products within the Group’s complementary business and distribution business, which has adversely affected the Group’s initial business plans and revenue expectation for these businesses.

The management of the Company revised the earnings projections in view of the anticipated downward trajectory of revenue and profits for the Group’s complementary business and distribution business, which indicated that the recoverable amounts of certain assets within these businesses are less than the carrying amounts. Consequently, the Company recognised the impairment losses on property, plant and equipment relating to eight less profitable production facilities under the complementary business, as well as goodwill

and intangible assets of the distribution business in Mainland China acquired in merger and acquisition activities. Further details of the impairment losses will be disclosed in the annual report of the Company for the year ended 31 December 2024, which is expected to be published in April 2025.

These impairment losses are one-off and non-cash expenditures and the above impairment losses will not have an impact on the Group's cash flow, operations and liquidity. The recognition of the aforementioned impairment losses reflects the Company's proactive approach to managing financial risks and ensuring that asset values align with current market conditions. Leveraging on the management expertise and experience in instant noodles business, the Group continues to review and adjust business strategies from time to time in response to market conditions to boost the sales and profit of both instant noodles business and non-noodles business. Given the Group's solid foundation in the industry, the Board remains optimistic about the long-term business prospects of the Group.

Based on preliminary information including the unaudited management accounts of the Group, if without taking into account the above impairment losses, the Group's adjusted EBITDA^(Note) level for the Year would be in the range from approximately HK\$605.0 million to HK\$615.0 million (2023: HK\$607.8 million), gross profit for the Year would be in the range from approximately HK\$1,310.0 million to HK\$1,320.0 million (2023: HK\$1,303.0 million) with a gross profit margin for the Year would be in the range from approximately 34.0% to 35.0% (2023: 34.0%), representing a solid and steady operational performance as compared with the previous year. As at 31 December 2024, the cash and cash equivalents of the Group amounted to approximately HK\$1,300.0 million.

Note: Adjusted EBITDA is a non-HKFRS measurement used by the management to assess the performance of operating segments, allocate resources and make strategic decisions. The measurement basis of adjusted EBITDA is defined as net profit before net interest expenses, tax, depreciation of property, plant and equipment, depreciation of the right-of-use asset and amortisation of intangible asset. This also excludes share of material gains or losses which are of capital nature or non-operational related and fair value changes on financial assets at fair value through profit or loss.

The Company is still in the process of finalising the unaudited annual results of the Group for the Year. The information contained in this announcement is only based on the preliminary review of the unaudited management accounts of the Group and is not based on any figures or information which have been audited or reviewed by the Company's auditor, which is subject to finalisation and necessary adjustments. Shareholders and potential investors are advised to peruse with care the annual results announcement of the Group for the Year, which is expected to be published in March 2025.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board

Kiyotaka Ando

Chief Executive Officer and Executive Director

Hong Kong, 5 February 2025

As at the date of this announcement, Executive Directors are Mr. Kiyotaka Ando, Mr. Toshimichi Fujinawa, Mr. Shinji Tatsutani, Mr. Kiyoshi Matsuura, 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.