

*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.*



## **REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS**

The Group has been experiencing increase in demand for its products, including instant noodles, snacks, confectionery and beverage products since early this year. The Company believes that the diversification and expansion of product range of the Group, and the increase of the household consumption under the social distancing policy and change in dining habit, particularly the preference for stay home dining, are the key reasons leading to such increase in demand for the Group's products. It is therefore expected that the Existing Annual Caps for the continuing connected transactions contemplated under the following agreements have to be revised to accommodate the business need of the Group:

- (I) Master Raw Materials and Products Sale Agreement made between the Company and Nissin Japan pursuant to which the Group supplies certain raw materials and finished goods to the Nissin Japan Group (disclosed as transaction item (B) 5 in the 7 November 2019 Announcement);
- (II) Snacks and Confectionery Purchase Agreement made between Nissin Foods HK and Nissin Koikeya Foods pursuant to which Nissin Koikeya Foods supplies snacks and confectionery to Nissin Foods HK for its onward sale in Hong Kong, Macau and the PRC (disclosed as transaction item (B) 3 in the 7 November 2019 Announcement); and
- (III) Mitsubishi Master Supply Agreement made between the Company and Mitsubishi pursuant to which the Group sells to Mitsubishi certain food and beverage products (disclosed as transaction item 2 in the 21 March 2019 Announcement).

Accordingly, on 31 August 2020, the Board has resolved to revise the Existing Annual Caps for the transactions respectively under (i) the Master Raw Materials and Products Sale Agreement and (ii) the Snacks and Confectionery Purchase Agreement, both for the years ending 2020, 2021 and 2022; and (iii) the Mitsubishi Master Supply Agreement for the year ending 31 December 2020.

### **LISTING RULE IMPLICATIONS**

The contracting parties of each of the aforesaid three agreements, namely Nissin Japan, Nissin Koikeya Foods and Mitsubishi are connected persons of the Company.

Nissin Japan holds approximately 70.00% of all the issued Shares as at the date of this announcement and is therefore the Controlling Shareholder and a connected person of the Company. Accordingly, the transactions under the Master Raw Materials and Products Sale Agreement between the Group and the Nissin Japan Group constitute continuing connected transactions of the Company under the Listing Rules.

Nissin Koikeya Foods, being a non-wholly owned subsidiary of the Company, is owned as to 34.00% by KOIKE-YA which is in turn owned as to 34.53% by Nissin Japan as at the date of this announcement. Accordingly, Nissin Koikeya Foods is a connected subsidiary and thus a connected person of the Company under the Listing Rules, and the transactions contemplated under the Snacks and Confectionery Purchase Agreement constitute intra-group connected transactions of the Group under the Listing Rules.

As all applicable percentage ratios for the Revised Annual Caps of each of the Master Raw Materials and Products Sale Agreement and the Snacks and Confectionery Purchase Agreement are more than 0.1% but less than 5%, the transactions contemplated thereunder (based on the Revised Annual Caps) 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.

Mitsubishi holds 49.00% of the total issued shares of a subsidiary of the Company, namely MCMS, in which the Company owns 51.00% interest as at the date of this announcement. Accordingly, Mitsubishi is a substantial shareholder of a subsidiary of the Company and a connected person of the Company at subsidiary level. To the knowledge of the Company based on the information available to it, Mitsubishi holds approximately 0.54% shareholding of the Company as at the date of this announcement and thus Mitsubishi is not a connected person at the Company's level. The transactions contemplated under the Mitsubishi Master Supply Agreement therefore constitute continuing connected transactions for the Company involving connected person at subsidiary level. The Group has been supplying products under the MCHK Master Supply Agreement to MCHK, being a subsidiary of and therefore an associate of Mitsubishi and also a connected person of the Company at subsidiary level under the Listing Rules.

All the applicable percentage ratios in respect of the Revised Annual Cap for the year ending 31 December 2020 under the Mitsubishi Master Supply Agreement, when aggregated with the existing annual cap for the supply of products by the Group to MCHK under the MCHK Master Supply Agreement for the year ending 31 December 2020, are above 1%. Given (i) Mitsubishi is a connected person at subsidiary level of the Company; (ii) the transactions contemplated under the Mitsubishi Master Supply Agreement are in the ordinary and usual course of business of the Group; and (iii) the Board (including all the independent non-executive Directors) has approved the Revised Annual Cap under the Mitsubishi Master Supply Agreement and confirmed the terms therein are fair and reasonable, and are on normal and commercial terms and in the interests of the Company and its shareholders as a whole, the transactions contemplated under the Mitsubishi Master Supply Agreement (based on the Revised Annual Cap) are subject to the reporting and announcement requirements, but are exempt from the circular, independent financial advice and independent shareholders' approval requirements by virtue of Chapter 14A.101 of the Listing Rules.

## REVISION OF ANNUAL CAPS FOR CERTAIN CONTINUING CONNECTED TRANSACTIONS

The Group has been experiencing increase in demand for its products, including instant noodles, snacks, confectionery and package beverage products since early this year. The Company believes that the diversification and expansion of product range of the Group and the increase of the household consumption under the social distancing policy and change in dining habit, particularly the preference for stay home dining, are the key reasons leading to such increase in demand for the Group's products. To accommodate the business need of the Group, on 31 August 2020, the Board has resolved to revise the Existing Annual Caps for the following three continuing connected transactions. Notwithstanding the revision of the Existing Annual Caps, the material terms of such continuing connected transactions under the master agreements have remained unchanged.

### (I) Master Raw Materials and Products Sale Agreement

#### 1. Background

As disclosed in the 7 November 2019 Announcement, the Master Raw Materials and Products Sale Agreement made between the Company (for itself and on behalf of its subsidiaries) and Nissin Japan (for itself and on behalf of its subsidiaries) has been renewed for a further term of three years from 1 January 2020 to 31 December 2022. Pursuant to the Master Raw Materials and Products Sale Agreement, the Group supplies certain raw materials and finished goods to the Nissin Japan Group. The Existing Annual Caps for the continuing connected transactions contemplated under the Master Raw Materials and Products Sale Agreement are HK\$95.0 million, HK\$106.0 million and HK\$115.0 million for the years ending 31 December 2020, 2021 and 2022, respectively. Further relevant details of the continuing connected transactions were disclosed under paragraph headed "5. Master Raw Materials and Products Sale Agreement" in Part B of the 7 November 2019 Announcement.

#### 2. Revision of the Existing Annual Cap

The Board has resolved to increase the Existing Annual Caps for the transactions contemplated under the Master Raw Materials and Products Sale Agreement as follows:

	For the year ending 31 December		
	2020	2021	2022
	<i>(HK\$ million)</i>		
Existing Annual Caps	95.0	106.0	115.0
Revised Annual Caps	140.0	147.0	154.0

The Revised Annual Caps for the transactions contemplated under the Master Raw Materials and Products Sale Agreement were determined with reference to (i) the historical transaction amounts under Master Raw Materials and Products Sale Agreement, (ii) the production capacity of the Group, and (iii) the expected demand of Nissin Japan Group for the finished goods to be supplied by the Group, mainly including packaging materials, noodle products and snacks.

### 3. *Listing Rules implications*

As at the date of this announcement, Nissin Japan holds approximately 70.00% of all the issued Shares and is therefore the Controlling Shareholder and a connected person of the Company. Accordingly, the transactions under the Master Raw Materials and Products Sale Agreement constitute continuing connected transactions of the Company under the Listing Rules. As all applicable percentage ratios for the Revised Annual Caps of the transactions contemplated under the Master Raw Materials and Products Sale Agreement is more than 0.1% but less than 5%, the transactions under the Master Raw Materials and Products Sale Agreement (based on the Revised Annual Caps) 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.

## (II) **Snacks and Confectionery Purchase Agreement**

### 1. *Background*

As disclosed in the 7 November 2019 Announcement, the Snacks and Confectionery Purchase Agreement made between Nissin Foods HK, a wholly owned subsidiary of the Company and Nissin Koikeya Foods has been renewed for a further term of three years from 1 January 2020 to 31 December 2022. Pursuant to the Snacks and Confectionery Purchase Agreement, Nissin Koikeya Foods supplies snacks and confectionery to Nissin Foods HK for its onward sale, in Hong Kong, Macau and the PRC. The Existing Annual Caps for the continuing connected transactions contemplated under the Snacks and Confectionery Purchase Agreement are HK\$32.0 million, HK\$35.0 million and HK\$39.0 million for the years ending 31 December 2020, 2021 and 2022, respectively. Further relevant details of the continuing connected transactions were disclosed under paragraph headed "3. Snacks and Confectionery Purchase Agreement" in Part B of the 7 November 2019 Announcement.

### 2. *Revision of the Existing Annual Cap*

The Board has resolved to increase the Existing Annual Caps for the transactions contemplated under the Snacks and Confectionery Purchase Agreement as follows:

	<b>For the year ending 31 December</b>		
	<b>2020</b>	<b>2021</b>	<b>2022</b>
	<i>(HK\$ million)</i>		
Existing Annual Caps	32.0	35.0	39.0
Revised Annual Caps	50.0	70.0	98.0

The Revised Annual Caps for the transactions contemplated under the Snacks and Confectionery Purchase Agreement was determined with reference to (i) the historical transaction amounts under Snacks and Confectionery Purchase Agreement, and (ii) the expected increase in demand for snacks and confectionery, in particular potato chips and granola of the Group.

### 3. *Listing Rules implications*

As at the date of this announcement, Nissin Koikeya Foods, being a non-wholly owned subsidiary of the Company, is owned as to 34.00% by KOIKE-YA, which is in turn owned as to 34.53% by Nissin Japan. Accordingly, Nissin Koikeya Foods is a connected subsidiary and thus a connected person of the Company under the Listing Rules, and the transactions contemplated under the Snacks and Confectionery Purchase Agreement constitute intra-group connected transactions of the Group under the Listing Rules.

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

## **(III) Mitsubishi Master Supply Agreement**

### 1. *Background*

As disclosed in the 21 March 2019 Announcement, the Company entered into the Mitsubishi Master Supply Agreement with Mitsubishi, pursuant to which the Group sells to Mitsubishi certain food and beverage products from 1 March 2019 to 31 December 2020. The Existing Annual Cap for the continuing connected transactions contemplated under the Mitsubishi Master Supply Agreement is HK\$15.0 million for the year ending 31 December 2020. Further relevant details of the continuing connected transactions were disclosed under paragraph headed “(2) New continuing connected transactions in relation to supply of products to connected person at subsidiary level — The Mitsubishi Master Supply Agreement” in the 21 March 2019 Announcement.

### 2. *Revision of the Existing Annual Cap*

The Board has resolved to increase the Existing Annual Cap for the transactions contemplated under the Mitsubishi Master Supply Agreement as follow:

**For the year ending 31 December 2020**  
(HK\$ million)

Existing Annual Cap	15.0
Revised Annual Cap	40.0

The Revised Annual Cap for the transactions contemplated under the Mitsubishi Master Supply Agreement was determined with reference to (i) the historical transaction amounts under Mitsubishi Master Supply Agreement, and (ii) the expected increase in the demand of beverage products.

### 3. *Listing Rules implications*

As at the date of this announcement, Mitsubishi holds 49.00% of the total issued shares of a subsidiary of the Company, namely MCMS, in which the Company owns 51.00% interest. Accordingly, Mitsubishi is a substantial shareholder of a subsidiary of the Company and a connected person of the Company at subsidiary level. To the knowledge of the Company based on the information available to it, Mitsubishi holds approximately 0.54% shareholding of the Company as at the date of this announcement and thus Mitsubishi is not a connected person at the Company's level. The transactions contemplated under the Mitsubishi Master Supply Agreement therefore constitute continuing connected transactions for the Company involving connected person at subsidiary level. The Group has been supplying products under the MCHK Master Supply Agreement to MCHK, being a subsidiary of and therefore an associate of Mitsubishi and also a connected person of the Company at subsidiary level under the Listing Rules.

All the applicable percentage ratios in respect of the Revised Annual Cap for the year ending 31 December 2020 under the Mitsubishi Master Supply Agreement, when aggregated with the existing annual cap of HK\$566.0 million for the supply of products by the Group to MCHK under the MCHK Master Supply Agreement for the year ending 31 December 2020, are above 1%. Given (i) Mitsubishi is a connected person at subsidiary level of the Company; (ii) the transactions contemplated under the Mitsubishi Master Supply Agreement are in the ordinary and usual course of business of the Group; and (iii) the Board (including all the independent non-executive Directors) has approved the Revised Annual Cap under the Mitsubishi Master Supply Agreement and confirmed the terms therein are fair and reasonable, and are on normal and commercial terms and in the interests of the Company and its shareholders as a whole, the transactions contemplated under the Mitsubishi Master Supply Agreement (based on the Revised Annual Cap) are subject to the reporting and announcement requirements, but are exempt from the circular, independent financial advice and independent shareholders' approval requirements by virtue of Chapter 14A.101 of the Listing Rules.

#### **Confirmation from the Directors**

Based on the aforesaid, the Directors (including the independent non-executive Directors) consider that the terms of each of the Master Raw Materials and Products Sale Agreement, Snacks and Confectionery Purchase Agreement and Mitsubishi Master Supply Agreement are conducted on normal commercial terms in the ordinary and usual course of business of the Group, and the terms of such agreements and the Revised Annual Caps are fair and reasonable and such transactions are in the interests of the Company and its Shareholders as a whole.

No Director has any material interest in the transactions contemplated under the Master Raw Materials and Products Sale Agreement, Snacks and Confectionery Purchase Agreement and Mitsubishi Master Supply Agreement. As such, none of the Directors are required to abstain from voting at the Board's meeting to approve the Revised Annual Caps.



## **GENERAL INFORMATION RELATING TO THE GROUP, NISSIN JAPAN GROUP, NISSIN KOIKEYA FOODS AND MITSUBISHI**

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 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, vegetable fruit juice, mineral water and sauce products.

Nissin Japan, being the Controlling Shareholder of the Company, is a company listed on the Tokyo Stock Exchange (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 engages in the manufacture and sale of other products including chilled and frozen food, snack, confectionery and beverage products.

Nissin Koikeya Foods, a non-wholly owned subsidiary of the Company, is principally engaged in the trading of snack and confectionery products under the joint brands of “NISSIN (日清)” and “Koikeya (湖池屋)”.

Mitsubishi is a corporation incorporated under the laws of Japan, the shares of which are listed on the Tokyo Stock Exchange with the stock code 8058. Mitsubishi Group are diverse organizations engaged in a wide variety of activities on a global scale. Mitsubishi Group manufactures and markets a wide range of products, including energy, metals, machinery, chemicals and living essentials through domestic and overseas network. They are involved in diverse businesses by actively investing in areas such as natural resources development and infrastructure, as well as finance businesses. In addition, Mitsubishi Group is also engaged in diversified businesses such as creating new business models in the fields of new energy and the environment, and new technology-related businesses.

### **DEFINITIONS**

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

“21 March 2019 Announcement”	the announcement of the Company dated 21 March 2019
“7 November 2019 Announcement”	the announcement of the Company dated 7 November 2019
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“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
“connected person”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules

“Directors”	the directors of the Company
“Existing Annual Cap(s)”	the anticipated maximum annual value of the transactions contemplated under, as the case may be, (i) the Master Raw Materials and Products Sale Agreement for the years ending 2020, 2021 and 2022 as stated in the 7 November 2019 Announcement; (ii) the Snacks and Confectionery Purchase Agreement for the years ending 2020, 2021 and 2022 as stated in the 7 November 2019 Announcement; and (iii) the Mitsubishi Master Supply Agreement for the year ending 2020 as stated in the 21 March 2019 Announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“KOIKE-YA”	KOIKE-YA Inc., a company incorporated under the laws of Japan and the shares of which are listed on the JASDAQ Market of the Tokyo Stock Exchange, Inc.
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board of the Stock Exchange
“Master Raw Materials and Products Sale Agreement”	the master agreement in connection with the sale of raw materials and products of the Group entered into between the Company and Nissin Japan on 21 November 2017 (as renewed on 7 November 2019)
“MCHK”	Mitsubishi Corporation (Hong Kong) Limited, a company incorporated under the laws of Hong Kong with limited liability and a wholly owned subsidiary of Mitsubishi
“MCHK Master Supply Agreement”	the master supply agreement dated 22 March 2018 entered into between the Company and MCHK for the supply of the products by the Group, including instant noodles, rice vermicelli products and potato chips
“MCMS”	MC Marketing & Sales (Hong Kong) Limited, a company incorporated under the laws of Hong Kong with limited liability and owned as to 51.00% and 49.00% by the Company and Mitsubishi, respectively as at the date of this announcement
“Mitsubishi”	Mitsubishi Corporation, a company establish under the laws of Japan
“Mitsubishi Group”	Mitsubishi and its subsidiaries
“Mitsubishi Master Supply Agreement”	the master supply agreement dated 21 March 2019 entered into between the Company and Mitsubishi for the supply of products by the Group, including beverage products



“Nissin Foods HK”	Nissin Foods (H.K.) Company Limited, a company incorporated under the laws of Hong Kong with limited liability and a wholly owned subsidiary of the Company
“Nissin Japan”	Nissin Foods Holdings Co., Ltd., a company established under the laws of Japan whose shares are listed on the Tokyo Stock Exchange, Inc. and the controlling shareholder of the Company
“Nissin Japan Group”	Nissin Japan and its subsidiaries, excluding the Group for the purpose of this announcement
“Nissin Koikeya Foods”	Nissin Koikeya Foods (China & HK) Co., Ltd, a company incorporated under the laws of Hong Kong with limited liability and is currently owned as to 66.00% and 34.00% by the Company and KOIKE-YA, respectively
“percentage ratios”	refers to the percentage ratios under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Revised Annual Cap(s)”	the revised anticipated maximum annual value of the transactions contemplated under, as the case may be, (i) the Master Raw Materials and Products Sale Agreement for the years ending 31 December 2020, 2021 and 2022; (ii) the Snacks and Confectionery Purchase Agreement for the years ending 31 December 2020, 2021 and 2022; and (iii) the Mitsubishi Master Supply Agreement for the year ending 31 December 2020
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Snacks and Confectionery Purchase Agreement”	the master agreement in connection with the purchase of snacks and confectionery entered into between the Nissin Foods HK and Nissin Koikeya Foods on 21 November 2017 (as renewed on 7 November 2019)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 31 August 2020

*As at the date of this announcement, Executive Directors are Mr. Kiyotaka Ando, Mr. Toshimichi Fujinawa, Mr. Shinji Tatsutani, Mr. Kazuo Kawasaki and Mr. Munehiko Ono; and Independent Non-executive Directors are Dr. Sumio Matsumoto, Mr. Junichi Honda, Professor Lynne Yukie Nakano and Mr. Toshiaki Sakai.*