日清食品有限公司
NISSIN FOODS COMPANY LIMITED

Nissin Foods Company Limited
日 清 食 品 有 限 公 司

(Incorporated in Hong Kong with limited liability)
(Stock code: 1475)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board of directors (the "Board") of Nissin Foods Company Limited (the "Company") is pleased to announce the consolidated audited results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2024 together with the comparative figures for the previous year in 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	**2024** ***HK$'000***	2023 *HK$'000*
Revenue	*4*	**3,811,864**	3,833,194
Cost of sales		**(2,499,750)**	(2,530,133)
Gross profit		**1,312,114**	1,303,061
Other income	*6*	**39,482**	46,754
Selling and distribution costs		**(542,069)**	(531,672)
Administrative expenses		**(313,065)**	(298,049)
Impairment losses recognised under expected credit loss model, net of reversal		**(722)**	(1,453)
Other expenses		**(38,885)**	(36,202)
Other gains and losses	*7*	**(153,520)**	(25,204)
Finance costs	*8*	**(396)**	(270)
Profit before taxation		**302,939**	456,965
Income tax expense	*9*	**(95,478)**	(123,816)
Profit for the year	*10*	**207,461**	333,149

	NOTE	**2024** **HK$'000**	2023 HK$'000
Other comprehensive expense			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(46,490)**	(25,340)
Total comprehensive income for the year		**160,971**	307,809
Profit for the year attributable to:			
Owners of the Company		**200,993**	330,169
Non-controlling interests		**6,468**	2,980
		207,461	333,149
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**154,421**	308,456
Non-controlling interests		**6,550**	(647)
		160,971	307,809
Earnings per share	*12*		
Basic (HK cents)		**19.26**	31.64
Diluted (HK cents)		**19.26**	31.63

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

	NOTES	**2024** **HK$'000**	2023 HK$'000
Non-current Assets			
Property, plant and equipment		**1,562,633**	1,679,372
Right-of-use assets		**169,582**	179,994
Goodwill		**330,115**	62,779
Intangible assets		**117,131**	26,444
Interest in an associate		**116**	116
Financial assets at fair value through profit or loss ("FVTPL")		**41,438**	38,487
Deferred tax assets		**73,925**	69,684
Prepayment for acquisition of property, plant and equipment		**34,096**	42,941
Time deposits with original maturity over one year		**–**	77,244
Restricted bank deposits		**5,135**	–
Rental deposits		**2,516**	2,516
		2,336,687	2,179,577
Current Assets			
Inventories		**477,007**	415,015
Trade receivables	*13*	**409,713**	372,854
Other receivables, prepayments and deposits		**74,564**	66,318
Loan receivable		**–**	274
Amount due from ultimate holding company		**5,557**	4,558
Amounts due from fellow subsidiaries		**41,632**	34,349
Tax recoverable		**8,923**	29,539
Financial assets at FVTPL		**–**	215,679
Time deposits with original maturity over one year		**5,399**	55,174
Time deposits with original maturity over three months but not exceeding one year		**287,017**	111,342
Cash and cash equivalents		**1,110,097**	1,199,054
		2,419,909	2,504,156
Current Liabilities			
Trade payables	*14*	**174,117**	150,320
Other payables and accruals		**712,944**	666,738
Amount due to ultimate holding company		**30,277**	29,693
Amounts due to fellow subsidiaries		**4,807**	4,332
Lease liabilities		**7,630**	8,559
Tax liabilities		**7,417**	33,165
Deferred income		**5,499**	3,378
		942,691	896,185
Net Current Assets		**1,477,218**	1,607,971
Total Assets less Current Liabilities		**3,813,905**	3,787,548

	NOTE	2024 HK$'000	2023 HK$'000
Capital and Reserves			
Share capital	*15*	**2,941,441**	2,941,441
Reserves		**678,721**	690,000
Equity attributable to owners of the Company		**3,620,162**	3,631,441
Non-controlling interests		**49,812**	43,262
Total Equity		**3,669,974**	3,674,703
Non-current Liabilities			
Deferred tax liabilities		**105,938**	93,117
Lease liabilities		**8,510**	1,113
Deferred income		**24,348**	18,615
Consideration payable		**5,135**	–
		143,931	112,845
		3,813,905	3,787,548

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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., a company incorporated in Japan with its shares listed on the Tokyo Stock Exchange.

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 places of operation are located in Hong Kong, other regions and Mainland China, the People's Republic of China (the "PRC").

The consolidated financial statements are presented in Hong Kong Dollar ("HK$"), which is also the functional currency of the Company.

2. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The financial information relating to the years ended 31 December 2024 and 2023 included in this preliminary announcement of annual results 2024 do not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements. Further information relating to these statutory annual consolidated 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 will deliver the consolidated financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements of the Group. 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 reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKFRS 28	Sale and Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKAS 21	Lack of Exchangeability[2]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[3]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS mentioned below, the directors of the Company anticipate that the application of all amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 *Presentation* and *Disclosure in Financial Statements*

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

4. REVENUE

a) Disaggregation of revenue from contracts with customers

	31 December 2024			31 December 2023		
	Hong Kong and other regions (as defined in Note 5)	**Mainland China (as defined in Note 5)**	**Total**	Hong Kong and other regions (as defined in Note 5)	Mainland China (as defined in Note 5)	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Types of goods and services						
Sales of goods	**1,536,687**	**2,268,171**	**3,804,858**	1,510,016	2,316,550	3,826,566
Others *(Note)*	**3,218**	**3,788**	**7,006**	3,195	3,433	6,628
Total	**1,539,905**	**2,271,959**	**3,811,864**	1,513,211	2,319,983	3,833,194
Timing of revenue recognition						
A point in time	**1,537,319**	**2,271,959**	**3,809,278**	1,510,455	2,319,983	3,830,438
Over time	**2,586**	**–**	**2,586**	2,756	–	2,756
Total	**1,539,905**	**2,271,959**	**3,811,864**	1,513,211	2,319,983	3,833,194

Note: Others mainly include revenue from sales of scrap noodle and provision of research and publicity services.

b) Performance obligations for contracts with customers

Sales of goods (revenue recognised at one point in time)

For sales of goods (including noodles, retort foods, frozen foods, beverage products, snacks and vegetable products), revenue is recognised when control of the goods has transferred, being when (i) the goods have been loaded on board for export sales; or (ii) the goods have been delivered to the customers' specific location for local sales and the Group received acceptance confirmations from customers. Upon the relevant goods are loaded on board for export sales or delivered to the customers' specific location for local sales, the customers have full discretion over the manner of distribution and price to sell the goods, and have the primary responsibility for selling the goods and bearing the risks of obsolescence and loss in relation to the goods. The normal credit term is 30 to 120 days upon invoice issued.

The amount of consideration the Group receives and revenue the Group recognises varies with changes in sales rebates the Group offers to the customers. The Group estimates the sales rebates based on analysis of historical experience, and adjusts for the most likely amount of consideration to be received. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated rebates which is estimated based on experience. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in other payables and accruals) is recognised for expected rebates to customers in relation to sales made at the end of the reporting period. No element of financing is deemed present as the sales rebates are payable on demand from customers.

Under the Group's standard contract terms, certain customers have a right to exchange for expiry products without limitation of time period. The Group uses its accumulated historical experience to estimate the number of exchange on a portfolio level using the expected value method. Revenue is recognised for sales which are considered highly probable that a significant reversal in the cumulative revenue recognise will not occur. Based on accumulated experience, the management considers the amount of goods returned as immaterial due to large volume of revenue with low value of each good sold. Therefore, the probability of significant reversal in revenue in relation to sales return in the future is remote.

Provision of research and publicity services (revenue recognised over time)

Revenue from provision of research and publicity services are recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

With the provision of research and publicity services are at period of one year or less, as permitted under HKFRS 15, the transaction price allocation to the unsatisfied contracts is not disclosed.

5. SEGMENT INFORMATION

The Group is organised into operating business units according to the major place of operations of the relevant group entities. The Group determines its operating segments based on these business units by reference to their respective major place of operations, for the purpose of reporting to the chief operating decision maker, i.e. the managing director of the Company.

Specifically, the Group's operating and reportable segments under HKFRS 8 *Operating Segments* are as follows:

- Hong Kong and other regions (including Vietnam, Korea, Taiwan and Australia): Manufacturing and sales of noodles, frozen foods and other products in Hong Kong and overseas, and provision of research and publicity services.

- Mainland China: Manufacturing and sales of noodles, frozen foods and other products in Mainland China, and provision of publicity services.

There are no aggregation of individual operating segments to derive the reportable segment.

Segment revenue and results

Segment information about these operating and reportable segments is presented below:

For the year ended 31 December 2024

	Hong Kong and other regions *HK$'000*	Mainland China *HK$'000*	Reportable Segments Total *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Revenue					
Segment revenue from external customers	**1,539,905**	**2,271,959**	**3,811,864**	**–**	**3,811,864**
Inter-segment revenue	**184,341**	**224,958**	**409,299**	**(409,299)**	**–**
Segment revenue	**1,724,246**	**2,496,917**	**4,221,163**	**(409,299)**	**3,811,864**
Result					
Segment results	**88,856**	**328,517**	**417,373**	**–**	**417,373**
Unallocated income					**14,312**
Exchange loss, net					**(17,056)**
Interest income					**25,170**
Fair value changes on financial assets at FVTPL					**2,951**
Impairment loss on property, plant and equipment					**(83,896)**
Impairment loss on right-of-use assets					**(7,875)**
Impairment loss on intangible assets					**(21,403)**
Impairment loss on goodwill					**(22,697)**
Loss on disposal of property, plant and equipment					**(3,544)**
Finance costs					**(396)**
Consolidated profit before taxation					**302,939**

For the year ended 31 December 2023

	Hong Kong and other regions *HK$'000*	Mainland China *HK$'000*	Reportable Segments Total *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Revenue					
Segment revenue from external customers	1,513,211	2,319,983	3,833,194	–	3,833,194
Inter-segment revenue	189,389	221,070	410,459	(410,459)	–
Segment revenue	1,702,600	2,541,053	4,243,653	(410,459)	3,833,194
Result					
Segment results	85,085	350,602	435,687	–	435,687
Unallocated income					18,856
Exchange loss, net					(17,572)
Interest income					27,896
Fair value changes on financial assets at FVTPL					4,116
Impairment loss on property, plant and equipment					(8,778)
Loss on disposal of property, plant and equipment					(2,970)
Finance costs					(270)
Consolidated profit before taxation					456,965

Inter-segment revenue is charged at prevailing market rates.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit earned by each segment without allocation of certain other income, net exchange loss, interest income, fair value changes on financial assets at FVTPL, impairment losses on property, plant and equipment, right-of-use assets, intangible assets and goodwill, loss on disposal of property, plant and equipment and finance costs. This is measure reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

Segment assets and liabilities

No segment assets and liabilities are presented as the information is not regularly reported to the chief operating decision maker for the purpose of resource allocation and assessment of performance. Therefore, only segment revenue and segment results are presented.

Other segment information

Amounts included in the measure of segment results:

For the year ended 31 December 2024

	Hong Kong, and other regions *HK$'000*	**Mainland China** *HK$'000*	**Total** *HK$'000*
Amortisation of intangible assets	**3,231**	**2,740**	**5,971**
Depreciation of property, plant and equipment	**15,534**	**12,000**	**27,534**
Depreciation of right-of-use assets	**4,968**	**2,981**	**7,949**

For the year ended 31 December 2023

	Hong Kong and other regions *HK$'000*	Mainland China *HK$'000*	Total *HK$'000*
Amortisation of intangible assets	3,232	1,726	4,958
Depreciation of property, plant and equipment	17,389	11,550	28,939
Depreciation of right-of-use assets	7,012	6,718	13,730

Geographical information

The Group's revenue from external customers is mainly derived from customers located in Hong Kong (location of domicile), Mainland China and others, which is determined based on the location of customers, while the Group's non-current assets are located in Hong Kong and other regions and Mainland China, which is determined based on the geographical location of these assets or place of group entities that hold such assets, where appropriate.

	2024 *HK$'000*	2023 *HK$'000*
External revenue:		
Hong Kong	**977,391**	1,229,961
Mainland China	**2,271,959**	2,325,737
Others (Vietnam, Korea, Canada, Australia, United States of America,Taiwan, Macau, etc.)	**562,514**	277,496
	3,811,864	3,833,194

	2024 *HK$'000*	2023 *HK$'000*
Non-current assets *(Note)*:		
Hong Kong and other regions	**1,201,393**	925,682
Mainland China	**1,012,280**	1,065,964
	2,213,673	1,991,646

Note: Non-current assets excluded financial assets at FVTPL, deferred tax assets, time deposits with original maturity over one year, restricted bank deposits and rental deposits.

Information about major customers

Revenue from customers of the respective years ended 31 December 2024 and 2023, individually contributing over 10% of the total revenue of the Group are as follows:

	2024	2023
	HK$'000	*HK$'000*
Customer A[1]	**646,664**	695,571
Customer B[2]	**645,873**	705,301

1 From both Hong Kong and Mainland China

2 From Mainland China

6. OTHER INCOME

	2024	2023
	HK$'000	*HK$'000*
Government grant related to acquisition of assets	**4,737**	1,381
Government grant related to expenses recognised *(Note)*	**5,046**	11,372
Interest income from bank deposits	**15,761**	16,521
Interest income from financial assets at FVTPL	**9,409**	11,375
Miscellaneous income	**4,529**	6,105
	39,482	46,754

Note: During the year, the Group recognised government grants of HK$5,046,000 (2023: HK$11,372,000), which represented subsidies provided by the government of Mainland China.

7. OTHER GAINS AND LOSSES

	2024	2023
	HK$'000	*HK$'000*
Exchange loss, net	**(17,056)**	(17,572)
Fair value changes on financial assets at FVTPL	**2,951**	4,116
Loss on disposal of property, plant and equipment	**(3,544)**	(2,970)
Impairment loss on property, plant and equipment	**(83,896)**	(8,778)
Impairment loss on right-of use assets	**(7,875)**	–
Impairment loss on intangible assets	**(21,403)**	–
Impairment loss on goodwill	**(22,697)**	–
	(153,520)	(25,204)

8. FINANCE COSTS

	2024	2023
	HK$'000	*HK$'000*
Interest on lease liabilities	**396**	270

9. INCOME TAX EXPENSE

	2024	2023
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**11,206**	12,750
Mainland China Enterprise Income Tax	**82,021**	89,538
Mainland China Withholding tax	**20,825**	857
	114,052	103,145
Overprovision in prior years:		
Hong Kong Profits Tax	**(7,143)**	(1,133)
Mainland China Enterprise Income Tax	**(832)**	(843)
	(7,975)	(1,976)
	106,077	101,169
Deferred tax	**(10,599)**	22,647
	95,478	123,816

Under the two-tiered profits tax rates regime, the first HK$2.0 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2.0 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

The EIT Law requires withholding tax to be levied on distribution of profits earned by the PRC entities for profits generated after 1 January 2008 at rate of 5% for Hong Kong resident companies, which are the beneficial owners of the dividend received.

The income tax expense for the year can be reconciled from the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2024	2023
	HK$'000	*HK$'000*
Profit before taxation	**302,939**	456,965
Tax at the domestic income tax rate of 16.5%	**49,985**	75,399
Tax effect of expenses not deductible for tax purpose	**14,575**	6,115
Tax effect of income not taxable for tax purpose	**(1,350)**	(4,987)
Tax effect of tax losses not recognised	**7,184**	83
Utilisation of tax losses previously not recognised	**(1,369)**	–
Effect of different tax rates of subsidiaries operating in other jurisdictions	**20,586**	30,879
Overprovision in prior years	**(7,975)**	(1,976)
Withholding tax of Mainland China subsidiaries	**12,428**	17,416
Income tax at concessionary rate	**(165)**	(165)
Others	**1,579**	1,052
Income tax expense for the year	**95,478**	123,816

10. PROFIT FOR THE YEAR

	2024 *HK$'000*	2023 *HK$'000*
Profit for the year has been arrived at after charging:		
Amortisation of intangible assets	**5,971**	4,958
Auditors' remuneration	**6,997**	4,427
Cost of inventories recognised as an expense	**2,499,750**	2,530,133
Depreciation of property, plant and equipment	**172,733**	152,308
Depreciation of right-of-use assets	**13,564**	13,730
Total depreciation	**186,297**	166,038
Less: Amount capitalised in inventories and included in cost of sales upon sales	**(150,814)**	(123,369)
	35,483	42,669
Expenses relating to short-terms lease	**12,037**	7,724
Research and development expenditure	**35,845**	36,202
Acquisition costs	**3,040**	–
Staff costs		
Directors' emoluments		
– fees	**1,000**	1,000
– other emoluments	**18,500**	19,175
– equity-settled share-based payment	**1,079**	1,684
	20,579	21,859
Other staff costs excluding directors' emoluments *(Note)*	**733,618**	705,501
Total staff costs	**754,197**	727,360
Less: Amount capitalised in inventories and included in cost of sales upon sales	**(330,188)**	(330,011)
Less: Amount included as research and development expenditure as shown in above	**(21,212)**	(19,264)
	402,797	378,085

Note:

Contributions to retirement benefit scheme included in other staff costs for the year ended 31 December 2024 amounted to HK$38,728,000 (2023: HK$38,596,000).

11. DIVIDENDS

	2024 *HK$'000*	2023 *HK$'000*
Dividends recognised as distribution during the year:		
2023 Final – 15.82 HK cents,		
(2023: 2022 Final – 15.16 HK cents) per share	**165,112**	158,224

Subsequent to the end of the reporting period, a final dividend of 9.63 HK cents per share and a special dividend of 6.19 HK cents per share in respect of the year ended 31 December 2024, in an aggregate amount of HK$165,112,000, have been proposed by the directors of the Company and both are subject to approval by the shareholders in the forthcoming annual general meeting.

12. 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:

	2024	2023
Earnings figures:		
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share *(HK$'000)*	**200,993**	330,169
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,043,608,301**	1,043,655,222
Effect of dilutive potential ordinary shares in respect of outstanding share awards	**82,773**	36,328
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,043,691,074**	1,043,691,550

13. TRADE RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Trade receivables – sales of goods	**415,809**	378,228
Less: allowance for credit losses	**(6,096)**	(5,374)
	409,713	372,854

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice date, which approximates the respective revenue recognition dates at the end of the reporting period.

	2024	2023
	HK$'000	*HK$'000*
0 to 30 days	**243,366**	268,154
31 to 90 days	**141,156**	92,198
91 to 180 days	**13,668**	12,502
Over 180 days	**11,523**	–
	409,713	372,854

14. TRADE PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2024	2023
	HK$'000	*HK$'000*
0 to 30 days	**139,516**	110,643
31 to 90 days	**33,520**	38,534
91 to 180 days	**1,074**	922
Over 180 days	**7**	221
	174,117	150,320

The average credit period on purchases of goods is 60 days.

15. SHARE CAPITAL

	Number of shares	**Share capital**
		HK$'000
Ordinary shares, issued and fully paid:		
At 1 January 2023 and 31 December 2023 and 31 December 2024	1,043,691,480	2,941,441

Details of the shares held under the share award scheme are set out below:

	Average purchase price *HK$*	Number of shares held	Value of shares *HK$'000*
At 1 January 2023	6.0	15,520	93
Shares purchased from secondary market under share award scheme	6.2	287,000	1,793
Shares vested under share award scheme	6.3	(266,420)	(1,684)
At 31 December 2023	5.6	36,100	202
Shares purchased from secondary market under share award scheme	5.1	504,863	2,580
Shares vested under share award scheme	5.1	(391,700)	(1,992)
At 31 December 2024	5.3	149,263	790

16. SHARE-BASED PAYMENT TRANSACTIONS

On 7 March 2016, a share award scheme (the "Share Award Scheme") was adopted by the Company. The Share Award Scheme is valid and effective for a period of 10 years commencing from 7 March 2016. Pursuant to the rules of the Share Award Scheme, the Group has set up a trust for the purpose of administering the Share Award Scheme and holding the awarded shares before they are vested.

On 6 April 2023 and 29 September 2023, a total of 266,420 award shares (the "2023 Awarded Shares") of the Company have been awarded and vested to certain selected employees (including but not limited to directors, executives, officers and other employees, whether full-time or part-time, of any members of the Group) at no consideration.

On 14 May 2024 and 11 June 2024, a total of 391,700 award shares (the "2024 Awarded Shares") of the Company have been awarded and vested to certain selected employees (including but not limited to directors, executives, officers and other employees, whether full-time or part-time, of any members of the Group) at no consideration.

The following table discloses movements of the Company's share award held by employees during the years:

			Number of shares awarded			
Category of grantees	**Date of grant**	**Vesting period**	**Balance as at 1 January 2024**	**Awarded during the year**	**Vested during the year**	**Balance as at 31 December 2024**
Directors	14 May 2024	14 May 2024	–	215,600	(215,600)	–
Employees	11 June 2024	11 June 2024	–	176,100	(176,100)	–
			–	391,700	(391,700)	–

			Number of shares awarded			
Category of grantees	**Date of grant**	**Vesting period**	**Balance as at 1 January 2023**	**Awarded during the year**	**Vested during the year**	**Balance as at 31 December 2023**
Directors	6 April 2023	6 April 2023	–	99,880	(99,880)	–
Directors	29 September 2023	29 September 2023	–	166,540	(166,540)	–
			–	266,420	(266,420)	–

The estimated fair values of the 2023 Awarded Shares and 2024 Awarded Shares are HK$6.3 and HK$5.1 respectively per share based on the market trading price of the share at the grant date. The total fair value of the 2023 Awarded Shares and 2024 Awarded Shares are HK$1,684,000 and HK$1,992,000 respectively.

The Group recognised the total expense of HK$1,992,000 for the year ended 31 December 2024 (2023: HK$1,684,000) in relation to share award granted by the Company.

17. CAPITAL COMMITMENTS

	2024	2023
	HK$'000	*HK$'000*
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	**14,594**	49,983

MANAGEMENT DISCUSSION AND ANALYSIS

The board of directors (the "Board") of Nissin Foods Company Limited ("Nissin Foods" or the "Company") is pleased to announce the annual results for the year ended 31 December 2024.

Restoring the Business Momentum

In 2024, we witnessed significant changes in the global economy, geopolitics, international trade, business environment and consumer behaviour. These changes not only reshaped global supply chains and consumption patterns, but also created both opportunities and uncertainties. Under these ever-changing conditions, the Group recognised an upward trajectory in the second half of the year for its organic business growth. In addition to remaining agile, the Company seized the opportunities that arose and completed two acquisitions in the Republic of Korea ("Korea") and Australia during the year.

In Mainland China, economic growth was in-line with the target growth rate set by the Chinese government for 2024, driven by stimulus measures, strong exports and high-tech investments, despite challenges in domestic demand amid weak business confidence and consumer sentiment.

The Hong Kong economy continued to record moderate growth driven by external trade and investment expenditure during the year. However, changes in tourist consumption patterns and the leakage of local consumer spending continued to weigh on certain local businesses, including those in the retail and food and beverage industries.

The Group has remained dedicated to continuous product upgrades and cost optimisation against this backdrop. The timeless great taste and unparallelled quality of our products have provided vital support to our premiumisation and differentiation strategies. Riding on our solid foundation and footholds in Hong Kong and Mainland China, as well as the rich and diversified product portfolio we have developed over the years, we are able to grow our influence geographically.

As a responsible corporate citizen, we are committed to protecting consumers' well-being by providing a stable food supply. We also attach tremendous importance to food safety by conducting regular product testing and pursuing relevant research and development. Moreover, the Company implements a wide range of environmental measures and policies to reduce its greenhouse gas emissions, plastic consumption and food waste in this new era of global boiling, such as the introduction and evolution of ECO cup.

FINANCIALS

For the year under review, the Group's overall business remained stable primarily attributable to the solid and steady performance of the Group's instant noodle business, despite a lackluster demand of non-noodle business amid changing consumption patterns and the weakened consumer sentiment in Hong Kong and Mainland China. Revenue maintained at a similar level as last year with a slight drop of 0.6%, amounting to HK$3,811.9 million (2023: HK$3,833.2 million) due to the negative effects of foreign exchange rate. Gross profit increased by 0.7% to HK$1,312.1 million (2023: HK$1,303.1 million). Gross profit margin increased 0.4 percentage points to 34.4% in 2024 from 34.0% in 2023, which was mainly attributable to the optimisation of fixed costs led by the increase in sales volume of instant noodles.

Profit attributable to owners of the Company declined significantly by 39.1% to HK$201.0 million (2023: HK$330.2 million), representing the net profit margin of 5.3% for the year (2023: 8.6%). The significant decrease in profit attributable to owners of the Company was mainly due to the recognition of non-cash charges resulting from impairment losses on assets of HK$135.9 million made in accordance with Hong Kong Accounting Standard 36 ("HKAS 36"), details of which are discussed in the paragraph headed "Impairment Losses" below. The Group's basic earnings per share decreased to 19.26 HK cents for the year (2023: 31.64 HK cents).

At the Adjusted EBITDA level *(Note)*, the Group increased by 0.8% to HK$612.5 million (2023: HK$607.8 million), representing the Adjusted EBITDA margin of 16.1% for the year (2023: 15.9%).

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.

Final Dividend and Special Dividend

Despite a decrease in earnings per share due to the recognition of impairment losses, taking into account that the Company has generated a healthy operating cash flow and has built a solid balance sheet, and in appreciation of the continuous support of our loyal shareholders, the Board recommends the payment of a final dividend of 9.63 HK cents per share and a special dividend of 6.19 HK cents per share, totalling 15.82 HK cents per share to shareholders whose names appear on the register of members of the Company as at 16 June 2025, representing the same amount of dividend per share over the previous year's dividend (2023: final dividend per share of 15.82 HK cents and no special dividend). The total dividend is expected to amount to approximately HK$165.1 million. The payout ratio for the final dividend and special dividend will be 50% and 32.1%, respectively. The total dividends payout ratio will be 82.1% for the year (2023: 50.0%).

Impairment Losses

The total impairment loss amounted to HK$135.9 million, which consisted (i) impairment loss amounting to HK$77.1 million on property, plant and equipment relating to production facilities under complementary business such as non-fried noodles and frozen foods in Mainland China and Hong Kong, (ii) impairment loss amounting to HK$6.8 million on property, plant and equipment and HK$7.9 million on right-of-use assets in Hong Kong comprising right of use of land and leasehold property held by Ming Fong Packaging & Chemicals Limited ("Ming Fong"), and (iii) impairment loss amounting to HK$44.1 million on goodwill and intangible assets.

Impairment loss on property, plant and equipment used in production

During the year ended 31 December 2024, the sales and profitability of the complementary businesses in Mainland China were significantly affected by changes in consumption patterns, such as thriftiness, a focus on savings, and the competitive business environment. The complementary business experienced an unexpected low demand of its products during the year ended 31 December 2024 due to changes in the market demand and its financial performance was not as good as expected as the cashflow projection performed in 2023. Overall market sentiment in Mainland China was considered unfavourable for the overall complementary business activities, leading to cost inefficiency in eight production lines which were unable to break even for the year ended 31 December 2024. Consumer sentiment is expected to remain weak, industry competition is expected to remain intense, and the growth of the complementary business is expected to slow down in the next few years. Accordingly, the Group's management recognised impairment indicators for the eight production lines with carrying amounts of HK$80.4 million.

In view of the decline in business activities and operations, the Group reviewed the recoverable amount of the property, plant and equipment based on prudent and conservative accounting principles. The Group's management adjusted and downwardly revised the forecast of revenue of the complementary business for the five fiscal years ending 31 December 2029. As a result, the recoverable amount of the manufacturing property, plant, and equipment related to the eight production lines of the complementary business has been significantly reduced. The recoverable amount of these production lines was determined based on value in use using the discounted cash flow method under the income approach. The valuation method used to determine the recoverable amount of the production lines as at 31 December 2024 was consistent with the previous valuation method. The calculation was based on cash flow projections derived from the most recent financial budgets for the next five years. Cash flow projections during the forecast period were also based on management's estimation of cash inflows/outflows including gross revenue, gross margin, operating expenses and working capital requirements during the forecast period. The assumptions and estimations were based on past performance and management's expectations of the market development. The pre-tax discount rate was 11.29% (2023: 11.29%), which corresponded to the weighted average cost of capital (WACC). As the carrying amount of the manufacturing property, plant and equipment related to the eight production lines exceeded the recoverable amount, a significant impairment loss of HK$77.1 million was recognised for the year. The main assets subject to impairment loss were related to (i) a non-fried noodle production line in Fujian (approximately HK$18.0 million), (ii) a long-life noodle production line in Fujian (approximately HK$26.5 million) and (iii) a frozen food production line in Shunde (approximately HK$21.0 million).

Impairment of right-of-use assets and property, plant and equipment of Ming Fong

In April 2021, the Group acquired 100% of the interest of Ming Fong which owns a portfolio of plants and machinery, as well as the right-of-use of the land and leasehold property which are all located in Hong Kong. Upon entering into the lease agreement, right-of-use assets of HK$48.8 million were recognised in accordance with HKFRS 16. The Group initially planned to rebuild and utilise the Ming Fong plant to store finished goods for its operations in Hong Kong.

Nonetheless, the economic uncertainties following COVID has significant impact on the property rental and sales market, particularly in sectors like private flatted factories. Based on the statistics from the Rating and Valuation Department, the private flatted factories price index fell by approximately 15.0% year-on-year in 2024, whereas reflecting the broader economic challenges and lower demand. The downturn of Hong Kong property market, coupled with the high construction cost in Hong Kong, has prompted the management of the Company to reassess the initial plan for Ming Fong plant and decided to put the rebuilding plan on hold ("Change of MF Plan"). This strategic shift reflects the Group's ability to respond and adapt to prevailing market conditions and its commitment to cost management by optimizing resources and minimizing expenditures during this challenging period.

The real estate market in Hong Kong faced a challenging year with high vacancy rates and a sluggish economy. In 2025, the challenges of oversupply and economic uncertainty are anticipated to persist. Due to the recent downturn in the real estate market, the Group's management had identified indicators of impairment on certain right-of-use assets and property, plant and equipment with carrying amount of HK$38.7 million and HK$18.1 million, respectively, held by Ming Fong in Hong Kong. As a result, the Company engaged an independent valuer with relevant qualifications and experience to determine the recoverable amounts of these assets. The recoverable amounts of these assets have been determined on their fair value less cost of disposal of the assets.

The independent valuer determined the fair value of the property using the direct comparison method, assuming sale of the property in its current condition with the benefit of vacant possession while referring to similar transactions in the relevant market. The appraised market value was determined based on direct comparison method as it was the primary and most commonly adopted method to appraise the value of property interests where there were readily identifiable and recent market comparables. Key inputs of the valuation were the prevailing market prices of comparable properties and the adjustments on the difference between the subject property and market comparables in terms of size, features and location. In light of the Change of MF Plan, as cash inflow generated from this property in the future would be unpredictable, it was believed that income approach was no longer applicable and instead the market approach for the property was adopted in 2024. In 2023, the recoverable amount of the property was determined based on value in use using the discounted cash flow method under the income approach.

The independent valuer determined the fair value of the property, plant and equipment using replacement cost method, reflecting the amount that would be required currently to replace the service capacity of an asset. The cost approach was adopted as it was typically used to value assets that could be easily replaced, such as property, plant, and equipment. This approach assumed that a market participant buyer would not pay more for an asset than the amount for which it could replace the service capacity of that asset. There was a change in valuation method in the 2024 as a result of the Change of MF Plan and it was believed that income approach was no longer applicable and instead replacement cost method for property, plant and equipment was adopted in 2024. In 2023, the recoverable amount of the property, plant and equipment was determined based on value in use using the discounted cash flow method under the income approach.

As the carrying amounts of certain right-of-use assets and property, plant and equipment exceeded their recoverable amount, an impairment loss of HK$6.8 million on property, plant and equipment and HK$7.9 million on right-of-use assets were recognised for the year.

Impairment of goodwill and intangible assets

For the purpose of impairment testing, goodwill and intangible assets have been allocated to five individual cash generating units (CGU), comprising the five subsidiaries, namely Guangdong Shunde Nissin Foods Co., Ltd, MC Marketing & Sales (Hong Kong) Limited ("MCMS"), Shanghai Eastpeak Trading Co., Ltd ("Shanghai Eastpeak"), Gaemi Food Co. Ltd. ("Gaemi Food") and ABC Pastry Holdings Pty Ltd. ("ABC Pastry"). During the year, impairment losses on goodwill and intangible assets of HK$22.7 million and HK$12.5 million, respectively were recognised in respect of Shanghai Eastpeak CGU.

In January 2020, the Company's non-wholly owned subsidiary, Shanghai Eastpeak, entered into a sale and purchase agreement with 大昌東峰食品(上海)有限公司 (English translation: Dachang Dongfeng Food (Shanghai) Co.). The acquisition was accounted for using the acquisition method and was completed on 1 April, 2020. Goodwill and intangible assets recognised on the acquisition date were HK$22.5 million and HK$22.5 million respectively.

After the acquisition, the Group earned additional revenue from the wholesale business of confectionery and beverages under third-party Japanese brands in Mainland China. However, as disclosed in the 2024 interim report, the wholesale business in Mainland China operated by Shanghai Eastpeak was affected by a decrease in gifts' spending due to changes in consumption patterns and the weakened demand for third-party Japanese-brand confectionery and beverage products attributable to the weak global economy and the cautious conservatism of consumers. The financial performance of Shanghai Eastpeak fell short of expected as the cashflow projection performed in 2023. As the distribution business operated on thin profit margin from trading, Shanghai Eastpeak was not able to break even for the year 2024.The market sentiment in Mainland China was unfavorable to wholesale business activities in general. Due to the above factors, the management recognised indications of impairment of goodwill and intangible assets in respect of Shanghai Eastpeak, with carrying amount of HK$22.7 million and HK$14.3 million, respectively.

In accordance with the principles of prudence and conservatism in accounting, the Group's management has revised downwards and adjusted the forecasts of sales of Shanghai Eastpeak for the five business years ending 31 December 2029. The recoverable amounts of Shanghai Eastpeak CGU were determined based on value in use calculations. The management has adopted the discounted cash flow method under the income approach in assessing the value in use of Shanghai Eastpeak CGU. The income approach was used to assess the Shanghai Eastpeak CGU because the economic benefits flows based on the budget plan and planned capital expenditure can be identified and determined. The valuation method used to determine the value in use of the Shanghai Eastpeak CGU as at 31 December 2024 was consistent with the previous valuation method.

The value in use was determined based on the management's assessment of the projected cash flows derived from the latest financial budgets for the next five years, which included parameters such as budgeted sales, gross profit margin, expected changes in selling prices and costs. Cash flow projections beyond the 5-year period were extrapolated using a steady 2% growth rate (2023: 2%). This growth rated was based on the relevant industry growth forecasts and did not exceed the average long-term growth rate for the relevant industry. The assumptions and estimations were based on past performance and management's expectations of the market development. The pre-tax discount rate, which reflected the current market assessment of the time value of money and the risks specific to the CGU, was 10.5% per annum (2023: 10.5%). As the carrying amounts of Shanghai Eastpeak CGU exceeded its recoverable amounts, impairment loss on goodwill of approximately HK$22.7 million and impairment loss on intangible assets for customer relationship of approximately HK$12.5 million, totalling HK$35.2 million, were recognised for Shanghai Eastpeak CGU for the year.

BUSINESS REVIEW

Hong Kong and other regions Operations

The Hong Kong economy recorded moderate year-on-year growth of 2.5% in 2024, with an accelerated growth of 2.4% in the fourth quarter over a year earlier, compared with an increase of 1.9% in the third quarter. According to the Hong Kong Tourism Board and the Census and Statistics Department, the number of visitor arrivals reached 42.6 million, representing a year-on-year growth of 8.3%.

Nevertheless, consumption activities remained weak in the midst of the change in consumption patterns of Hong Kong residents. The total retail sales value declined by 7.3% year-on-year, mainly attributable to the leakage of local consumers' spending to the Greater Bay Region of Mainland China and the strengthening of the Hong Kong dollar. The Company suffered from a soft consumption sentiment on daily necessities.

Upon completion of the two acquisitions, namely Gaemi Food in Korea and ABC Pastry in Australia, on 2 September 2024 and 2 December 2024 respectively, their results and assets and liabilities were consolidated in the Group's consolidated financial statements.

Revenue from Hong Kong and other regions operations increased by 1.8% to HK$1,539.9 million (2023: HK$1,513.2 million), mainly attributable to the growth in sales of instant noodles in Hong Kong and other regions operations, offsetting the drop in frozen food business. Currently, revenue from Hong Kong and other regions operations accounted for 40.4% (2023: 39.5%) of the Group's total revenue.

In terms of segment results, the Hong Kong and other regions operations increased by 4.4% to HK$88.9 million (2023: HK$85.1 million) due to the consolidation of newly acquired businesses in Korea and Australia, despite an increase in the depreciation expenses due to the deployment of smart production lines in Hong Kong.

Hong Kong Operations

Instant Noodle Business

For the year under review, the instant noodle business in Hong Kong remained stable as the sales volume of bag-type instant noodles, particularly the high-priced premium bag-type instant noodles of the *Hokkaido Demae Iccho* series, expanded. In addition to rolling out new SKUs including the *Demae Iccho's Spicy Series*, *Nissin Donbei Tempura Cup Udon*, *Nissin Donbei Kitsune Handmade Style Bowl Udon (Fresh Type)*, and *Cup Noodles Big Beef Flavour*, we further strengthened export sales of our bag-type instant noodles to North America, the United Kingdom, the European Union, Australia and New Zealand. To further enrich our instant noodle portfolio, the Company launched various new flavours under the ***Nissin Raoh***, ***Nissin U.F.O***, ***Fuku*** and ***Doll*** brands such as *Nissin Signature Hansik Stir Glass Noodle with Korean-style Stir-fried Chicken* and *Doll Fried Noodle Bowl Scallion Oil Chicken Chop Flavour*.

Non-Noodle Business

Frozen food products

During the year, the performance of frozen food products was mediocre as consumers favoured eating out and outbound travelling, especially weekend trips to Mainland China. As the competitive landscape of the industry continued to intensify, the Company expanded its focus on premium frozen food products. While offering a wider product range of premium products under the ***NISSIN*** brand, the Company increased its exposure via various sales channels, including catering industry and overseas exports, to drive up sales volumes.

Distribution business

MCMS is engaged in the distribution of beverages, confectionery, snacks, Japanese brand seasoning sauce and chilled products in Hong Kong. In order to increase the market penetration of our key products, various types of promotion were launched. A number of sales channels, such as chain restaurants and bakeries, were developed and expanded. The business recorded growth in 2024 as a result of the revival of inbound tourism.

Other Products

The Company continued to broaden its non-noodles portfolio with the launch of various products. It expanded the sales channels of the ***KAGOME*** business in different regions, including convenience stores, business offices, fine dining restaurants and airline lounge. During the year, seasonal products such as *Kumamoto Dekopon Mixed Juice* were launched. Our ***Nissin Granola*** continued to gain traction with customers support due to their advocacy of health and wellness. Further efforts were made to enlarge the distribution channels of our ***fresh-cut vegetable*** including supermarkets, cafeterias and coffee shops. Various new flavours in the low-fat ***Nissin Yogurt*** series were added to penetrate the market. A brand-new product *Nissin Chocolate Potato Chips* offering a rich crunchy and savory-sweet taste experience was launched during the year.

Other regions Operations

Nissin Vietnam

Vietnam remained one of the fast-growing economies in Southeast Asia. GDP grew by 7.09% year-on-year in 2024, driven by strong exports and robust foreign investment inflows, as reported by the General Statistics Office of Vietnam. In addition, the total retail sales of consumer goods and services grew by 9.0% over the previous year. During the year under review, the Company proactively explored and expanded different sales and distribution channels in the domestic market with a focus on the youth segment to bolster its growth. New bag-type noodles products such as *Mi tron NISSIN Spaghetti* and *Mi Cay NISSIN Thai Tom Yum* were rolled out. In 2024, its business achieved an excellent performance and the business outlook remains encouraging.

Taiwan Office

The Company established a wholly-owned subsidiary in Taiwan engaging in trading activities in late 2023, in response to growing interest in ***NISSIN*** products among local consumers. By establishing a subsidiary in the area, our distributors and wholesalers in Taiwan were provided with clearer sales direction and more sales and promotional support, which has contributed to sales momentum and growth.

Gaemi Food

On 3 June 2024, the Company and Sung Gyung Food Co., Ltd. entered into a share purchase agreement (the "Share Purchase Agreement") in relation to the acquisition of 100% equity interest in Gaemi Food at a total consideration of KRW48,000 million (equivalent to approximately HK$271.7 million). Upon completion of the acquisition on 2 September 2024, Gaemi Food became a wholly-owned subsidiary of the Company, and its confectionery brand, ***Kemy***, has been added to the Company's non-noodle business portfolio.

Gaemi Food is a manufacturer of crispy roll snacks, being a top national brand in the domestic crispy roll market in Korea. It 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. It also supplies private brands and original design manufacturer products to many customers. During the year under review, its business achieved a satisfactory performance and solid growth.

ABC Pastry

On 27 September 2024, the Company (as purchaser) and Gaoyang Family Pty Ltd and Min Investments Pty Ltd (as sellers) entered into the share sale and purchase agreement (the "Share Sale and Purchase Agreement") in relation to the acquisition of 100% issued share capital in ABC Pastry at a total consideration of AU$33.7 million (equivalent to approximately HK$178.6 million). Upon completion of the acquisition on 2 December 2024, ABC Pastry became a wholly-owned subsidiary of the Company and its own brand ***ABC Pastry*** has been added to the Company's non-noodle business portfolio.

ABC Pastry is a leading manufacturer of frozen dumplings which are either company branded (i.e. ***ABC Pastry***) or third party branded in Australia. The products are dumplings and juicy buns (also known as soup dumplings) which are sold to food distributors, Asian grocers, contract manufacturers and supermarkets across Australia. ***ABC Pastry*** is a nationally recognised brand renowned for its premium quality dumplings. Recently, ABC Pastry has been growing the frozen business together with local networks and distributors to cater to nationwide retailers. The Company believes that with our existing expertise and rich experience in operational and financial management as a listed company, the acquisition would contribute to ABC Pastry's long-term development and enable the Group to diversify its business portfolio and broaden its income sources, which benefits the Company and the shareholders as a whole.

Mainland China Operations

The Mainland China's economy grew at 5.0% year-on-year in 2024 as reported by the National Bureau of Statistics of China. This demonstrated the determination of the authorities to maintain growth momentum despite an increasingly complex global and domestic environment.

However, consumer demand remained a weak spot. Despite a moderate year-on-year growth of 3.5% and 2.7% for total retail sales of consumer goods and supermarket retail sales respectively, the consumer price index rose only slightly by 0.2% year-on-year in 2024, suggesting insufficient domestic demand and a lack of consumer confidence amid job insecurity and the prolonged property downturn.

For the year under review, revenue declined by 2.1% (in local currency: -0.9%) to HK$2,272.0 million (2023: HK$2,320.0 million), owing to the change in consumption patterns for the confectionery products involved in the distribution business and the negative effects of foreign currency translation, despite the growth in sales of cup-type instant noodles. Currently, revenue from the Mainland China operations accounted for 59.6% (2023: 60.5%) of the Group's total revenue.

In terms of segment results, the Mainland China operations decreased by 6.3% (in local currency: -5.1%) to HK$328.5 million (2023: HK$350.6 million), mainly attributable to the higher production cost in the second half of the year.

Instant Noodle Business

During the year, the Company adhered to its premiumisation strategy and continued the geographical expansion of its business in Mainland China. Consequently, with the strategic focus on cup-type instant noodles, the overall performance of the instant noodle business remained stable. A pick-up in the sales of cup-type instant noodles was recorded due to the expansion of sales channels in the western and northern regions, particularly for *CUP NOODLES BIG*. Premium bowl-type noodles *Nissin Donbei Kitsune Handmade Style Bowl Udon (Fresh Type)* and *Nissin Donbei Tempura Handmade Style Bowl Udon (Fresh Type)* were launched to cater to the needs of consumers for good value items. To further enhance publicity and brand awareness, the Company made different promotional efforts, including the collaboration with a Japanese anime named "Blue Lock" (藍色禁區) for a crossover involving ***Cup Noodles***, the promotion on social networking sites such as Red Note and the participation of a food exposition in Shanghai.

Non-Noodle Business

Distribution Business

The Company's distribution business is conducted through Shanghai Eastpeak which is engaged in the distribution of confectionery and beverages in Mainland China. During the year, its performance was affected by reduced consumer spending on gifts due to changes in consumption patterns. However, during the second half of the year, efforts were made to expand product lines and brands, including a European bottled water brand, a Japanese carbonated beverage brand, a Korean snack food brand and a Japanese chocolate and cookies brand.

Other Products

Nissin Koikeya Potato Chips achieved a good performance during the year as the distribution channels continued to expand. *Crisp Choco*, our baked corn flakes chocolate snack, continued to receive a positive response from the market. Our green juices series successfully attracted the attention of health-conscious customers with vending machines availability further increasing product exposure. The easy-to-cook microwavable frozen food products met the needs of city dwellers looking for convenient and time-saving products.

FINANCIAL REVIEW

Liquidity, Financial Resources and Gearing Ratio

As at 31 December 2024, the total assets of the Group amounted to HK$4,756.6 million (31 December 2023: HK$4,683.7 million), and the total equity was HK$3,670.0 million (31 December 2023: HK$3,674.7 million). The Group's working capital was HK$1,477.2 million (31 December 2023: HK$1,608.0 million), represented by the difference between the total current assets of HK$2,419.9 million (31 December 2023: HK$2,504.2 million) and the total current liabilities of HK$942.7 million (31 December 2023: HK$896.2 million). The current ratio was 2.6 as at 31 December 2024 (31 December 2023: 2.8).

The financial position of the Group remained healthy, with net cash of approximately HK$1,402.5 million (31 December 2023: HK$1,365.6 million) and HK$820.0 million (31 December 2023: HK$820.0 million) in available banking facilities as at 31 December 2024. The Group had no external borrowing, and the gearing ratio was nil as at 31 December 2024 (31 December 2023: Nil).

Capital Expenditure

The Group's capital expenditure was approximately HK$570.4 million during the year under review (2023: HK$329.6 million), mainly due to the acquisitions of Gaemi Food and ABC Pastry, as well as the capital investments in the production plants in Hong Kong and Mainland China.

Capital Commitments

The Group had a capital commitment for the acquisition of property, plant and equipment contracted for but not provided HK$14.6 million as at 31 December 2024 (31 December 2023: HK$50.0 million).

Financial Risk Management

The Group had not entered into nor traded derivative financial instruments for hedging or speculative purposes. The Company and several subsidiaries have foreign currency sales and purchases, which expose the Group to foreign currency risk. As HK Dollar is currently pegged to US Dollar, the Company considered that the Group's exposure to fluctuation in HK Dollar against US Dollar is limited. Other foreign currency exposures including Vietnamese Dong, Korean Won, Australian Dollar and New Taiwan Dollar are still minimal. The currencies giving rise to this risk are primarily the Japanese Yen and Renminbi against HK Dollar. The Company continues to manage and monitor these exposures to ensure that appropriate measures are implemented in a timely and effective manner.

Contingent Liability

As at 31 December 2024, the Group had no material contingent liability (31 December 2023: Nil).

Pledge of Assets

The Group did not have pledged assets as at 31 December 2024 (2023: Nil).

FUTURE PROSPECTS

The Company is cautiously optimistic about the long-term business development in various countries and regions and continues to control costs and improve operational efficiency. Premiumisation and diversification strategies are the keys to achieving growth under this ever-changing environment.

Looking ahead to 2025, Hong Kong is set to embrace change to achieve prosperity. The Hong Kong government unveiled a new five-year development blueprint for the tourism industry. While upgrading the city's abundant visitor attractions, the development blueprint has also highlighted the development of new market sources, products, themes and growth. Along this line, the Company continues to roll out more premium products to delight consumers, offering them great taste and superior ingredients. Moreover, in view of the rising health awareness among consumers, the Company will continue to diversify its business portfolio and enrich its product lines to broaden the income base.

In Mainland China, the per capita spending continues to rise and the per capita income gap between urban and rural residents is narrowing. Revitalising domestic demand continues to be placed with the top priority in the government's 2025 agenda. Efforts will be made to drive new quality productive forces through technological empowerment. In addition to reactivating the sales of existing regions and developing more sales channels, the Company continues to expand its business territory and penetrate into other areas.

In Vietnam, the retail industry experiences a remarkable growth fueled by favourable economic conditions and changing consumer behaviour. The rise in consumer confidence, growing disposable incomes, burgeoning middle class and increasing urbanisation have all contributed to growing retail demand. Consumer preferences also saw transformation into value-driven consumption, seeking healthy, high-quality products from trusted brands. The Company continues to expand its sales and distribution channels to capitalise on these lucrative opportunities.

The Company also continued its geographical expansion into Taiwan, Korea and Australia. Leveraging our solid foundation and strong presence in Hong Kong and Mainland China, the geographical expansion will broaden the income base and generate additional sales.

Building on its solid foundation and pursuing a well-diversified product portfolio and the premiumisation strategy, the Company is well-positioned to deliver continuous revenue and earnings growth in the coming years, as well as to expand its business territories with increasing brand recognition in Hong Kong, Mainland China and other regions.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

On 3 June 2024, the Company and Sung Gyung Food Co., Ltd. entered into a share purchase agreement in relation to the acquisition of 100% equity interest in Gaemi Food at a total consideration of KRW48,000 million (equivalent to approximately HK$271.7 million). Upon completion of the acquisition on 2 September 2024, Gaemi Food became a wholly-owned subsidiary of the Company. Please refer to the announcements of the Company dated 3 June 2024 and 19 June 2024 for details.

On 27 September 2024, the Company (as purchaser) and Gaoyang Family Pty Ltd and Min Investments Pty Ltd (as sellers) entered into the share sale and purchase agreement in relation to the acquisition of 100% issued share capital in ABC Pastry at a total consideration of AU$33.7 million (equivalent to approximately HK$178.6 million). Upon completion of the acquisition on 2 December 2024, ABC Pastry became a wholly-owned subsidiary of the Company. Please refer to the announcement of the Company dated 27 September 2024 for details.

On 11 November 2024, the Company and Nissin Foods Asia Co., Ltd. ("Nissin Asia") entered into the subscription and joint venture agreement in relation to, among others, the formation of a joint venture company in New South Wales, Australia, which will be owned as to 51% by the Company and 49% by Nissin Asia. Please refer to the announcement of the Company dated 11 November 2024 for details.

On 13 December 2024, the Company and Mitsubishi Corporation ("Mitsubishi") entered into a share sales and purchase agreement, pursuant to which the Company agreed to purchase, and Mitsubishi agreed to sell, 190 ordinary shares of MCMS, representing 19% of the total issued shares of MCMS at a consideration of approximately HK$11.1 million. Upon completion of the acquisition on 6 January 2025, MCMS became a wholly-owned subsidiary. The acquisition of such interest did not constitute a notifiable transaction of the Company under the Listing Rules.

During the year under review, except for the aforesaid acquisitions, there were no material acquisitions or disposals of subsidiaries, associates and joint ventures by the Group and the Group did not hold any significant investments.

EMPLOYMENT AND REMUNERATION POLICY

As at 31 December 2024, the total number of staff of the Group was 3,737 (31 December 2023: 3,409), with staff costs (excluding directors' remuneration) amounting to approximately HK$733.6 million for the year. The remuneration package is determined with reference to individual performance, qualification and experience of employees concerned and prevailing industry practices. The Group also provides medical benefits, internal and external training and discretionary bonuses based on individual performance. The share award scheme is in place to provide long-term incentives to the selected key staff of the Group.

CORPORATE GOVERNANCE

The Group is committed to the maintenance of good corporate governance practices as set out in the Code Provisions of the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules. The Company has complied with code provisions as set out in the CG Code for the year ended 31 December 2024 except the following:

Pursuant to Provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Kiyotaka Ando is currently the Chairman of the Board and the Chief Executive Officer, responsible for strategic planning and managing of the Group's overall business and operations. Mr. Ando has been responsible for overall management of the Group since 2009. The Board believes that the current structure enables the Company to make and implement business decision swiftly and effectively which promotes the Group's development in line with other strategies and business direction. The Board considers that the balance of power and authority, accountability and independent decision-making under the present arrangement will not be impaired because of the diverse background and experience of the independent non-executive directors. Further, the Audit Committee, which consists exclusively of independent non-executive directors, has free and direct access to the Company's external auditors and independent professional advisers when it considers necessary.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the CG Code. The Audit Committee comprises three Independent Non-executive Directors of the Company. The principal duties of the audit committee include the review of the Group's financial reporting procedures, risk management and internal control and financial results. Disclosure of financial information in this announcement complies with Appendix D2 to the Listing Rules. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2024, including the accounting principles and practices adopted by the Group and discussed auditing, financial reporting matters and results announcement in conjunction with the Company's external auditor.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 26 March 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules. Specific enquiry has been made of all Directors confirming that they have complied with the Model Code for the year ended 31 December 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2024.

DIVIDENDS

The Board recommends payment of a final dividend of 9.63 HK cents per share and a special dividend of 6.19 HK cents per share in respect of the year ended 31 December 2024, totalling 15.82 HK cents per share to be payable to the shareholders of the Company whose names appear on the register of members of the Company as at 16 June 2025. Subject to the approval of the Company's shareholders at the forthcoming annual general meeting of the Company to be held on 5 June 2025 (the "AGM"), the proposed final dividend and special dividend will be paid to the Company's shareholders on 27 June 2025.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determination of eligibility to attend and vote at the AGM, the register of members of the Company will be closed from 2 June 2025 to 5 June 2025 both days inclusive during which no transfer of shares will be registered. In order to be entitled to attend and vote at the AGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 30 May 2025.

For the purpose of determination of entitlements to final dividend and special dividend, the register of members of the Company will be closed from 12 June 2025 to 16 June 2025 both days inclusive during which no transfer of shares will be registered. In order to qualify for final dividend and special dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 11 June 2025.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.nissingroup.com.hk. The 2024 Annual Report of the Company will be available on the above websites and be despatched to shareholders of the Company in April 2025.

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

Hong Kong, 26 March 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.