

*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.*



## **CONTINUING CONNECTED TRANSACTION IN RELATION TO PROVISION OF PUBLICITY SERVICES**

The Board is pleased to announce that on 22 June 2018, the Company and Nissin Japan have entered into the Publicity Service Master Agreement. The Group is contemplated thereby to provide services to Nissin Japan in relation to publicity of “Nissin” brand and public relation work for the purpose of enhancing the worldwide presence of Nissin Japan and the brand recognition of “Nissin”. The term of the Publicity Service Master Agreement is two years commencing from 22 June 2018.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Nissin Japan holds approximately 73.89% of the total issued shares of the Company and is therefore a controlling shareholder of the Company. Accordingly, Nissin Japan is a connected person of the Company. The transactions contemplated under the Publicity Service Master Agreement therefore constitute continuing connected transaction for the Company.

As all applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in relation to the Annual Caps exceed 0.1% but do not exceed 5%, the transactions contemplated under the Publicity Service Master Agreement are only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

### **THE PUBLICITY SERVICE MASTER AGREEMENT**

On 22 June 2018, the Company and Nissin Japan have entered into the Publicity Service Master Agreement, the principal terms of which are set forth below:

<b>Date</b>	22 June 2018
<b>Parties</b>	(i) The Company (on behalf of the Group) (ii) Nissin Japan

**Scope of Services** The Group is contemplated to provide services to Nissin Japan in relation to publicity of “Nissin” brand and public relation work for the purpose of enhancing the worldwide presence of Nissin Japan and the brand recognition of “Nissin”, in particular the Group is expected to arrange certain publicity campaign(s) and marketing event(s) (the “Publicity Services”).

**Service Fee** The service fee payable by Nissin Japan to the Group under the Publicity Service Master Agreement shall be determined with reference to the fees chargeable by independent third party for comparable services when dealing on an arm’s length basis having regard to relevant factors, such as choice of advertising media, the scale and content of publicity program, potential brand recognition effect as may be achieved in connection with the Publicity Services.

**Term** Two years commencing from 22 June 2018.

#### **ANNUAL CAPS FOR THE PUBLICITY SERVICES**

As the Group has only commenced the provision of the Publicity Services to Nissin Japan upon entering into the Publicity Service Master Agreement, there is no historical transaction amount for this transaction.

The proposed caps for the fees payable by Nissin Japan to the Group under the transactions contemplated under the Publicity Service Master Agreement for each of the three years ending 31 December 2018, 31 December 2019 and 31 December 2020 are set out below:

	<b>For the financial year ending 31 December 2018</b>	<b>For the financial year ending 31 December 2019</b>	<b>For the financial year ending 31 December 2020</b>
	<i>HKD’000</i>	<i>HKD’000</i>	<i>HKD’000</i>
Publicity Services	16,000	16,000	8,000

The Annual Caps are based on various considerations, including but not limited to (i) the estimated usage of the Publicity Services to be provided by the Group to Nissin Japan; (ii) the fees of comparable publicity services available in the market based on the expertise and experience of the Group.

#### **GENERAL INFORMATION RELATING TO THE COMPANY AND NISSIN JAPAN**

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, mineral water and sauce products.

Nissin Japan is a company listed on the Tokyo Stock Exchange, Inc. (stock code: 2897) and is one of the largest manufacturers and sellers of instant noodles in the world. Apart from instant noodles, the Nissin Japan also engages in the manufacture and sale of other products including chilled and frozen food, snack, confectionery and beverage products.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE PUBLICITY SERVICE MASTER AGREEMENT**

The Board is of the view that the provision of the Publicity Services will enhance the overall brand value of “Nissin” and also its brand awareness. Accordingly, the entering of the Publicity Service Master Agreement will enable the Group to better utilize its business resources not only to expand its source of income but also help reinforce the Nissin brand image. Hence, it is believed that the transactions contemplated under the Publicity Service Master Agreement are beneficial to the business growth and development of the Group as a whole.

On the aforesaid basis, the Directors (including the independent non-executive Directors) consider that, the transactions contemplated under the Publicity Service Master Agreement are in the ordinary and usual course of business of the Group, the terms of the Publicity Service Master Agreement were entered into on normal commercial terms and such terms and the Annual Caps are fair and reasonable, and such transactions are in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Nissin Japan holds approximately 73.89% of the total issued shares in the Company and is therefore a controlling shareholder of the Company. Accordingly, Nissin Japan is a connected person of the Company and the transactions contemplated under the Publicity Service Master Agreement therefore constitute continuing connected transactions for the Company.

None of the Directors have any material interest in the continuing connected transaction herein announced so that no Director was required to abstain from voting on the Board resolutions of the Company approving the Publicity Service Master Agreement.

As all applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in relation to the Annual Caps exceed 0.1% but do not exceed 5%, the transactions contemplated under the Publicity Service Master Agreement are only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

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

“Annual Cap(s)”	the anticipated aggregate annual value of the transactions contemplated under the Publicity Service Master Agreement for each of the three years ending 31 December 2018, 31 December 2019 and 31 December 2020;
“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 issued Shares of which are listed on the Main Board;
“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;
“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;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Main Board”	the main board of the Stock Exchange;
“Nissin Japan”	Nissin Foods Holdings Co., Ltd., a company established under the laws of Japan on 4 September 1948 whose shares are listed on the Tokyo Stock Exchange, Inc.;
“percentage ratios”	refers to the percentage ratios under Rule 14.07 of the Listing Rules;
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region and Taiwan;
“Publicity Service Master Agreement”	the publicity service master agreement dated 22 June 2018 entered into between the Company and Nissin Japan for the provision of publicity services by the Group to Nissin Japan; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By order of the Board

**Kiyotaka Ando**

*Chief Executive Officer and Executive Director*

Hong Kong, 22 June 2018

*As at the date of this announcement, Executive Directors are Mr. Kiyotaka Ando, Mr. Shinji Tatsutani, Mr. Munehiko Ono, Mr. Yoshihide Semimaru and Mr. Hijiri Fukuoka; Non-executive Director is Mr. Tong Ching Hsi; and Independent Non-executive Directors are Dr. Sumio Matsumoto, Mr. Junichi Honda and Professor Lynne Yukie Nakano.*