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NISSIN 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 2018

The board of directors (the "Board") of Nissin Foods Company Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2018 together with the comparative figures for the previous year in 2017 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	NOTES	2018 HK$'000	2017 HK$'000 (restated)
Revenue	4	**2,998,828**	2,688,530
Cost of sales		**(2,065,429)**	(1,867,706)
Gross profit		**933,399**	820,824
Other income	6	**45,285**	38,458
Selling and distribution costs		**(448,664)**	(389,968)
Administrative expenses		**(199,930)**	(162,975)
Impairment losses reversed (recognised) in respect of trade receivables		**645**	(319)
Other expenses		**(24,186)**	(40,212)
Other gains and losses	7	**(6,541)**	24,200
Profit before taxation		**300,008**	290,008
Income tax expense	8	**(69,426)**	(69,548)
Profit for the year	9	**230,582**	220,460

	NOTE	2018 HK$'000	2017 HK$'000 (restated)
Other comprehensive (expense) income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(91,618)**	119,859
Fair value loss on available-for-sale investments		**–**	(8,224)
Reclassification adjustment upon impairment of available-for-sale investments		**–**	8,224
		(91,618)	119,859
Total comprehensive income for the year		**138,964**	340,319
Profit for the year attributable to:			
Owners of the Company		**205,448**	195,363
Non-controlling interests		**25,134**	25,097
		230,582	220,460
Total comprehensive income for the year attributable to:			
Owners of the Company		**118,956**	308,695
Non-controlling interests		**20,008**	31,624
		138,964	340,319
Earnings per share	*11*		
Basic (HK cents)		**19.13**	23.81
Diluted (HK cents)		**19.13**	23.81

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2018

	NOTES	2018 HK$'000	2017 HK$'000
Non-current Assets			
Property, plant and equipment		**1,307,820**	1,295,386
Prepaid lease payments for leasehold land		**77,793**	83,750
Goodwill		**40,082**	40,082
Trademark		**28,271**	31,502
Interest in an associate		**116**	116
Available-for-sale investments		**–**	30,445
Financial assets at fair value through profit or loss		**31,821**	–
Deferred tax assets		**18,806**	29,295
Loan receivable		**2,463**	3,010
Deposits paid for acquisition of property, plant and equipment		**14,454**	18,875
		1,521,626	1,532,461
Current Assets			
Prepaid lease payments for leasehold land		**2,100**	2,201
Inventories		**294,086**	290,728
Trade receivables	*12*	**449,932**	420,626
Other receivables, prepayments and deposits		**81,839**	89,504
Loan receivable		**547**	547
Amount due from ultimate holding company		**1,666**	3,929
Amounts due from fellow subsidiaries		**8,965**	4,523
Tax recoverable		**4,350**	7,343
Financial assets at fair value through profit or loss		**88,536**	–
Other financial assets		**313,260**	–
Time deposits over three months		**292,758**	415,669
Bank balances and cash		**1,384,707**	1,693,459
		2,922,746	2,928,529
Current Liabilities			
Trade payables	*13*	**252,540**	267,684
Other payables and accruals		**502,071**	525,057
Amount due to ultimate holding company		**23,961**	19,793
Amounts due to fellow subsidiaries		**4,438**	4,051
Tax liabilities		**11,812**	40,363
Deferred income		**1,274**	–
		796,096	856,948
Net Current Assets		**2,126,650**	2,071,581
Total Assets less Current Liabilities		**3,648,276**	3,604,042

	2018	2017
	HK$'000	*HK$'000*
Capital and Reserves		
Share capital	**2,941,441**	2,941,441
Reserves	**539,095**	497,755
Equity attributable to owners of the Company	**3,480,536**	3,439,196
Non-controlling interests	**114,637**	111,878
Total Equity	**3,595,173**	3,551,074
Non-current Liabilities		
Deferred tax liabilities	**33,277**	33,831
Deferred income	**19,826**	19,137
	53,103	52,968
	3,648,276	3,604,042

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Nissin Foods Company Limited (the "Company") is a limited company incorporated in Hong Kong on 19 October 1984 and its shares are listed on The Stock Exchange of Hong Kong Limited with effect from 11 December 2017. 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 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 and snacks, and provision of publicity services.

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

2. SIGNIFICANT ACCOUNTING POLICIES

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"). 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 consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

New and amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

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

3.1 HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations.

The Group has applied the full retrospective method of transition to HKFRS 15 resulting in changes in accounting policies and adjustments to the amounts recognised in the consolidated financial statements of prior year and comparative information has been restated. Furthermore, in accordance with the transition provision in HKFRS 15, the Group has elected to apply the standard practical expedient for completed contracts and has not restated amounts for contracts that have been completed before 1 January 2018.

The Group recognises revenue from sales of goods, scrap noodle and provision of publicity services, which arise from contracts with customers.

Summary of effects arising from initial application of HKFRS 15

The transition to HKFRS 15 has no material impacts on retained earnings at 1 January 2017 and 31 December 2017. The following adjustments were made to the amounts recognised in the consolidated statements of financial position at 1 January 2017 and 31 December 2017. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 1 January 2017	**Reclassification**	**Carrying amounts under HKFRS 15 at 1 January 2017 (restated)**
	HK$'000	*HK$'000* *(Note)*	*HK$'000*
Other payables and accruals			
— Accruals for promotion and advertising expenses	278,632	(91,090)	187,542
— Refund liabilities	–	91,090	91,090

	Carrying amounts previously reported at 31 December 2017	**Reclassification**	**Carrying amounts under HKFRS 15 at 31 December 2017 (restated)**
	HK$'000	*HK$'000* *(Note)*	*HK$'000*
Other payables and accruals			
— Accruals for promotion and advertising expenses	277,012	(87,935)	189,077
— Refund liabilities	–	87,935	87,935

Note: As at 1 January 2017 and 31 December 2017, estimated sales rebates of HK$91,090,000 and HK$87,935,000 respectively in respect of variable considerations previously included in accruals for promotion and advertising expenses under other payables and accruals were reclassified to refund liabilities under other payables and accruals upon application of HKFRS 15.

The following tables summarise the impact of applying HKFRS 15 on the Group's consolidated statement of profit or loss and other comprehensive income for the current and prior years for each of the line items affected. Line items that were not affected by the changes have not been included.

For the year ended 31 December 2018

	As reported *HK$'000*	**Adjustments** *HK$'000* *(Note)*	**Amounts without application of HKFRS 15** *HK$'000*
Revenue	2,998,828	215,420	3,214,248
Selling and distribution costs	(448,664)	(215,420)	(664,084)

For the year ended 31 December 2017

	As restated *HK$'000*	**Adjustments** *HK$'000* *(Note)*	**Amounts without application of HKFRS 15** *HK$'000*
Revenue	2,688,530	213,741	2,902,271
Selling and distribution costs	(389,968)	(213,741)	(603,709)

Note: Under HKAS 18, the Group recognised certain rebates to distributors as selling and distribution costs. Upon application of HKFRS 15, such rebates are considered as part of the transaction prices as variable consideration stated in the contracts. This change in accounting policies resulted in a reduction of revenue for the year ended 31 December 2018 by HK$215,420,000 (2017: HK$213,741,000) while there is an opposite effect to the selling and distribution costs by the same amount.

There are no other material impact to the amounts recognised in consolidated statement of financial position and the retained earnings at both 1 January 2017 and 31 December 2017.

3.2 HKFRS 9 Financial Instruments

In the current year, the Group has applied HKFRS 9 *Financial Instruments* and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses ("ECL") for financial assets and (3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application). The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained earnings, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 *Financial Instruments: Recognition and Measurement.*

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement of financial assets subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 January 2018.

	Note	**Available-for-sale investments** *HK$'000*	**Financial assets at fair value through profit or loss ("FVTPL")** *HK$'000*
Closing balances at 31 December 2017 — HKAS 39		30,445	–
Effect arising from initial recognition of HKFRS 9:			
Reclassification from available-for-sale investments	*(a)*	(30,445)	30,445
Opening balance at 1 January 2018		–	30,445

Note:

(a) *From available-for-sale equity investments to FVTPL*

At the date of initial application of HKFRS 9, the Group's equity investments of HK$30,345,000 were reclassified from available-for-sale investments to financial assets at FVTPL. There is no material difference between the fair value of these equity investments as at 1 January 2018 and their previously carrying amounts measured under HKAS 39.

From available-for-sale debt investments to FVTPL

At the date of initial application of HKFRS 9, the Group's club debentures with a fair value of HK$l00,000 were reclassified from available-for-sale investments to financial assets at FVTPL. This is because even though the Group's business model is to hold financial assets in order to collect contractual cash flows, the cash flows of these investments do not meet the HKFRS 9 criteria as solely payments of principal and interest on the principal amount outstanding. There is no material difference between the fair value of these club debentures as at 1 January 2018 and their previously carrying amounts measured under HKAS 39.

(b) *Impairment under ECL model*

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for trade receivables and amounts due from fellow subsidiaries which are in trade nature. Except for those which had been determined as credit-impaired under HKAS 39, those trade receivables have been assessed individually with significant outstanding balances and/or collectively using a provision matrix with appropriate groupings. Amounts due from fellow subsidiaries, which are in trade nature have been assessed individually.

ECL for other financial assets at amortised cost, including time deposits over three months, bank balances, loan receivable, amount due from ultimate holding company, other financial assets, and other receivables are assessed on 12-month ECL ("12m ECL") basis as there had been no significant increase in credit risk since initial recognition.

The directors of the Company considered that the measurement of ECL has no material impact to the Group's retained earnings at 1 January 2018.

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:

HKFRS 16	Leases[1]
HKFRS 17	Insurance Contracts[3]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to HKFRS 3	Definition of a Business[4]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKAS 1 and HKAS 8	Definition of Material[5]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cyc1e[1]

[1] Effective for annual periods beginning on or after 1 January 2019
[2] Effective for annual periods beginning on or after a date to be determined
[3] Effective for annual periods beginning on or after 1 January 2021
[4] Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020
[5] Effective for annual periods beginning on or after 1 January 2020

4. REVENUE

(a) Disaggregation of revenue from contracts with customers

	Year ended 31 December 2018			Year ended 31 December 2017		
	HK Operations (as defined in note 5) *HK$'000*	**PRC Operations (as defined in note 5)** *HK$'000*	**Total** *HK$'000*	HK Operations *HK$'000* (restated)	PRC Operations *HK$'000* (restated)	Total *HK$'000* (restated)
Types of goods and services						
Sales of goods	**1,308,958**	**1,672,686**	**2,981,644**	**1,198,945**	**1,488,334**	**2,687,279**
Others	**14,609**	**2,575**	**17,184**	**611**	**640**	**1,251**
Total	**1,323,567**	**1,675,261**	**2,998,828**	**1,199,556**	**1,488,974**	**2,688,530**
Timing of revenue recognition						
A point in time	**1,309,525**	**1,675,261**	**2,984,786**	**1,199,556**	**1,488,974**	**2,688,530**
Over time	**14,042**	**–**	**14,042**	**–**	**–**	**–**
Total	**1,323,567**	**1,675,261**	**2,998,828**	**1,199,556**	**1,488,974**	**2,688,530**

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

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 directors of the Company.

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

- HK Operations: Manufacturing and sales of noodles, frozen foods and other products in Hong Kong and overseas, and provision of publicity services
- PRC Operations: Manufacturing and sales of noodle, frozen foods and other products in the People's Republic of China (the "PRC")

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

Segment revenue and results

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

For the year ended 31 December 2018

	HK operations *HK$'000*	**PRC operations** *HK$'000*	**Reportable segments total** *HK$'000*	**Elimination** *HK$'000*	**Total** *HK$'000*
Revenue					
Segment revenue from external customers	**1,323,567**	**1,675,261**	**2,998,828**	**–**	**2,998,828**
Inter-segment revenue	**124,800**	**213,670**	**338,470**	**(338,470)**	**–**
Segment revenue	**1,448,367**	**1,888,931**	**3,337,298**	**(338,470)**	**2,998,828**
Result					
Segment results	**114,068**	**147,196**	**261,264**	**–**	**261,264**
Unallocated income					**8,028**
Unallocated expenses and other losses					**(1,850)**
Interest income					**37,257**
Fair value changes on financial assets at FVTPL					**1,204**
Impairment loss recognised on property, plant and equipment					**(2,426)**
Loss on disposal of property, plant and equipment					**(3,469)**
Consolidated profit before taxation					**300,008**

For the year ended 31 December 2017

	HK operations *HK$'000*	PRC operations *HK$'000*	Reportable segments total *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Revenue (restated)					
Segment revenue from external customers	1,199,556	1,488,974	2,688,530	–	2,688,530
Inter-segment revenue	99,657	137,274	236,931	(236,931)	–
Segment revenue	1,299,213	1,626,248	2,925,461	(236,931)	2,688,530
Result					
Segment results	109,884	132,674	242,558	–	242,558
Unallocated income					14,548
Unallocated expenses and other losses					(16,002)
Interest income					23,910
Impairment loss recognised on available-for-sale investments					(8,224)
Impairment loss recognised on property, plant and equipment					(13,010)
Gain on disposal of property, plant and equipment					46,228
Consolidated profit before taxation					290,008

Inter-segment revenue are charged at prevailing market rates.

The accounting policies of the operating segments are the same as the Group's accounting policies described. Segment results represent the profit earned by each segment without allocation of certain other expenses and other losses, other income, net exchange gain or loss, interest income, fair value changes on financial assets at FVTPL, impairment losses recognised on available-for-sale investments and property, plant and equipment, and (loss) gain on disposal of property, plant and equipment. 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 2018

	HK operations *HK$'000*	**PRC operations** *HK$'000*	**Total** *HK$'000*
Amortisation of prepaid lease payments for leasehold land	–	2,180	2,180
Amortisation of trademark	3,231	–	3,231
Depreciation of property, plant and equipment	7,203	10,447	17,650

For the year ended 31 December 2017

	HK operations *HK$'000*	PRC operations *HK$'000*	Total *HK$'000*
Amortisation of prepaid lease payments for leasehold land	–	3,468	3,468
Amortisation of trademark	3,231	–	3,231
Depreciation of property, plant and equipment	5,057	11,588	16,645

Geographical information

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

	2018 *HK$'000*	2017 *HK$'000* (restated)
External revenue:		
Hong Kong	**1,216,122**	1,113,011
The PRC	**1,687,527**	1,498,658
Others (Canada, Australia, United States of America, Taiwan, Macau, etc)	**95,179**	76,861
	2,998,828	2,688,530

	2018	2017
	HK$'000	*HK$'000*
Non-current assets *(Note)*:		
Hong Kong	**514,465**	475,849
The PRC	**954,071**	993,862
	1,468,536	1,469,711

Note: Non-current assets excluded available-for-sale investments, financial assets at FVTPL, deferred tax assets and loan receivable.

Information about major customers

Revenue from customers of corresponding years individually contributing over 10% of the total revenue of the Group are as follows:

	2018	2017
	HK$'000	*HK$'000*
		(restated)
Customer A[1]	**800,867**	824,578
Customer B[2]	**436,936**	335,720
Customer C[2]	**427,488**	373,992

[1] From the PRC operations

[2] From both HK and the PRC operations

6. OTHER INCOME

	2018	2017
	HK$'000	*HK$'000*
Dividend income from available-for-sale investments	**–**	206
Government grant related to acquisition of assets in the PRC	**1,980**	131
Government grant related to expenses recognised	**939**	3,468
Interest income from bank deposits	**37,257**	23,910
Miscellaneous income	**2,710**	3,732
Other scrap material sales	**2,399**	7,011
	45,285	38,458

7. OTHER GAINS AND LOSSES

	2018	2017
	HK$'000	*HK$'000*
Exchange loss, net	**(1,850)**	(794)
Fair value changes on financial assets at FVTPL	**1,204**	–
Impairment loss recognised on available-for-sale investments	**–**	(8,224)
Impairment loss recognised on property, plant and equipment	**(2,426)**	(13,010)
(Loss) gain on disposal of property, plant and equipment	**(3,469)**	46,228
	(6,541)	24,200

8. INCOME TAX EXPENSE

	2018	2017
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**15,809**	17,989
PRC Enterprise Income Tax	**44,752**	48,435
PRC Withholding tax	**2,246**	1,501
	62,807	67,925
(Over)underprovision in prior years:		
Hong Kong Profits Tax	**(356)**	2,147
PRC Enterprise Income Tax	**(2,383)**	991
	(2,739)	3,138
	60,068	71,063
Deferred tax	**9,358**	(1,515)
	69,426	69,548

9. PROFIT FOR THE YEAR

	2018 *HK$'000*	2017 *HK$'000*
Profit for the year has been arrived at after charging:		
Amortisation of prepaid lease payments for leasehold land	**2,180**	3,468
Amortisation of trademark	**3,231**	3,231
Auditor's remuneration	**4,987**	4,686
Cost of inventories recognised as expense	**2,065,429**	1,867,706
Depreciation of property, plant and equipment	**140,983**	125,577
Less: Amount capitalised in inventories and included in cost of sales upon sales	**(123,333)**	(108,932)
	17,650	16,645
Listing expenses	**–**	15,208
Minimum lease payments paid under operating leases in respect of rented premises	**8,916**	7,708
Research and development expenditure	**24,186**	25,004
Staff costs *(Note i)*		
Directors' emoluments		
— fees	**800**	266
— other emoluments	**13,812**	6,016
	14,612	6,282
Other staff costs excluding directors' emoluments *(Notes i, ii)*	**549,998**	495,247
Equity-settled share-based payment	**809**	900
Total staff costs	**565,419**	502,429
Less: Amount capitalised in inventories and included in cost of sales upon sales	**(271,837)**	(255,784)
Less: Amount included as research and development expenditure as shown in above	**(12,134)**	(11,780)
	281,448	234,865

Notes:

i. Operating lease rentals in respect of staff quarters for the year ended 31 December 2018 amounting to HK$1,127,000 (2017: HK$968,000) are included under minimum lease payments paid under operating leases in respect of rented premises.

ii. Contributions to retirement benefit scheme included in other staff costs for the year ended 31 December 2018 amounted to HK$49,878,000 (2017: HK$47,885,000).

10. DIVIDEND

	2018	2017
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
2017 final — 7.3 HK cents (2017: 2017 interim dividend HK$19.86) per share	**78,425**	400,009

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2018 of 9.5 HK cents per ordinary share, in an aggregate amount of HK$102,060,000 has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

11. 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:

	2018	2017
Earnings figures are calculated as follows:		
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share (HK$'000)	**205,448**	195,363
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,074,091,116**	820,677,385
Effect of dilutive potential ordinary shares in respect of outstanding share awards	**101,480**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,074,192,596**	820,677,385

Notes:

Number of ordinary shares in issue has taken into account of the share subdivision for one existing share subdivided into forty shares completed pursuant to a shareholders' resolution passed on 21 November 2017 (the "Share Subdivision").

The weighted average number of ordinary shares shown above has been adjusted for the shares held by a share award scheme trust taking into account of Share Subdivision.

The computation of diluted earnings per share for the year ended 31 December 2017 did not assume the exercise of the over-allotment option in initial public offering because the exercise price was higher than the average market price. In addition, the computation of diluted earnings per share for the year ended 31 December 2017 had not considered the impact in respect of the outstanding shares held by a share award scheme trust since the directors of the Company considered the impact to be insignificant.

12. TRADE RECEIVABLES

	2018	2017
	HK$'000	*HK$'000*
Trade receivables — sales of goods	**451,292**	422,702
Less: allowance for credit losses	**(1,360)**	(2,076)
	449,932	420,626

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.

	2018	2017
	HK$'000	*HK$'000*
0 to 30 days	**261,209**	227,965
31 to 90 days	**157,810**	166,031
91 to 180 days	**30,913**	26,630
	449,932	420,626

13. TRADE PAYABLES

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

	2018	2017
	HK$'000	*HK$'000*
0 to 30 days	**111,980**	146,953
31 to 90 days	**118,972**	100,239
91 to 180 days	**21,569**	20,414
Over 180 days	**19**	78
	252,540	267,684

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

14. SHARE-BASED PAYMENT TRANSACTIONS

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

Category of grantees	Date of grant	Vesting period	Number of shares awarded: Balance as at 1 January 2018	Awarded during the year	Vested during the year	Balance as at 31 December 2018
Employees	25 May 2018	From 25 May 2018 to 11 June 2018	–	120,730	(120,730)	–
Employees	25 May 2018	From 25 May 2018 to 11 December 2020	–	159,210	–	159,210
			–	279,940	(120,730)	159,210

Category of grantees	Date of grant	Vesting date	Number of shares awarded: Balance as at 1 January 2017	Share subdivision	Vested during the year	Balance as at 31 December 2017
Directors	17 March 2016	Immediately upon completion of initial public offering of the share of the Company on the Stock Exchange of Hong Kong	5,804	226,356	(232,160)	–

15. CAPITAL COMMITMENTS

	2018	2017
	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	**116,015**	202,700

MANAGEMENT DISCUSSION & ANALYSIS

The Board is pleased to announce the annual results for the year ended 31 December 2018.

Nissin's Evolution to Success

Year 2018 would be a memorable milestone in the Company's long-lasting history since the establishment of the Hong Kong business in year 1984. The collective effort of the employees has paid off after years of preparation, as we celebrated the first anniversary of listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") last year. Meanwhile, ***Demae Iccho***, one of the most favourite instant noodles brands globally, has marked the 50th year anniversary since its invention in year 1968. The Company began its evolutionary journey a decade ago in year 2009 with the arrival of Mr. Kiyotaka Ando, Chairman and Chief Executive Officer of the Company, who has repositioned and transformed the PRC business completely. Today, our journey finally reaches a checkpoint where the Company's strategic capital investments in the past few years have all come into place.

Nissin's Evolving Journey

Phase I: Premiumisation and localisation

The Company positioned itself as a premium instant noodles manufacturer in the People's Republic of China (the "PRC") with the focus on ***Cup Noodles*** seafood flavour as the signature product when premiumisation was perceived generally not an attractive niche market in late 2000s. This product differentiation strategy has created enormous room for the Company to evolve and be a stronger self. The Company had also gone through a period of localisation in terms of business operation and people management to lay the foundation of future business expansion.

Phase II: Upgrading our overall capability

Production capacity and efficiency has always been the key issue among manufacturing companies, especially in a highly competitive landscape in the PRC which requires continuous cost management and efficiency enhancement. The Company has equipped with new production capability in the past three years with the commencement of operation of the production plants located in Dongguan, Fujian and Pinghu of the PRC. This provides the Company with the appropriate technique to manufacture both fried and non-fried instant noodles, as well as the paper cup materials by the middle of year 2017 and thus, better control the cost efficiency and value to customers. Currently, we have a total of nine production plants in Hong Kong and the PRC.

Phase III: Business diversification into non-instant noodles categories

Since the establishment in Hong Kong in year 1984 and in the PRC in year 1993, the key focus of the business has always been in instant noodles. In order to broaden the income stream especially in Hong Kong, the Company has stepped into non-instant noodles categories, for instance, potato chips, confectionaries, frozen foods and beverages, to name a few. The acquisition of distribution business of MC Marketing & Sales (Hong Kong) Limited ("MCMS") in March 2017 has also equipped the Company with downstream capability to better handle the logistics and inventory control, which is an essential part when we further expand nationally in the PRC in the future.

Phase IV: Distribution channels expansion, product innovation and investing in people

Today, as we progressively expand into the PRC, one of the key challenges for us is the progress of recruiting local employees to improve decision making quality and better understand the local atmosphere of the surrounding environment in which we compete in. Currently, the Company is actively liaising with the distribution channels to have better mutual understanding on each other's needs. At the forefront, the support from our strong research and development capability would ensure continual product innovation to the market. In the foreseeable future, distribution channels, product innovation and staff employment would still be the key focus as we further escalate our expansion into the PRC territory.

FINANCIALS

Economic conditions in Hong Kong and the PRC have been changing rapidly in the second half of the year. Compared to the first half of 2018, the market has turned the tide and been adversely affected by the heated dispute between the USA and the PRC on trade tariff coupled with slower economic environment. Consumers began to rethink their spending instead and we also witnessed the price adjustments of consumer in the market to rebalance the product portfolio.

Nevertheless, the Group has achieved a stable result this year. Revenue increased by 11.5% to HK$2,998.8 million for the year (2017: HK$2,688.5 million), primarily attributable to the continual regional expansion in the PRC which boosted the sales, the momentum growth in the Hong Kong operation and the additional contribution from distribution business in Hong Kong. Gross profit margin recovered from the first half with an increase of 0.6% to 31.1% for the year (2017: 30.5%), mainly due to the fixed cost optimisation on depreciation and overheads of the production plants. The cost of key raw materials such as wheat flour and packaging materials has been stable in the second half, which allowed the Company to better control its raw material costs during the year.

The management considers EBITDA as a better indicator for the business expansion. At EBITDA level, the Group grew by 8.8% to HK$407.7 million (2017: HK$374.8 million), representing the EBITDA margin of 13.6% for the year (2017: 13.9%). Profit attributable to owners of the Company was HK$205.4 million, representing an increase of 5.2% from HK$195.4 million for the corresponding period in 2017. Excluding the one-off gain on disposal of assets for the production plant located at Songjiang District of Shanghai of the PRC in 2017 at HK$35.3 million and other impairment losses, the adjusted profit attributable to owners of the Company would be HK$211.3 million (2017: HK$176.6 million), representing an increase of 19.6% from that of last year.

For the fiscal year of 2018, the Group's basic earnings per share was 19.13 HK cents (2017: 23.81 HK cents) due to increase in the number of issued shares as a result of the initial public offering of the Company in December 2017. The Board has resolved to declare a final dividend of 9.5 HK cents per share, representing a dividend payout ratio of 49.7% for the year. During the year, the Group has approved the Dividend Policy, aiming at providing guiding principles and procedures to assist the Company in making decisions on dividend payments. We have adopted a progressive dividend policy which aims to steadily increase or at least maintain the value of ordinary dividends per share annually in the future. The prospective dividend growth, however, remains dependent upon the financial performance and future funding needs of the Company.

BUSINESS REVIEW

Hong Kong Operations

The retail sentiment in Hong Kong can be separated into two distinct periods, with the first half of 2018 being promising while consumer spending looked sluggish in the second half of the year as a result of the pocket tightening on discretion spending amid the dimmer economic outlook. As published by the Census and Statistics Department of Hong Kong, retail sales value increased by 8.8% for the full year and 13.4% for the first six months year-on-year, representing a relatively slowdown in economic activities in Hong Kong in the past few months. The launch of the Hong Kong Section of the Express Railway Link as well as the Hong Kong-Zhuhai-Macau Bridge brought together additional influx of tourists into the city. However, the two new infrastructures have brought minimal additional benefits to the operations in Hong Kong.

For the full year under review, revenue from Hong Kong operations increased by 10.3% from HK$1,199.6 million to HK$1,323.6 million, mainly driven by the growth in sales from the ***Nissin Brands*** as we continue to optimise the instant noodle product offerings with a combination of fried and non-fried instant noodles in different formatting and brands to maintain our market share. The full year operation of MCMS has also contributed to the revenue growth during the year. Currently, revenue from Hong Kong operations accounted for 44.1% (2017: 44.6%) of the Group's revenue.

The commencement of the recognition of depreciation expenses has affected the profitability in the Hong Kong operations, partly offset by better cost control at the cost of sales. Therefore, the segment result recorded a mild increase of 3.8% to HK$114.1 million in 2018 (2017: HK$109.9 million).

Notwithstanding the undisputable market share in Hong Kong, the Company has purposefully introducing new SKUs under the ***Nissin Brands*** to accommodate to demanding customers. Additional flavours have been added under the signature ***Cup Noodles*** and ***Demae Iccho*** brands regularly to offer innovative and refreshing tastes to the customers.

To cater for the health conscious customers and to promote the importance of healthiness, the Company has been developing a collection of non-fried instant noodles brands in various formats such as the promotion of the *Spicy Tomato Seafood Flavour* and *Soya Milk Soup with Vegetable Flavour* under ***Cup Noodles Light*** to offer a low fat and calorie option for the customers. *Bar Noodle* featuring non-fried straight noodles under ***Demae Iccho*** and ***FUKU*** brand has also been launched. In 2018, the Company has introduced the new conceptual products of *御當店系列* with collaboration with famous Japanese Ramen Shops such as ***IPPUDO***, ***Butao*** and ***Hakata Ikkousha*** to allow customers to enjoy the Japan-originated quality ramen at home with easy access through the convenience stores. Concurrently, the Company has noticed the increasing popularity of Japanese-imported products into Hong Kong. During the year, we have started to procure certain popular products from Japan should we think there is a sustainable market demand to those products.

As set out in the announcement dated 23 April 2018, the Company has entered into a subscription and Joint Venture Agreement with Kagome Co., Ltd. ("Kagome") pursuant to which the parties shall form an entity in Hong Kong owned as to 70% by the Company and 30% by Kagome ("Kagome HK"). The Company has contributed HK$3.5 million to the share capital of the Kagome HK. In July 2018, we have commenced the distribution of vegetable and fruit beverages products in Hong Kong with a promising result, further enhancing our confidence in future cooperation in the PRC region. The diversification into distribution business under MCMS has also enabled us to better mitigate our logistics cost as well as enhancing the income stream to the Company this year.

In the past few years, the Company has established a sizable non-instant noodles business with a view to generate additional income to the Group. As announced on the 31 January 2019, the Company has invested approximately HK$30.0 million in a new granola production line in the Hong Kong production plant located at Tai Po Industrial Estate. The new investment has been completed in December 2018 and the product sale has commenced in January 2019. This investment enables us to manufacture and sell its made-in-Hong Kong granola products at closer proximity to local demands in Hong Kong and the PRC.

The PRC Operations

Premiumisation and consumption upgrade have been popular topics among the consumer products industry in recent years. Innovative products and services have been launched in seemingly unimaginable areas to cater for the highly demanding customers. As the living standard improves, customers begin to look for products and services that provide not just for daily necessity consumption, but also incorporating added value and better product quality to match with their quality of life. More investments have been made by the industry players to establish corporate branding and product research and development to generate higher brand equity with premium price. During the year, the Government has eased the policy of materials import into the country, which further reduces the complexity of cross-border import to promote trade affairs.

However, economic environment and market sentiment have been changing rapidly in the PRC especially in the second half of the year. As reported by the National Bureau of Statistics of the PRC, the GDP for year 2018 was 6.6% with the 4th quarterly at 6.4%. Competition has also been intensifying in the instant noodles industry with increasing competition and adjustments in product price and servings to secure the market share. It is therefore against this turbulence environment that the Company is operating in the PRC operation in this year.

For the year under review, the Company is glad to report a stable revenue growth from the PRC operations throughout the year. Revenue increased by 12.5% (in local currency: 10.1%) from HK$1,489.0 million to HK$1,675.3 million, mainly attributable to our stable price offering. As we progressively expand into the inland, we recorded a healthy revenue growth not only along the coastal provinces, but also in the key cities such as Beijing and Tianjin in the Northern China. Currently, revenue from the PRC operations accounted for 55.9% (2017: 55.4%) of the Group's revenue.

The profitability in the PRC operations, as measured with segment result, recorded an increase of 10.9% to HK$147.2 million in 2018 (2017: HK$132.7 million), owing to the higher salary and related expenses resulted from the recruitment and the surge in depreciation expenses of Pinghu Production Plant, but compensated with the better revenue growth this year.

The Group's key strategy has been surrounding the development of container type instant noodles with affordable premium price in the past decade as this offers the best experience for the younger consumers. To further enhance our consumption experience for the signature ***Cup Noodles*** brand and after carefully considering the daily experience and feedback from the customers, we have revamped the packaging of the ***Cup Noodles*** to include an inside lid to separate the utensil from the noodle cake and seasonings. This strategy proves essential to promote our brand with enhanced food safety and hygiene for our loyal customers, which translate into a healthy revenue growth in year 2018.

In the non-fried instant noodles perspective, the Company has been actively expanding into Tonkotsu flavour premium non-fried instant noodles. On top of the three Tonkotsu flavours of ***RAOH***, an in-house brand, that we launched with cup-type in July 2017, the Company has further improved the offering with a bag-type in November 2018 to provide the same joyful experience to be served at home. The channel exclusive product co-launched between "***7-11 x IPPUDO x Nissin***" has proved a successful collaboration strategy for the Company since we launched the product in April 2018. This affordable premium product with much broader and easier access in convenience store with original Japanese flavour has obtained a promising result this year, which further enhances our belief in providing Japanese original taste to the local people in the future.

As we continue to grow into the Northern and Western part of the PRC while maintaining our presence in the coastal areas, the Company is actively recruiting additional salesforce to complement the growth in distributors and channel coverage this year with proven success.

FINANCIAL REVIEW

Liquidity, Financial Resources and Gearing Ratio

As at 31 December 2018, total assets of the Group amounted to HK$4,444.4 million (31 December 2017: HK$4,461.0 million) and the total equity was HK$3,595.2 million (31 December 2017: HK$3,551.1 million). The Group's working capital was HK$2,126.7 million (31 December 2017: HK$2,071.6 million), represented by the difference between the total current assets of HK$2,922.7 million (31 December 2017: HK$2,928.5 million) and the total current liabilities of HK$796.1 million (31 December 2017: HK$856.9 million). The current ratio was 3.7 as at 31 December 2018 (31 December 2017: 3.4).

The financial position of the Group remained healthy with net cash of approximately HK$1,677.5 million (2017: HK$2,109.1 million) and HK$180.8 million (2017: HK$180.8 million) in available banking facilities as at 31 December 2018. The Group had no external borrowing and the gearing ratio was nil as at 31 December 2018 (31 December 2017: nil).

Capital expenditure

The Group's capital expenditure was HK$215.3 million during the year under review (2017: HK$259.7 million), which was mainly due to the capital investments on the production plants in Hong Kong and the PRC.

Capital commitment

The Group had capital commitment in respect of acquisition of property, plant and equipment contracted for but not provided of HK$116.0 million as at 31 December 2018 (31 December 2017: HK$202.7 million).

Financial Risk Management

The Group does not enter into or trade in derivative financial instruments either for hedging or speculative purposes. The Company and its several subsidiaries of the Company 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. The currencies giving rise to this risk are primarily Japanese Yen and Renminbi against HK Dollar.

Contingent Liability

For the year under review, there has been no material development to the legal proceedings against the Company in respect of an alleged wrongful termination of distributorship of a former sub-distributor of our "Damae Iccho" instant noodles products (the "Proceedings") as disclosed in the prospectus of the Company issued on 29 November 2017 (the "Prospectus"). No provision for the claim in respect of the Proceedings was made by the Group. For more details of the Proceedings, please refer to the section headed "Business — Legal proceedings and regulatory compliance — Particulars of claims against our Company as at the Latest Practicable Date" in the Prospectus.

As at 31 December 2018, other than the litigation that the Company has engaged into as mentioned above, the Group had no material contingent liability (2017: Nil).

Pledge of Assets

The Group did not have pledged assets as at 31 December 2018 (31 December 2017: Nil).

Use of Proceeds from Global Offering

The shares of the Company have been listed on the Main Board of the Stock Exchange since 11 December 2017. The total proceeds from the Global Offering involving the issue of 268,580,000 ordinary shares of the Company amounted to approximately HK$950.8 million. As at 31 December 2018, the Group held the unutilised net proceeds as deposit with licensed institutions in Hong Kong.

According to the proposed applications of proceeds set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus, the utilisation of net proceeds from the Listing to 31 December 2018 was as follows:

Usage disclosed in the Prospectus		**Planned use of the net proceeds**	**Utilised net proceeds up to 31 December 2018**	**Unutilised net proceeds up to 31 December 2018**
		HK$ million	*HK$ million*	*HK$ million*
Further expanding and upgrading production plants and facilities	45%	409.8	215.3	194.5
Further expanding sales and distribution network	10%	91.1	59.3	31.8
Enhancing research and development capabilities	5%	45.5	24.2	21.4
Partnerships and/or acquisitions	30%	273.2	3.5	269.7
Working capital	10%	91.1	61.0	30.1
Net Proceeds		**910.8**	**363.3**	**547.5**

Nissin's Future Prospect

The strong product research and development support from the Nissin Global Innovation Center and the Nissin Global Food Safety Institute lay the foundation for us to further excel ourselves to provide innovative products that match the local tastes of the Hong Kong and PRC customers.

As we continue to expand further in the PRC, persistent vertical and horizontal integration has been planned ahead for better operational efficiency and cost control. As reported earlier, the upstream production for potato chips and granola have been ready in 2017 and 2018 respectively, thereby enhancing the Company's ability to control the production costs of our non-instant noodles products. Further investments would be made to the business especially to the downstream business should we identify opportunities to better control our cost structure. Horizontally, the Company has commenced the distribution of ***Kagome*** vegetable and fruit juice in the PRC to broaden the income stream in addition to the instant noodles products.

Continual localisation with local knowledge is the next big thing that the Company is focusing on. Progress has been made to localise the management of the Company to prepare for the upcoming challenges. Nonetheless, we expect the personnel expense would continue to impact on the profitability in the short run.

EMPLOYMENT AND REMUNERATION POLICY

As at 31 December 2018, the total number of staff of the Group was approximately 3,420 (31 December 2017: 3,400) with staff costs (excluding directors' remuneration) amounting to HK$565.4 million for the year. Remuneration package is determined with reference to the individual performance, qualification and experience of employees concerned and prevailing industry practice. The Group provides mandatory provident fund entitlement to Hong Kong's employees.

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 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Company has complied with code provisions as set out in the CG Code for the year ended 31 December 2018 except the following:

Pursuant to Provision A.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 non-executive director and 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. Disclosure of financial information in this announcement complies with Appendix 16 to the Listing Rules. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2018 in conjunction with the external auditor.

SCOPE OF WORK OF 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 2018 as set out in the preliminary announcement have been agreed by the Group's auditor, Messers. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messers. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messers. 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 10 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 2018.

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 during the year ended 31 December 2018.

FINAL DIVIDEND

The Board recommends payment of a final dividend of 9.5 HK cents per share for the year ended 31 December 2018 to be payable to the shareholders of the Company whose names appear on the register of members of the Company as at 19 June 2019. Subject to the approval of the Company's shareholders at the forthcoming annual general meeting of the Company to be held on 6 June 2019 (the "AGM"), the proposed final dividend will be paid to the Company's shareholders on 28 June 2019.

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 3 June 2019 to 6 June 2019 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 31 May 2019.

For the purpose of determination of entitlement to final dividend, the Register of Members of the Company will be closed from 17 June 2019 to 19 June 2019 both days inclusive during which no transfer of shares will be registered. In order to qualify for final 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 14 June 2019.

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 2018 Annual Report of the Company will be available at the websites of the Stock Exchange and the Company and be despatched to shareholders of the Company in April 2019.

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

Hong Kong, 21 March 2019

As at the date of this announcement, Executive Directors are Mr. Kiyotaka Ando, Mr. Toshimichi Fujinawa, Mr. Shinji Tatsutani, Mr. Kazuo Kawasaka and Mr. Munehiko Ono; 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.