

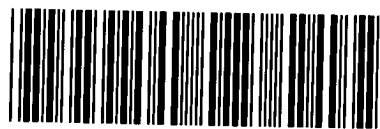
COMPANY REGISTRATION NUMBER 09486344

**KELLOGG HONG KONG HOLDING COMPANY
LIMITED**

FINANCIAL STATEMENTS

29 December 2018

FRIDAY



A8EW4CGJ

A18

27/09/2019

#187

COMPANIES HOUSE

KELLOGG HONG KONG HOLDING COMPANY LIMITED

STRATEGIC REPORT

YEAR ENDED 29 DECEMBER 2018

The Directors present their strategic report of the Company for the year from 31 December 2017 to 29 December 2018 (the "year ended 29 December 2018").

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company was incorporated on 12 March 2015. The Company has not traded during the financial year. During the financial year, the Company received no income and incurred no expenditure and therefore made neither profit nor loss. At the year end the Company had net assets of \$157,342,000 (2017: \$157,342,000).

The principal activity of the Company during the year was that of an investment holding company.

PRINCIPAL RISKS AND UNCERTAINTIES

As an investment holding company, the Directors believe the key risk facing the Company is a significant change in the underlying businesses of its direct subsidiaries that would impact the carrying value of its investments. To mitigate this risk the Directors regularly monitor the performance of the Company's subsidiaries.

KEY PERFORMANCE INDICATORS

The Directors are of the opinion that presenting key performance indicators would not significantly add to the presentation of the Company's business performance.

Signed on behalf of the Directors



P Knowles

Director

Approved by the Directors on 11 September 2019

Registered office:

Orange Tower Media City UK, Salford, Greater Manchester, United Kingdom, M50 2HF

KELLOGG HONG KONG HOLDING COMPANY LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 29 DECEMBER 2018

The Directors have pleasure in presenting their report and the audited financial statements of the Company for the year from 31 December 2017 to 29 December 2018 (the "year ended 29 December 2018").

RESULTS AND DIVIDENDS

The Company has not traded during the financial year. During the financial year, the Company received no income and incurred no expenditure and therefore made neither profit nor loss. On 16 May 2017, the Company issued one ordinary \$1 share in exchange for an investment in Kellogg Hong Kong (Private) Ltd which was valued at \$3,385,000. The Directors do not recommend the payment of a dividend (2017: \$nil).

FUTURE OUTLOOK

The Directors expect the outlook for 2019 to remain challenging for its underlying subsidiaries given the tough economic climate in which they operate. The Directors will continue to monitor the performance and results of its investments and implement strategy as appropriate.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's operations expose it to a variety of financial risks that include effects of changes in debt, foreign exchange, price, liquidity and interest rate risk. The Company has in place risk management programmes that seek to manage the financial exposures of the Company by monitoring levels of debt finance and the related finance costs.

Foreign exchange risk

The Company is exposed to transactional foreign exchange risks in the normal course of its business. The Company's policy on mitigating the effect of this currency exposure is to consider hedging the net exposure on certain transactions by entering into approved treasury instruments.

Price risk

The Company has no exposure to equity securities price risk as it holds no listed equity investments.

Liquidity risk

The Company maintains a suitable intercompany debt finance that is designed to ensure the Company always has sufficient available liquid funds for its operations.

Interest rate risk

In order to ensure the stability of cash outflows and hence manage interest rate risk, the Company keeps under constant review its levels of debt, the maturity and currency of the debt, and the interest expense being incurred, including the split between fixed and variable interest rates. Hedging would be considered should circumstances warrant it.

DIRECTORS

The Directors who served the Company during the year and up to the date of signing the financial statements were as follows, except where noted:

P Knowles
J Vanderkooi
R Kollepara

DIRECTORS' INDEMNITIES

The ultimate holding Company maintains liability insurance for the Directors and officers of the group. This is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

KELLOGG HONG KONG HOLDING COMPANY LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 29 DECEMBER 2018

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Signed on behalf of the Directors



P Knowles
Director

Approved by the Directors on 11 September 2019

KELLOGG HONG KONG HOLDING COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KELLOGG HONG KONG HOLDING COMPANY LIMITED

YEAR ENDED 29 DECEMBER 2018

Report on the audit of the financial statements

Opinion

In our opinion, Kellogg Hong Kong Holding Company Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 29 December 2018,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 29 December 2018; the statement of changes in equity for the year then ended; the accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

KELLOGG HONG KONG HOLDING COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KELLOGG HONG KONG HOLDING COMPANY LIMITED

YEAR ENDED 29 DECEMBER 2018

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 29 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the Financial Statements set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

KELLOGG HONG KONG HOLDING COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KELLOGG HONG KONG HOLDING COMPANY LIMITED

YEAR ENDED 29 DECEMBER 2018

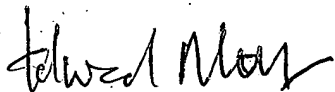
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Edward Moss (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
11 September 2019

KELLOGG HONG KONG HOLDING COMPANY LIMITED

BALANCE SHEET

YEAR ENDED 29 DECEMBER 2018

| | Notes | 29 December 2018 \$000 | 30 December 2017 \$000 |
|---|-------|---------------------------------|------------------------------|
| FIXED ASSETS | | | |
| Investments | 4 | 157,342 | 157,342 |
| | | | |
| CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | | - | - |
| | | | |
| NET CURRENT ASSETS | | - | - |
| | | | |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 157,342 | 157,342 |
| | | | |
| NET ASSETS | | 157,342 | 157,342 |
| | | | |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 5 | - | - |
| Share premium account | | 157,342 | 157,342 |
| Profit and Loss account | | - | - |
| | | | |
| TOTAL EQUITY | | 157,342 | 157,342 |
| | | | |

These financial statements on pages 7 to 13 were approved by the Directors and authorised for issue on 11 September 2019, and are signed on their behalf by:



P Knowles
Director

Company Registration Number: 09486344

The accounting policies and notes on pages 9 to 13 form part of these financial statements.

KELLOGG HONG KONG HOLDING COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 29 DECEMBER 2018

| | Called up equity share capital \$'000 | Share premium account \$'000 | Profit and loss account \$'000 | Total equity \$'000 |
|---|---|---------------------------------------|---|---------------------------|
| Balance at 1 January 2017 | - | (153,957) | - | (153,957) |
| Result for the financial year | - | - | - | - |
| Total comprehensive income for the financial year | - | - | - | - |
| Share premium on issue of shares | - | (3,385) | - | (3,385) |
| Total transactions recognised directly in equity | - | (3,385) | - | (3,385) |
| Balance at 30 December 2017 | - | (157,342) | - | (157,342) |
| Balance at 31 December 2017 | - | (157,342) | - | (157,342) |
| Result for the financial year | - | - | - | - |
| Total comprehensive income for the financial year | - | - | - | - |
| Total transactions recognised directly in equity | - | - | - | - |
| Balance at 29 December 2018 | - | (157,342) | - | (157,342) |

The accounting policies and notes on pages 9 to 13 form part of these financial statements.

KELLOGG HONG KONG HOLDING COMPANY LIMITED

STATEMENT OF ACCOUNTING POLICIES

YEAR ENDED 29 DECEMBER 2018

General Information

Kellogg Hong Kong Holding Company Limited is a company incorporated in the United Kingdom and registered and domiciled in England and Wales, with the registration number 09486344.

The Company is a private company limited by shares and the registered office is: Orange Tower Media City UK, Salford, Greater Manchester, United Kingdom, M50 2HF.

Statements of compliance

The individual financial statements of Kellogg Hong Kong Holding Company Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standards application in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Basis of Preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 required the use of certain critical accounting estimates. It also required management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimate are significant to the financial statements are disclosed below in critical accounting judgments and estimation.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going Concern

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

Exemptions for qualifying entities under FRS 102

FRS 102 allows Kellogg Hong Kong Holding Company Limited certain disclosure exemptions as a wholly owned subsidiary undertaking of Kellogg Company which prepares consolidated financial statements that are publicly available and can be obtained from the address detailed in note 7. As a result the company has taken advantage of the following exemptions:

- Certain disclosures surrounding financial instruments;
- The requirement to prepare a statement of cash flows; and
- Disclosure of key management personnel compensation in total.

Cash flow statement

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Kellogg Company, includes the Company's cash flows in its own consolidated financial statements.

KELLOGG HONG KONG HOLDING COMPANY LIMITED

STATEMENT OF ACCOUNTING POLICIES

YEAR ENDED 29 DECEMBER 2018

Functional currency

The functional currency of the Company is US dollar. The previous functional currency was sterling (before November 2016).

The Company translates all items into the new functional currency using the exchange rate. The resulting translated amounts for non-monetary items are treated as their historical cost.

Related parties transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned. Consolidated financial statements of Kellogg Company, which incorporate the financial statements of the Company, are publicly available (note 6). The Company was not involved in any other related party transactions during the financial year.

Fixed asset investments

Investments in shares in group undertakings are recorded at cost less any provision for subsequent diminution in value, by reference to the higher of net realisable value and value in use. Impairment reviews are performed by the Directors when there has been an indication of potential permanent impairment in the carrying value of the investment. Any impairment is written off in the year in which it arises.

Foreign currencies

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies would be recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Consolidated financial statements

Consolidated financial statements have not been prepared as the Company is a wholly-owned subsidiary undertaking of Kellogg Company, (which is incorporated in the United States of America), and which itself prepares consolidated financial statements which include the results of the Company, that are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006. These financial statements are the Company's separate financial statements.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issuance costs.

Critical accounting judgements and estimation

Fixed asset investments

The Company considers whether fixed asset investments are impaired by reviewing objective evidence and data. Where an indication of impairment is identified it is necessary to use estimation techniques to determine the amount that the entity would receive for the asset if it were to be sold at the reporting date.

KELLOGG HONG KONG HOLDING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 29 DECEMBER 2018

1. FINANCIAL YEAR

The financial statements cover the financial year 2018 from 31 December 2017 to 29 December 2018 (financial year 2017: 1 January 2017 to 30 December 2017).

2. REPORTING CURRENCY

The reporting currency of the Company is US dollars.

3. OPERATING RESULT

The Company has no employees of its own (2017: none) and relies on fellow group undertakings to provide administrative support. The emoluments of all four of the Directors are paid by fellow subsidiary undertakings that make no recharge to the Company. They are Directors of a number of fellow subsidiary undertakings and it is not possible to make an apportionment of their emoluments in respect of this Company. The Directors received no emoluments in respect of their services to the Company.

Audit fees for the year amount to £6,500 (2017: £8,500) and are borne by fellow group subsidiaries.

4. INVESTMENTS

COST

At 31 December 2017
Additions

\$000

157,342

-

At 29 December 2018

157,342

=

PROVISION FOR IMPAIRMENT

At 31 December 2017
Additions

-

-

At 29 December 2018

-

NET BOOK VALUE

At 29 December 2018

157,342

At 30 December 2017

157,342

All investments are in group undertakings involved in the food industry and are stated at cost less provision for impairment. Cost represents the fair value of the shares acquired, with the excess of the fair value over and above the nominal value of the shares transferred to the share premium account in accordance with the provisions of section 610 of the Companies Act 2006. In each case, the voting rights equate to the proportion of equity shares held. The Directors believe that the carrying value of the investments is supported by their underlying net assets.

KELLOGG HONG KONG HOLDING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 29 DECEMBER 2018

4. INVESTMENTS (continued)

The Company's directly held subsidiary at 29 December 2018 was as follows:

| Company Name | Country of Incorporation | Nature of Business | % of shares held |
|---|-----------------------------|-----------------------|------------------------|
| Kellogg Hong Kong (Private) Ltd <i>Flat/ RM 1401, Hutchison House, 10 Harcourt Road, Hong Kong</i> | United Kingdom | Holding co | 100 |

The Company has made no additional investments in 2018.

The Company's indirectly held subsidiaries at 29 December 2018 were as follows:

| Company name | Country of incorporation | Nature of Business | % of shares held |
|---|-----------------------------|-----------------------|---------------------|
| Wimble Manufacturing BVBA <i>Eggestraat, 1 2800, Mechelen, Belgium</i> | Belgium | Manufacturing | 100 |
| Wimble Services BVBA <i>Eggestraat, 1 2800, Mechelen, Belgium</i> | Belgium | Engineering | 100 |
| Pringles Hong Kong Limited <i>6/f, Shui on Ctr, 6-8 Harbour Rd, Wanchai, hong kong</i> | Hong Kong | Dormant | 100 |
| Yihai Kerry Kellogg Foods (Shanghai) Co Limited (Previously known as Kellogg Foods (Shanghai) Co Limited) <i>Room 31, floor 4, No 39 Jia tai Road, Waigaoqiao Free trade zone, Shanghai, China</i> | China | Sales | 50 |
| Wilmar Kellogg (Singapore) Pte. Limited <i>Room 31, floor 4, No 39 Jia tai Road, Waigaoqiao Free trade zone, Shanghai, China</i> | Singapore | Sales | 50 |

5. CALLED UP SHARE CAPITAL

Allotted and fully paid:

| | 29 December 2018 | | 30 December 2017 | |
|----------------------------|------------------|----|------------------|----|
| | Number | \$ | Number | \$ |
| Ordinary shares of £1 each | 4 | 5 | 3 | 4 |

The shares issued are issued in Sterling. The change in functional currency has resulted in a translation of share capital from sterling to dollars.

The share issued on incorporation in the prior year has been retranslated at the date of change in functional currency being November 2016 (£/\$ 1.244).

On 16 May 2017, the Company issued one ordinary \$1 share in exchange for an investment in Kellogg Hong Kong (Private) Ltd which was valued at \$3,385,000.

On 27 October 2016, the Company issued one ordinary share in exchange for an investment in Kellogg Hong Kong (Private) Ltd which was valued at \$128,457,000.

On 8 December 2016, the Company issued an additional ordinary share for \$22,500,000 and used the proceeds to acquire an additional investment in Kellogg Hong Kong (Private) Ltd.

KELLOGG HONG KONG HOLDING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 29 DECEMBER 2018

6. PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertaking is Kellogg Latin America Holding Company (One) Limited (registered in England and Wales). The ultimate parent Company and controlling party is Kellogg Company, which is incorporated in the United States of America and is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the financial statements of Kellogg Company can be obtained from One Kellogg Square, P.O. Box 3599, Battle Creek, Michigan, US.