



2023 PRELIMINARY RESULTS

DFI RETAIL GROUP HOLDINGS LIMITED

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Announcement

7th March 2024

The following announcement was issued today to a Regulatory Information Service approved by the Financial Conduct Authority in the United Kingdom.

DFI RETAIL GROUP HOLDINGS LIMITED 2023 PRELIMINARY ANNOUNCEMENT OF RESULTS

Highlights

- Substantial improvement in underlying profit
- Subsidiaries' performance driven by recovery in Health and Beauty and Convenience
- Associates' performance supported by Maxim's recovery
- Final dividend of US¢5.00 per share

"The Group has been encouraged by the significant improvement in performance in 2023. The recovery in economic activity following the pandemic has, however, brought about changes in customer behaviours to which the Group is still adapting. In addition, higher interest rates, inflationary pressures and a broader economic slowdown on the Chinese mainland are likely to lead to slower growth in 2024. Nonetheless, with the appointment of Scott Price as Group Chief Executive, we are confident in the Group's long-term strategy to deliver the medium- and long-term growth prospects of the Group."

Ben Keswick
Chairman

Results

| | Year ended 31st December | | Change % |
|-------------------------------------------------|--------------------------|---------------|-------------|
| | 2023 US\$m | 2022 US\$m | |
| Revenue | 9,170 | 9,174 | - |
| Underlying profit attributable to shareholders* | 155 | 29 | +437 |
| Profit/(loss) attributable to shareholders | 32 | (115) | n/a |
| | US¢ | US¢ | % |
| Underlying earnings per share* | 11.49 | 2.14 | +437 |
| Earnings/(loss) per share | 2.39 | (8.51) | n/a |
| Dividends per share | 8.00 | 3.00 | +167 |

* the Group uses 'underlying profit' in its internal financial reporting to distinguish between ongoing business performance and non-trading items, as more fully described in note 37 to the financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group's underlying business performance.

The final dividend of US¢5.00 per share will be payable on 15th May 2024, subject to approval at the Annual General Meeting to be held on 8th May 2024, to shareholders on the register of members at the close of business on 22nd March 2024.

**PRELIMINARY ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31ST DECEMBER 2023**

OVERVIEW

Following a number of challenging years for the business in a disrupted environment, DFI Retail Group (the 'Group') reported substantially improved performance in 2023. The Group reported total underlying profit attributable to shareholders of US\$155 million for the year, an increase of US\$126 million compared to the prior year. This profit improvement was driven both by subsidiaries and associates.

OPERATING PERFORMANCE

Total 2023 revenue for the Group, including 100% of associates and joint ventures, was US\$26.5 billion, slightly behind 2022 levels. Strong revenue growth in Health and Beauty and Convenience was offset by lower sales within Food and Home Furnishings. Total subsidiary revenue was US\$9.2 billion, broadly in line with the prior year, or 5% higher for ongoing businesses (excluding the impact of the Malaysia Grocery Retail divestment).

The Group's underlying profit attributable to shareholders was US\$155 million, a substantial improvement from the US\$29 million reported in the prior year. Within subsidiaries, profitability was supported by strong recovery in the Health and Beauty and Convenience divisions. The increased contribution by associates was driven by improvement at Maxim's and reduced losses from Yonghui. There was a non-trading loss attributable to shareholders of US\$123 million, predominantly due to a goodwill impairment in respect of the Macau business and Giant Singapore, and foreign exchange losses associated with the divestment of the Malaysia Grocery Retail business. These losses were partially offset by gains from property divestments, resulting in total reported profits attributable to shareholders of US\$32 million.

Operating cash flow for the period, after lease payments, was a net inflow of US\$419 million, compared with US\$279 million in 2022. As at 31st December 2023, the Group's net debt was US\$618 million, compared with US\$866 million at 31st December 2022.

The Board recommends a final dividend for 2023 of US\$5.00 per share (2022 final dividend: US\$2.00).

PEOPLE

Scott Price succeeded Ian McLeod as Group Chief Executive with effect from 1st August 2023. We wish to thank Ian for his contribution during his six years as Group Chief Executive, when he led a comprehensive business transformation of DFI Retail Group to strengthen its customer propositions. Anthony Nightingale retired from the Board and Audit Committee on 31st January 2024 and we would like to thank him for his contribution to the Company over many years. We are pleased to welcome Weiwei Chen, an Independent Non-Executive Director of the Company, as Chair of the Audit Committee in place of Anthony Nightingale with effect from 31st January 2024. As a result of this appointment, the Audit Committee now has a majority of independent Non-Executive Directors as members.

PROSPECTS

The Group has been encouraged by the significant improvement in performance in 2023. The recovery in economic activity following the pandemic has, however, brought about changes in customer behaviours to which the Group is still adapting. In addition, high interest rates, inflationary pressures and a broader economic slowdown on the Chinese mainland are likely to lead to the rate of growth in the Group's performance reducing substantially in 2024 compared to that of 2023. Nonetheless, we remain confident in the medium- and long-term growth prospects of the Group.

Ben Keswick

Chairman

GROUP CHIEF EXECUTIVE'S REVIEW

INTRODUCTION

It is both a pleasure and a privilege to join DFI Retail Group as Group Chief Executive. I am excited to be part of an organisation with such a long history and which plays such an important role in serving all of the communities where it operates.

The past few years have been very challenging for the Group, our customers, team members and shareholders. Post the pandemic, there is a need to reset DFI and align the business to a strategic framework focussed on capital allocation priorities and growth plans that will improve performance over the coming years. I believe this realignment of the organisation will generate enhanced returns for shareholders.

Overall financial performance in 2023 has been encouraging. Total underlying profit attributable to shareholders was US\$155 million for the year, an increase of US\$126 million compared to the prior year. There remains a significant opportunity, however, to continue to build on this profit recovery. I am confident that, with the right focus on our customers, team members and shareholders, as well as the right balance of local autonomy and centralised scale, we will gain share from our competitors and sustainably grow returns for our shareholders.

STRATEGIC FRAMEWORK

Since joining the Group in August, I have visited all our markets and formats, meeting team members and learning about our business and customers. This has been a great opportunity to receive input and I have been impressed by the energy our team members bring to serving our customers. Over the course of this period, a new strategic framework has been introduced: **Customer First, People Led, Shareholder Driven**. An aligned strategic framework is crucial to supporting the Group's capital allocation priorities and growth plans over the coming three to five years.

Customer First

As a leading retailer across multiple formats in the markets where we operate, we must evolve at the same pace as our customers' changing shopping behaviours. While significant progress has been made over the past few years in enhancing retail fundamentals within the Group, there remain opportunities to improve local relevance across our assortment, Own Brand mix, store execution and design. Additionally, we are resetting our approach to creating a digital proposition across the businesses that is significantly less margin dilutive yet protects our future market share.

People Led

As a People Led organisation, we are focussed on deeply embedding our values throughout the Group, speeding up decision making and improving Inclusion, Equity and Diversity to ensure local relevancy of decision-making to customers. Our team members are closest to the views of our customers and their voices must be heard.

Shareholder Driven

We have committed to driving improved shareholder returns. We must win with customers, but do this through a disciplined capital and resource allocation model that creates sustainable returns as well achievement of our Environmental, Social and Governance ('ESG') commitments.

ORGANISATION STRUCTURE

An important milestone achieved over the course of the second half of 2023 was the alignment of our organisation structure to the new strategic framework. Our customers, competitors and the markets in which we operate are changing. We must ensure our organisation is prepared to meet the challenge. Decisions that impact our customers must be made close to the customer. Centralised services must add value to the banners through scale and expertise, all delivered through a lean overheads model. We will invest only where our business leaders commit to delivering attractive returns. Based upon these principles, we have moved accountability to a format structure across Food, Health and Beauty, Convenience and Home Furnishings, removing the regional layer. By moving to a format structure, each of our formats will optimise the assortment, digital proposition and store design principles to deliver service, quality and value to our customers in a more consistent manner that can also be tailored to the format's individual strategies.

Aligned to the format structure is a new go-to-market digital strategy. Driving Digital has been a key strategic focus for DFI Retail Group during the past several planning periods and will continue and intensify. We need, however, to revise our strategy based on the post-COVID needs of our customers. The end goal is to provide them with great choice and service at an affordable price, capturing potential opportunities and creating greater synergies between our stores and online businesses. Consequently, accountability for the technology function, the *yuu* Rewards business and the Digital function has been split. This will enable us to create greater focus on these three important strategic areas and support the creation of a Customer First digital proposition.

2023 PERFORMANCE

The Group reported total revenue from subsidiaries in 2023 of US\$9.2 billion, broadly in line with the prior year. Total revenue for the Group, including 100% of associates and joint ventures, was US\$26.5 billion, slightly behind 2022 levels.

The Group reported a subsidiaries underlying profit attributable to shareholders of US\$112 million for the full year, over 70% higher than the prior year. Profit from associates was US\$43 million, US\$78 million higher than the prior year. Total underlying profit attributable to shareholders was US\$155 million for the year, an increase of US\$126 million compared to the prior year.

Our Health and Beauty business reported over 20% sales growth and nearly 130% profit growth for the full year, driven by traffic recovery from markets reopening and gross margin improvement. Recovery of customer foot traffic also supported strong profit growth for our Convenience division, which grew 74% compared to the prior year.

Food profit reduced relative to the prior year. Within North Asia, first half performance was impacted by the absence of pantry-stocking seen during the fifth wave of COVID in Hong Kong in the equivalent period last year. However, North Asia Food performance improved in the second half and profit during that period also increased compared to the prior year. South East Asia Food financial performance was adversely affected by intense competition and weakening consumer sentiment caused by rising cost of living pressures.

IKEA saw like-for-like ('LFL') sales decline due to reduced home renovation and furniture demand, as a result of a softening in property market sentiment caused by higher interest rates. Profit also fell, primarily as a result of the revenue shortfall.

The Group's share of underlying profits from associates was US\$43 million, representing a US\$78 million increase from the prior year. Maxim's reported strong recovery with its share of underlying profit more than doubling relative to the prior year, as customers returned to dining out. The Group's share of Yonghui's underlying losses was US\$36 million, an improvement relative to the prior year. Robinsons Retail reported good underlying business performance but its contribution to the Group's profits reduced due to foreign exchange losses and higher net financing charges.

The Group reported strong operating cash flow after lease payments of US\$419 million, 50% higher than the US\$279 million reported in the prior year. Operating cash flow after lease payments and normal capital expenditure was US\$222 million, over six times higher than the US\$35 million reported in 2022.

ENVIRONMENTAL, SOCIAL, GOVERNANCE ('ESG')

The growing awareness of the impact from climate change has sparked a global movement towards sustainable practices and environmental responsibility. As a leading pan-Asian retailer, we have the unique opportunity to contribute to and be part of the solution. Indeed, being part of the solution is an important component of our Customer First, People Led and Shareholder Driven strategic framework.

The Group's strong commitment to ESG is reflected in our three strategic pillars: serving communities, sustaining the planet, and sourcing responsibly across the markets in which we operate. In November, the Group's greenhouse gas emissions targets were validated by the Science Based Targets initiative ('SBTi'). We became one of the first Asian retailers to receive validation from the SBTi for its near-term emissions reduction targets, aligned with its criteria and recommendations. The validated targets cover Scope 1, Scope 2, and Scope 3 greenhouse gas ('GHG') emissions. For Scope 1 and 2, the committed target is to reduce half emissions by 2030. DFI has also pledged separately to achieve net-zero emissions by 2050, with an annual investment plan to achieve this long-term goal. SBTi has also validated DFI's Scope 3 emissions reduction target, focussing on purchased goods and services (category 1) as well other significant categories.

DFI has also achieved a significant improvement in its independent ESG Risk Rating from Morningstar Sustainalytics, a leading global ESG rating provider, with our score improving from 25.3 in 2022 to 22.9 in 2023. This represents a ranking improvement from top 50% to top 29% in the Global Food Retail sub-industry. DFI's overall management score from Sustainalytics, which assesses the robustness of a company's ESG programmes, practices, and policies, is also rated as 'Strong'. This improvement represents external validation of the strong ESG management efforts that have been made by the Group, despite above-average risk exposure for the sub-industry. These efforts have included proactive climate risk management in line with Task Force on Climate related Financial Disclosures ('TCFD') recommendations and auditing of supply chains against ethical standards.

I am personally passionate about this topic and the achievement of our ESG objectives, particularly our emissions reduction targets, is a core focus of the leadership team. Whilst the journey will not be easy, we believe it is necessary and we will continue to drive the organisation to be a change agent in the markets that we serve.

BUSINESS REVIEW

FOOD

Reported sales revenue for the Food division in 2023 was US\$3.3 billion. Excluding the impact of the Malaysia Grocery Retail divestment, revenue for the division reduced by 5%. Underlying operating profit for the division was US\$45 million for the year, compared to US\$91 million in the prior year.

Wellcome's LFL sales growth in the first half of 2023 was adversely affected by the absence this year of the pantry stocking behaviour that occurred during the fifth wave of COVID in Hong Kong in the equivalent period last year. LFL sales momentum improved in the second half. Nevertheless, the rising frequency of travel from Hong Kong residents into the Chinese mainland is now impacting shopping behaviour, particularly during weekends. Despite the challenges, the Wellcome team continued to execute well in stores, which has supported continued market share gains. While Wellcome profitability reduced in the first half of the year, strong margin and cost control contributed to profit growth in the second half relative to the prior year. Digital growth remains a priority for the Wellcome team and the *wellcome.com.hk* website launched in October 2023, in addition to the existing app. The *yuu* Rewards programme in Hong Kong also continues to grow, and now has 4.9 million members.

South East Asia Food sales performance was adversely affected by intense competition and weakening consumer sentiment caused by cost-of-living pressures. Profitability was impacted by soft sales as well as rising cost pressures, particularly labour costs. Growing the contribution from digital sales has remained a key focus area for the management team. The *yuu* Rewards programme in Singapore, which was launched in October 2022, has now reached 1.5 million members, with the Food banners leading the programme in terms of transaction penetration. In September 2023, the Singapore Food business also launched one hour delivery in partnership with Foodpanda, with initial encouraging results.

In March 2023, the Group completed the divestment of its Malaysia Grocery Retail business. The sale of all six associated properties in Malaysia completed in the second half of 2023.

CONVENIENCE

Total Convenience sales were US\$2.4 billion, an increase of 8% compared to the prior year. LFL sales grew 5% compared to the prior year. Convenience underlying operating profit was US\$88 million for the year, an increase of 74% compared to the prior year.

Within Hong Kong, LFL sales were strong in the first half, as revenues were adversely impacted by the fifth COVID wave in the first half of 2022. LFL sales in the second half were broadly in line with the prior year, as sales were impacted by the rising frequency of outbound travel from Hong Kong residents, particularly during weekends. Operating profit improved strongly due to a favourable shift in mix away from cigarette sales, as well as ongoing strong cost control.

7-Eleven South China reported double-digit LFL sales growth, as the business benefitted from the economy reopening. Strong execution of promotional campaigns and ongoing strong digital sales also supported revenue growth. Profit increased significantly as a result of strong LFL sales growth, favourable margin impact from product mix shift and ongoing strong cost control.

7-Eleven Singapore also reported strong LFL sales growth, as the business continued to benefit from the economy reopening and strong in-store execution. Profit almost doubled, despite labour and utility cost pressures.

HEALTH AND BEAUTY

Health and Beauty division revenue increased by 21% to US\$2.4 billion, with LFL sales growing by over 20%. Underlying operating profit increased by 127%, to US\$213 million for the year.

In Hong Kong, the Mannings business benefitted from the recovery in the economy and increased tourism traffic. LFL sales were consistently strong over the course of the year and the team continues to execute well in stores, which supported positive market share momentum. Healthcare as a category performed strongly, representing over 50% of Mannings' revenue. Mannings' profit increased significantly due to strong sales growth, gross margin expansion, operating leverage and ongoing strong cost control. In Macau, Mannings also reported double-digit LFL growth, which supported strong profit growth.

Guardian's sales performance in South East Asia was driven by LFL sales growth in Indonesia and Malaysia, although growth did slow in the second half. Guardian's profit also increased significantly in the year. Strong profit growth was reported across all key markets, supported by gross margin expansion and operating leverage. Performance in Indonesia was driven by a recovery in mall traffic, increased demand for beauty products and strong execution of marketing and promotion campaigns in stores. Malaysia performance was supported by strong marketing campaign execution, competitive healthcare pricing and range innovation. Strong commercial execution and changes in product mix supported gross margin expansion in Singapore. During the year, Guardian continued to grow its store network and opened 138 stores. Driving digital growth was also a focus, with e-commerce orders growing over 70% compared to the prior year and fulfillment capability upgraded in both Singapore and Malaysia.

HOME FURNISHINGS

IKEA reported sales revenue of US\$794 million, 5% behind the prior year. Overall, LFL sales reduced by 7% in 2023. Operating profit was US\$19 million, US\$27 million behind the prior year.

IKEA's business performance in its markets has been hampered by a combination of changing customer behaviours post COVID and weak property market activity across our markets. LFL sales performance has been driven by reduced customer traffic, which impacted the business more as the year progressed. Despite strong cost control measures in place, the challenging sales environment materially affected IKEA's level of profit.

Despite the challenging external environment in the short term, the IKEA team continues to invest judiciously for the long-term. In May 2023, the new IKEA Taiwan fulfillment centre became fully operational, providing a key foundation for future e-commerce growth in Taiwan. Supported by enhanced fulfillment capabilities, e-commerce penetration in Taiwan has now increased to over 9%. In 2023, three small store concepts were opened in Hong Kong, with encouraging initial performance to date. The formats will provide IKEA with an opportunity to test and experiment new growth drivers over the coming years.

RESTAURANTS

The Group's overall share of Maxim's underlying profits was US\$79 million for the full year, more than double the US\$38 million contribution in the prior year. The growth in profit reflects the substantial business recovery in Hong Kong and the Chinese Mainland following the full reopening of their economies, as well as a favourable performance in South East Asia. Maxim's reported strong restaurant growth, as well as solid mooncake sales in the year.

Maxim's continued to expand in the year and reached the milestone of its 2,000th store in December. In March 2023, Maxim's opened its first Shake Shack store in Thailand and has subsequently opened its first The Cheesecake Factory store in the country in early December.

OTHER ASSOCIATES

The Group's share of Yonghui's underlying losses was US\$36 million for the year, compared to a US\$80 million share of underlying losses in the prior year. The reduction in losses was underpinned by an improvement in gross margin as well as cost optimisation. Nevertheless, Yonghui's sales performance in the year has been impacted by a combination of challenging macroeconomic conditions and intense competition.

Robinsons Retail's underlying profit contribution reduced from US\$24 million to US\$15 million. Robinsons Retail continued to report strong sales and core net earnings growth. For reporting purposes, however, DFI's share of underlying profits was adversely impacted by foreign exchange losses and higher net financing charges reported by Robinsons Retail.

OUTLOOK

The reopening of economies following the pandemic has had a positive overall impact on the Group's financial performance in 2023. Customer behaviours are, however, rapidly evolving and the Group is dynamically adapting to changing market conditions. In our home market of Hong Kong, for example, we have seen increased levels of outbound travel, particularly into the Chinese Mainland over weekends and public holidays. There remain additional market challenges such as high interest rates, inflationary and wage pressures and uncertainty as to the impact these factors will have on consumer sentiment. Nevertheless, I am confident in the short-, medium- and longer-term prospects of the Group and believe we have put in place strong foundations to drive sustainable growth and shareholder returns over the coming years.

Scott Price

Group Chief Executive

DFI Retail Group Holdings Limited
Consolidated Profit and Loss Account
for the year ended 31st December 2023

| | Underlying business performance US\$m | 2023 Non- trading items US\$m | Total US\$m | Underlying business performance US\$m | 2022 Non- trading items US\$m | Total US\$m |
|------------------------------------------------------------|------------------------------------------------|-------------------------------------------|----------------|------------------------------------------------|-------------------------------------------|----------------|
| Revenue (note 2) | 9,169.9 | - | 9,169.9 | 9,174.2 | - | 9,174.2 |
| Net operating costs (note 3) | (8,876.1) | (131.2) | (9,007.3) | (8,965.0) | 35.1 | (8,929.9) |
| Operating profit (note 4) | 293.8 | (131.2) | 162.6 | 209.2 | 35.1 | 244.3 |
| Financing charges | (151.8) | - | (151.8) | (126.4) | - | (126.4) |
| Financing income | 7.9 | - | 7.9 | 4.8 | - | 4.8 |
| Net financing charges (note 5) | (143.9) | - | (143.9) | (121.6) | - | (121.6) |
| Share of results of associates and joint ventures (note 6) | 43.4 | 9.2 | 52.6 | (34.9) | (177.1) | (212.0) |
| Profit/(loss) before tax | 193.3 | (122.0) | 71.3 | 52.7 | (142.0) | (89.3) |
| Tax (note 7) | (41.9) | 1.0 | (40.9) | (31.4) | 0.1 | (31.3) |
| Profit/(loss) after tax | 151.4 | (121.0) | 30.4 | 21.3 | (141.9) | (120.6) |
| Attributable to: | | | | | | |
| Shareholders of the Company | 154.7 | (122.5) | 32.2 | 28.8 | (143.4) | (114.6) |
| Non-controlling interests | (3.3) | 1.5 | (1.8) | (7.5) | 1.5 | (6.0) |
| | 151.4 | (121.0) | 30.4 | 21.3 | (141.9) | (120.6) |
| | US¢ | | US¢ | US¢ | | US¢ |
| Earnings/(loss) per share (note 8) | | | | | | |
| - basic | 11.49 | | 2.39 | 2.14 | | (8.51) |
| - diluted | 11.43 | | 2.38 | 2.14 | | (8.48) |

DFI Retail Group Holdings Limited
Consolidated Statement of Comprehensive Income
for the year ended 31st December 2023

| | 2023 US\$m | 2022 US\$m |
|-----------------------------------------------------------------------|---------------|---------------|
| Profit/(loss) for the year | 30.4 | (120.6) |
| Other comprehensive income/(expense) | | |
| Items that will not be reclassified to profit or loss: | | |
| Remeasurements of defined benefit plans | (1.7) | 1.3 |
| Net revaluation surplus before transfer to investment properties | | |
| - tangible assets | 1.5 | - |
| - right-of-use assets | 63.2 | 38.2 |
| Tax relating to items that will not be reclassified | 0.3 | (0.2) |
| | 63.3 | 39.3 |
| Share of other comprehensive income of associates and joint ventures | 2.4 | 1.8 |
| | 65.7 | 41.1 |
| Items that may be reclassified subsequently to profit or loss: | | |
| Net exchange translation differences | | |
| - net loss arising during the year | (15.2) | (163.0) |
| - transfer to profit and loss | 48.7 | 4.2 |
| | 33.5 | (158.8) |
| Cash flow hedges | | |
| - net gain arising during the year | 6.7 | 35.4 |
| - transfer to profit and loss | (34.3) | (4.4) |
| | (27.6) | 31.0 |
| Tax relating to items that may be reclassified | 1.2 | (1.4) |
| Share of other comprehensive expense of associates and joint ventures | (3.0) | (1.9) |
| | 4.1 | (131.1) |
| Other comprehensive income/(expense) for the year, net of tax | 69.8 | (90.0) |
| Total comprehensive income for the year | 100.2 | (210.6) |
| Attributable to: | | |
| Shareholders of the Company | 96.8 | (205.1) |
| Non-controlling interests | 3.4 | (5.5) |
| | 100.2 | (210.6) |

DFI Retail Group Holdings Limited
Consolidated Balance Sheet
at 31st December 2023

| | 2023 US\$m | 2022 US\$m |
|-------------------------------|---------------|---------------|
| Net operating assets | | |
| Intangible assets | 289.6 | 411.9 |
| Tangible assets | 708.1 | 802.9 |
| Right-of-use assets | 2,662.3 | 2,670.1 |
| Investment properties | 122.2 | 39.8 |
| Associates and joint ventures | 1,793.7 | 1,781.4 |
| Other investments | 6.7 | 21.7 |
| Non-current debtors | 102.2 | 124.3 |

| | | |
|------------------------------------------------------------|-----------|-----------|
| Deferred tax assets | 35.8 | 27.3 |
| Pension assets | 4.4 | 6.7 |
| Non-current assets | 5,725.0 | 5,886.1 |
| Stocks | 763.5 | 871.4 |
| Current debtors | 256.3 | 252.9 |
| Current tax assets | 15.1 | 19.5 |
| Cash and bank balances | 303.4 | 230.7 |
| | 1,338.3 | 1,374.5 |
| Assets held for sale (note 10) | 47.8 | 65.7 |
| Current assets | 1,386.1 | 1,440.2 |
| Current creditors | (2,095.9) | (2,169.7) |
| Current borrowings | (771.1) | (837.5) |
| Current lease liabilities | (562.0) | (586.3) |
| Current tax liabilities | (39.7) | (39.9) |
| Current provisions | (38.9) | (40.2) |
| | (3,507.6) | (3,673.6) |
| Liabilities associated with assets held for sale (note 10) | (19.8) | - |
| Current liabilities | (3,527.4) | (3,673.6) |
| Net current liabilities | (2,141.3) | (2,233.4) |
| Long-term borrowings | (153.0) | (258.7) |
| Non-current lease liabilities | (2,285.8) | (2,289.4) |
| Deferred tax liabilities | (41.2) | (40.0) |
| Pension liabilities | (6.2) | (5.8) |
| Non-current creditors | (3.7) | (8.7) |
| Non-current provisions | (105.7) | (108.7) |
| Non-current liabilities | (2,595.6) | (2,711.3) |
| | 988.1 | 941.4 |
| Total equity | | |
| Share capital | 75.2 | 75.2 |
| Share premium and capital reserves | 72.8 | 67.6 |
| Revenue and other reserves | 832.2 | 804.3 |
| Shareholders' funds | 980.2 | 947.1 |
| Non-controlling interests | 7.9 | (5.7) |
| | 988.1 | 941.4 |

DFI Retail Group Holdings Limited
Consolidated Statement of Changes in Equity
for the year ended 31st December 2023

| | Share capital US\$m | Share premium US\$m | Capital reserves US\$m | Revenue and other reserves US\$m | Attributable to shareholders of the Company US\$m | Attributable to non-controlling interests US\$m | Total equity US\$m |
|-------------------------------------------------------------|------------------------|------------------------|---------------------------|-------------------------------------|------------------------------------------------------|----------------------------------------------------|-----------------------|
| 2023 | | | | | | | |
| At 1st January | 75.2 | 37.6 | 30.0 | 804.3 | 947.1 | (5.7) | 941.4 |
| Total comprehensive income | - | - | - | 96.8 | 96.8 | 3.4 | 100.2 |
| Dividends paid by the Company (note 11) | - | - | - | (67.3) | (67.3) | - | (67.3) |
| Share-based long-term incentive plans | - | - | 12.4 | - | 12.4 | - | 12.4 |
| Shares purchased for a share-based long-term incentive plan | - | - | - | (9.7) | (9.7) | - | (9.7) |
| Subsidiaries disposed of (note 12(d)) | - | - | - | - | - | 10.2 | 10.2 |

| | | | | | | | |
|-------------------------------------------------------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|
| Change in interests in associates and joint ventures | - | - | - | 0.9 | 0.9 | - | 0.9 |
| Transfer | - | 2.0 | (9.2) | 7.2 | - | - | - |
| At 31st December | 75.2 | 39.6 | 33.2 | 832.2 | 980.2 | 7.9 | 988.1 |
| 2022 | | | | | | | |
| At 1st January | 75.2 | 35.6 | 24.6 | 1,131.8 | 1,267.2 | - | 1,267.2 |
| Total comprehensive income | - | - | - | (205.1) | (205.1) | (5.5) | (210.6) |
| Dividends paid by the Company (note 11) | - | - | - | (100.9) | (100.9) | - | (100.9) |
| Dividends paid to non-controlling interests | - | - | - | - | - | (0.2) | (0.2) |
| Unclaimed dividends forfeited | - | - | - | 0.1 | 0.1 | - | 0.1 |
| Share-based long-term incentive plans | - | - | 7.4 | - | 7.4 | - | 7.4 |
| Shares purchased for a share-based long-term incentive plan | - | - | - | (20.0) | (20.0) | - | (20.0) |
| Change in interests in associates and joint ventures | - | - | - | (1.6) | (1.6) | - | (1.6) |
| Transfer | - | 2.0 | (2.0) | - | - | - | - |
| At 31st December | 75.2 | 37.6 | 30.0 | 804.3 | 947.1 | (5.7) | 941.4 |

Revenue and other reserves at 31st December 2023 comprised revenue reserves of US\$1,088.3 million (2022: US\$1,127.2 million), hedging reserves of US\$12.2 million (2022: US\$38.6 million), revaluation reserves of US\$98.5 million (2022: US\$38.2 million) and exchange reserves of US\$366.8 million loss (2022: US\$399.7 million loss).

DFI Retail Group Holdings Limited
Consolidated Cash Flow Statement
for the year ended 31st December 2023

| | 2023 US\$m | 2022 US\$m |
|----------------------------------------------------------------------------|----------------|----------------|
| Operating activities | | |
| Operating profit (note 4) | 162.6 | 244.3 |
| Depreciation and amortisation | 827.2 | 861.0 |
| Other non-cash items | 148.1 | (40.4) |
| Decrease/(increase) in working capital | 45.4 | (6.7) |
| Interest received | 8.7 | 2.6 |
| Interest and other financing charges paid | (153.2) | (123.3) |
| Tax paid | (40.8) | (42.5) |
| | 998.0 | 895.0 |
| Dividends from associates and joint ventures | 45.6 | 44.8 |
| Cash flows from operating activities | 1,043.6 | 939.8 |
| Investing activities | | |
| Purchase of subsidiaries (note 12(a)) | - | (8.8) |
| Purchase of associates and joint ventures (note 12(b)) | (18.4) | (8.3) |
| Purchase of other investments (note 12(c)) | - | (10.0) |
| Purchase of intangible assets | (22.9) | (19.8) |
| Purchase of tangible assets | (173.4) | (223.9) |
| Repayment from/(advances to) associates and joint ventures | 1.2 | (1.2) |
| Sale of subsidiaries (note 12(d)) | (23.8) | - |
| Sale of associates and joint ventures (note 12(e)) | - | 6.9 |
| Sale of properties (note 12(f)) | 142.0 | 63.6 |
| Sale of other tangible assets | 0.7 | 0.5 |
| Cash flows from investing activities | (94.6) | (201.0) |
| Financing activities | | |
| Purchase of shares for a share-based long-term incentive plan (note 12(g)) | (9.7) | (20.0) |
| Drawdown of borrowings | 1,268.9 | 1,429.4 |
| Repayment of borrowings | (1,486.1) | (1,468.7) |
| Net increase in other short-term borrowings | 51.3 | 92.7 |
| Principal elements of lease payments | (624.7) | (660.6) |

| | | |
|------------------------------------------------------------------|----------------|----------------|
| Dividends paid by the Company (<i>note 11</i>) | (67.3) | (100.9) |
| Dividends paid to non-controlling interests | - | (0.2) |
| | <u>(867.6)</u> | <u>(728.3)</u> |
| Cash flows from financing activities | | |
| Net increase in cash and cash equivalents | 81.4 | 10.5 |
| Cash and cash equivalents at 1st January | 213.7 | 210.0 |
| Effect of exchange rate changes | 3.1 | (6.8) |
| Cash and cash equivalents at 31st December (<i>note 12(h)</i>) | <u>298.2</u> | <u>213.7</u> |

DFI Retail Group Holdings Limited
Notes

1. Accounting Policies and Basis of Preparation

The financial information contained in this announcement has been based on the audited results for the year ended 31st December 2023 which have been prepared in conformity with International Financial Reporting Standards ('IFRS Accounting Standards'), including International Accounting Standards ('IAS') and Interpretations as issued by the International Accounting Standards Board ('IASB').

The Group has adopted the following amendments for the annual reporting period commencing 1st January 2023.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (*effective from 1st January 2023*)

The amendments require entities to disclose material rather than significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. Material accounting policy information is information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. IASB further clarifies that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The material accounting policies following the adoption of IAS 1 are included in a note to the financial statements in the 2023 Annual Report.

Amendment to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (*effective from 1st January 2023*)

The amendment requires deferred tax to be recognised on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They typically apply to transactions such as leases of lessees and decommissioning obligations and require the recognition of additional deferred tax assets and liabilities. On adoption of the amendment, the deferred tax assets and liabilities had been restated in a note to the financial statements in the 2023 Annual Report with no impact on the balance sheet.

Amendment to IAS 12 - International Tax Reform - Pillar Two Model Rules (*effective for annual reporting period commencing on or after 1st January 2023*)

The amendment provides a temporary mandatory exception from deferred tax accounting in respect of Pillar Two income taxes and certain additional disclosure requirements. The Group is within the scope of the OECD Pillar Two model rules, and has applied the amendment from 1st January 2023.

Pillar Two legislation has been enacted or substantially enacted in certain jurisdictions in which the Group operates. The legislation will be effective for the Group's annual reporting period commencing 1st January 2024. Since the Pillar Two legislation was not effective at 31st December 2023, the Group has no related current tax exposure.

The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes when the legislation comes into effect. The assessment of the potential exposure to Pillar Two income taxes is based on the latest financial information for the year ended 31st December 2023 of the constituent entities in the Group. Based on the assessment, the effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the effective tax rate is slightly below or close to 15%. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

Apart from the above, there are no other amendments which are effective in 2023 and relevant to the Group's operations, that have a significant impact on the Group's results, financial position and accounting policies.

The Group has not early adopted any other standards, interpretations or amendments that have been issued but not yet effective.

2. Revenue

| | 2023 US\$m | 2022 US\$m |
|----------------|---------------|---------------|
| Sales of goods | | |

Analysis by reportable segment:

| | | |
|----------------------------|----------------|---------|
| Food | 3,285.4 | 3,872.4 |
| Convenience | 2,441.4 | 2,266.0 |
| Health and Beauty | 2,444.8 | 2,024.6 |
| Home Furnishings | 793.7 | 839.2 |
| | 8,965.3 | 9,002.2 |
| Revenue from other sources | 204.6 | 172.0 |
| | 9,169.9 | 9,174.2 |

Reportable segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Executive Directors of the Company for the purpose of resource allocation and performance assessment. DFI Retail Group operates various divisions: Food, Convenience, Health and Beauty, Home Furnishings, Restaurants and Other Retailing. Food represents the grocery retail businesses (including the Group's associate, Yonghui, a leading grocery retailer in the Chinese mainland). Convenience is the Group's 7-Eleven businesses. Health and Beauty comprises the health and beauty businesses. Home Furnishings is the Group's IKEA businesses. Restaurants is the Group's associate, Maxim's, one of Asia's leading food and beverage companies. Other Retailing represents the department stores, specialty and Do-It-Yourself ('DIY') stores of the Group's Philippines associate, Robinsons Retail.

Set out below is an analysis of the Group's revenue by geographical locations:

| | 2023 US\$m | 2022 US\$m |
|-----------------|----------------|---------------|
| North Asia | 6,675.4 | 6,332.2 |
| South East Asia | 2,494.5 | 2,842.0 |
| | 9,169.9 | 9,174.2 |

The geographical areas covering North Asia and South East Asia, are determined by the geographical location of customers. North Asia comprises Hong Kong, the Chinese mainland, Macau and Taiwan. South East Asia comprises Singapore, Cambodia, Malaysia, Indonesia, and Brunei.

3. Net Operating Costs

| | 2023 | | | 2022 | | |
|------------------------------------------------------|------------------------------------------------|-----------------------------------|------------------|------------------------------------------------|-----------------------------------|------------------|
| | Underlying business performance US\$m | Non- trading items US\$m | Total US\$m | Underlying business performance US\$m | Non- trading items US\$m | Total US\$m |
| Cost of sales | (5,957.2) | - | (5,957.2) | (6,108.4) | - | (6,108.4) |
| Other operating income | 10.5 | 61.0 | 71.5 | 31.2 | 50.5 | 81.7 |
| Selling and distribution costs | (2,412.1) | - | (2,412.1) | (2,402.6) | - | (2,402.6) |
| Administration and other operating expenses | (517.3) | (192.2) | (709.5) | (485.2) | (15.4) | (500.6) |
| | (8,876.1) | (131.2) | (9,007.3) | (8,965.0) | 35.1 | (8,929.9) |

4. Operating Profit

| | 2023 US\$m | 2022 US\$m |
|---------------------------------------------------------|---------------|---------------|
| <i>Analysis by reportable segment:</i> | | |
| Food | 45.3 | 90.9 |
| Convenience | 87.7 | 50.5 |
| Health and Beauty | 212.5 | 93.6 |
| Home Furnishings | 18.5 | 45.5 |
| | 364.0 | 280.5 |
| Selling, general and administrative expenses* | (151.9) | (147.3) |
| Underlying operating profit before IFRS 16 [†] | 212.1 | 133.2 |
| IFRS 16 adjustment [‡] | 81.7 | 76.0 |
| Underlying operating profit | 293.8 | 209.2 |
| Non-trading items (note 9): | | |
| - divestment of Malaysia Grocery Retail business | (54.4) | - |

| | | |
|-------------------------------------------------------|--------------|--------------|
| - business restructuring costs | (12.4) | (5.8) |
| - impairment of intangible assets | (109.8) | (6.3) |
| - impairment of right-of-use assets | - | (2.2) |
| - gain on partial disposal of a joint venture | - | 6.9 |
| - gain on acquisition of an associate | - | 11.2 |
| - profit on sale of properties | 61.0 | 31.1 |
| - change in fair value of an investment property | (0.6) | - |
| - change in fair value of equity and debt investments | (15.0) | 0.2 |
| | <u>162.6</u> | <u>244.3</u> |

* Included costs incurred for e-commerce development and digital innovation.

+ This measure of profit and loss is regularly provided to the management. Property lease payments and depreciation of reinstatement costs under the lease contracts were included in the Group's analysis of reportable and geographical segments' results.

‡ Represented the reversal of lease payments which were accounted for on a straight-line basis, adjusted by the lease contracts recognised under IFRS 16 'Leases', primarily for the depreciation charge on right-of-use assets.

Set out below is an analysis of the Group's underlying operating profit by geographical locations:

| | 2023 US\$m | 2022 US\$m |
|---------------------------------------------------------|---------------|---------------|
| North Asia | 351.5 | 259.7 |
| South East Asia | 12.5 | 20.8 |
| | <u>364.0</u> | <u>280.5</u> |
| Selling, general and administrative expenses* | (151.9) | (147.3) |
| | <u>212.1</u> | <u>133.2</u> |
| Underlying operating profit before IFRS 16 ⁺ | 212.1 | 133.2 |
| IFRS 16 adjustment [‡] | 81.7 | 76.0 |
| | <u>293.8</u> | <u>209.2</u> |

* Included costs incurred for e-commerce development and digital innovation.

+ This measure of profit and loss is regularly provided to the management. Property lease payments and depreciation of reinstatement costs under the lease contracts were included in the Group's analysis of reportable and geographical segments' results.

‡ Represented the reversal of lease payments which were accounted for on a straight-line basis, adjusted by the lease contracts recognised under IFRS 16 'Leases', primarily for the depreciation charge on right-of-use assets.

5. Net Financing Charges

| | 2023 US\$m | 2022 US\$m |
|---------------------------|----------------|----------------|
| Interest expense | | |
| - bank loans and advances | (49.5) | (33.4) |
| - lease liabilities | (95.9) | (86.3) |
| - other loans | - | (0.5) |
| | <u>(145.4)</u> | <u>(120.2)</u> |
| Commitment and other fees | (6.4) | (6.2) |
| | <u>(151.8)</u> | <u>(126.4)</u> |
| Financing charges | (151.8) | (126.4) |
| Financing income | 7.9 | 4.8 |
| | <u>(143.9)</u> | <u>(121.6)</u> |

6. Share of Results of Associates and Joint Ventures

| | 2023* US\$m | 2022* US\$m |
|----------------------------------------|----------------|----------------|
| <i>Analysis by reportable segment:</i> | | |
| Food | (39.4) | (269.0) |
| Convenience | 0.3 | - |
| Health and Beauty | 8.5 | 1.4 |
| Restaurants | 77.6 | 52.2 |
| Other Retailing | 5.6 | 3.4 |
| | <u>52.6</u> | <u>(212.0)</u> |

Share of results in Food segment included an impairment charge on the Group's interest in Robinsons Retail which amounted to US\$170.8 million in 2022.

Share of results of associates and joint ventures included the following gains/(losses) from non-trading items (note 9):

| | 2023* US\$m | 2022* US\$m |
|---------------------------------------------------------------|----------------|----------------|
| Impairment charge on interest in Robinsons Retail | - | (170.8) |
| Impairment charge of Yonghui's investments | (9.8) | (17.2) |
| Change in fair value of Maxim's investment property | (0.9) | 14.3 |
| Change in fair value of Yonghui's investment property | (0.2) | 5.7 |
| Change in fair value of Yonghui's equity investments | (0.9) | (11.9) |
| Change in fair value of Robinsons Retail's equity investments | 20.8 | (1.4) |
| Net gain from divestment of an investment by Yonghui | - | 4.1 |
| Net gains from sale of debt investments by Robinsons Retail | 0.2 | 0.1 |
| | <u>9.2</u> | <u>(177.1)</u> |

Results are shown after tax and non-controlling interests in the associates and joint ventures.

* Included 12 months results from 1st October 2022 to 30th September 2023 (2022: 1st October 2021 to 30th September 2022) for Yonghui and Robinsons Retail, based on their latest published announcements.

7. Tax

| | 2023 US\$m | 2022 US\$m |
|------------------------------------------------------------------------------------------|---------------|---------------|
| Tax charged to profit and loss is analysed as follows: | | |
| Current tax | (45.8) | (50.9) |
| Deferred tax | 4.9 | 19.6 |
| | <u>(40.9)</u> | <u>(31.3)</u> |
| Tax relating to components of other comprehensive income/expense is analysed as follows: | | |
| Remeasurements of defined benefit plans | 0.3 | (0.2) |
| Cash flow hedges | 1.2 | (1.4) |
| | <u>1.5</u> | <u>(1.6)</u> |

Tax on profits has been calculated at rates of taxation prevailing in the territories in which the Group operates. Share of tax charge of associates and joint ventures of US\$23.4 million (2022: US\$7.1 million) is included in share of results of associates and joint ventures.

8. Earnings/(Loss) per Share

Basic earnings/(loss) per share are calculated on profit attributable to shareholders of US\$32.2 million (2022: loss of US\$114.6 million), and on the weighted average number of 1,346.1 million (2022: 1,346.8 million) shares in issue during the year.

Diluted earnings/(loss) per share are calculated on profit attributable to shareholders of US\$32.2 million (2022: loss of US\$114.6 million), and on the weighted average number of 1,353.6 million (2022: 1,350.8 million) shares in issue after adjusting for 7.5 million (2022: 4.0 million) shares which are deemed to be issued for no consideration under the share-based long-term incentive plans based on the average share price during the year.

The weighted average number of shares is arrived at as follows:

| | Ordinary shares in millions | |
|----------------------------------------------------------------------------------------------------------------|--------------------------------|----------------|
| | 2023 | 2022 |
| Weighted average number of shares in issue | 1,353.6 | 1,353.3 |
| Shares held by a subsidiary of the Group under a share-based long-term incentive plan | (7.5) | (6.5) |
| Weighted average number of shares for basic earnings per share calculation | 1,346.1 | 1,346.8 |
| Adjustment for shares deemed to be issued for no consideration under the share-based long-term incentive plans | 7.5 | 4.0 |
| Weighted average number of shares for diluted earnings per share calculation | <u>1,353.6</u> | <u>1,350.8</u> |

Additional basic and diluted earnings/(loss) per share are also calculated based on underlying profit attributable to shareholders. A reconciliation of earnings is set out below:

2023

2022

| | US\$m | Basic earnings per share US¢ | Diluted earnings per share US¢ | US\$m | Basic (loss)/ earnings per share US¢ | Diluted (loss)/ earnings per share US¢ |
|------------------------------------------------|-------|------------------------------|--------------------------------|---------|--------------------------------------|----------------------------------------|
| Profit/(loss) attributable to shareholders | 32.2 | 2.39 | 2.38 | (114.6) | (8.51) | (8.48) |
| Non-trading items (note 9) | 122.5 | | | 143.4 | | |
| Underlying profit attributable to shareholders | 154.7 | 11.49 | 11.43 | 28.8 | 2.14 | 2.14 |

9. Non-trading Items

Non-trading items are separately identified to provide greater understanding of the Group's underlying business performance. Items classified as non-trading items include fair value gains and losses on equity and debt investments which are measured at fair value through profit and loss; fair value gains and losses on revaluations of investment properties; gains and losses arising from the sale of businesses, investments and properties; impairment of non-depreciable intangible assets, properties, and associates and joint ventures; provisions for the closure of businesses; acquisition-related costs in business combinations; and other credits and charges of a non-recurring nature that require inclusion in order to provide additional insight into underlying business performance.

An analysis of non-trading items in operating profit and profit/(loss) attributable to shareholders is set out below:

| | Operating profit | | Profit/(loss) attributable to shareholders | |
|------------------------------------------------------------------------|------------------|------------|--------------------------------------------|------------|
| | 2023 US\$m | 2022 US\$m | 2023 US\$m | 2022 US\$m |
| Divestment of Malaysia Grocery Retail business | | | | |
| - loss on disposal of subsidiaries (note 12(d)) | (49.1) | - | (48.8) | - |
| - impairment of tangible assets | (3.0) | - | (3.0) | - |
| - loss on lease modifications | (3.2) | - | (3.2) | - |
| - gain on sale of associated properties (note 12(f)) | 3.3 | - | 3.3 | - |
| - other | (2.4) | - | (2.4) | - |
| | (54.4) | - | (54.1) | - |
| Business restructuring costs | (12.4) | (5.8) | (11.4) | (5.4) |
| Impairment of intangible assets | (109.8) | (6.3) | (109.8) | (6.3) |
| Impairment of right-of-use assets | - | (2.2) | - | (2.1) |
| Gain on partial disposal of a joint venture | - | 6.9 | - | 6.9 |
| Gain on acquisition of an associate | - | 11.2 | - | 11.2 |
| Profit on sale of properties (note 12(f)) | 61.0 | 31.1 | 59.2 | 29.2 |
| Change in fair value of an investment property | (0.6) | - | (0.6) | - |
| Change in fair value of equity and debt investments | (15.0) | 0.2 | (15.0) | 0.2 |
| Impairment charge on interest in Robinsons Retail | - | - | - | (170.8) |
| Share of impairment charge of Yonghui's investments | - | - | (9.8) | (17.2) |
| Share of change in fair value of Maxim's investment property | - | - | (0.9) | 14.3 |
| Share of change in fair value of Yonghui's investment property | - | - | (0.2) | 5.7 |
| Share of change in fair value of Yonghui's equity investments | - | - | (0.9) | (11.9) |
| Share of change in fair value of Robinsons Retail's equity investments | - | - | 20.8 | (1.4) |
| Share of net gain from divestment of an investment by Yonghui | - | - | - | 4.1 |
| Share of net gains from sale of debt investments by Robinsons Retail | - | - | 0.2 | 0.1 |
| | (131.2) | 35.1 | (122.5) | (143.4) |

In March 2023, the Group exited the Grocery Retail business in Malaysia through disposals of certain of its subsidiaries and associated properties to a third party. The disposal consisted of two phases. In March, shareholdings in GCH Retail (Malaysia) Sdn. Bhd. ('GCH'), and Jutaria Gemilang Sdn. Bhd. ('Jutaria'), which operated a supermarket and hypermarket chain, and mini-marts respectively, were disposed. In November, the shareholding in Jupiter Lagoon Sdn. Bhd. ('Jupiter Lagoon'), holding the distribution centres, was disposed. A loss on disposal of subsidiaries amounting to US\$49.1 million, including a cumulative exchange translation losses of US\$48.7 million, was recorded. Certain tangible assets in the business were impaired upon reclassification to assets held for sale during the year. The cash received from the divestment of the Malaysia Grocery Retail business was US\$19.3 million, representing the cash outflows related to disposals of subsidiaries of US\$23.8 million (note 12(d)) and proceeds from the disposal of associated properties of US\$43.1 million (note 12(f)).

The Group is in the process of reviewing and restructuring its operation formats. In view of this, a restructuring cost primarily relating to employee related costs of US\$12.5 million was charged to profit and loss. In 2022, the restructuring costs were mainly incurred for the Group's 2018 restructuring of its South East Asia Food business.

In 2022, the Group acquired 100% interests in DFI Digital (Hong Kong) Limited ('Digital Hong Kong') and DFI Digital (Singapore) Pte. Limited ('Digital Singapore') from its joint venture, Retail Technology Asia Limited ('RTA'). Following the acquisition, Digital Hong Kong and Digital Singapore became wholly-owned subsidiaries of the Group. Goodwill amounting to US\$13.2 million was recognised and an impairment charge of US\$6.3 million on the related goodwill was recorded.

Impairment of intangible assets in 2023 related to the impairment of goodwill associated with San Miu business in Macau, Giant business in Singapore and the remaining goodwill in Digital Hong Kong and Digital Singapore after the impairment review.

Gain on partial disposal of a joint venture in 2022 represented the gain arising from the Group's disposal of 8.5% of its interest in RTA. The Group's interest in RTA is reduced from 50% to 41.5% upon the completion of the transaction.

Gain on acquisition of an associate in 2022 related to the Group's acquisition of 40% interest in Minden International Pte. Ltd. ('Minden') from a third party. Minden supports the Group's customer loyalty programme in Singapore.

10. Assets Held for Sale/(Liabilities Associated with Assets Held for Sale)

| | 2023 US\$m | 2022 US\$m |
|--------------------------------------------------|---------------|---------------|
| Non-current assets held for sale | 6.5 | 65.7 |
| Assets included in disposal group held for sale | <u>41.3</u> | <u>-</u> |
| Assets held for sale | 47.8 | 65.7 |
| Liabilities associated with assets held for sale | <u>(19.8)</u> | <u>-</u> |
| | <u>28.0</u> | <u>65.7</u> |

Non-current assets held for sale

At 31st December 2023, the non-current assets held for sale represented two properties in Indonesia brought forward from 31st December 2022. The sale of these properties was completed in early 2024.

At 31st December 2022, the non-current assets held for sale represented 17 properties in Indonesia, and a piece of vacant land in Malaysia. Three properties in Indonesia were sold during the year at a profit of US\$16.6 million while the vacant land in Malaysia was disposed of via the divestment of the Malaysia Grocery Retail business. Twelve properties in Indonesia remained unsold. As a result of weaker property market sentiment in Indonesia, the sale of these properties is no longer considered highly probable within 12 months after the year end. Therefore, these properties have been reclassified to tangible assets or right-of-use assets respectively.

Disposal group held for sale

| | 2023 US\$m |
|--------------------------------------------------|---------------|
| Tangible assets | 19.5 |
| Right-of-use assets | 17.7 |
| Deferred tax assets | 1.0 |
| Debtors | 0.2 |
| Cash and bank balances (<i>note 12(h)</i>) | 2.9 |
| Assets held for sale | 41.3 |
| Creditors | (0.1) |
| Lease liabilities | (19.5) |
| Tax liabilities | (0.2) |
| Liabilities associated with assets held for sale | <u>(19.8)</u> |
| | <u>21.5</u> |

In December 2023, the Group entered into a sale and purchase agreement with a third party to dispose of its subsidiary, DFI Properties Taiwan Limited ('DFI Properties'), a property holding company in Taiwan. Upon completion of the transaction, the Group will leaseback a portion of the tangible and right-of-use assets from DFI Properties.

At 31st December 2023, the disposal group held for sale represented the portion of the tangible and right-of-use assets that will not be leased back, and other assets and liabilities, with a total carrying value of US\$21.5 million attributable to DFI Properties. The consideration of the disposal exceeds the carrying amounts of the relevant assets and liabilities and accordingly, no impairment loss has been recognised. The transactions are expected to complete in the first half of 2024.

11. Dividends

| | 2023 US\$m | 2022 US\$m |
|-------------------------------------------------------------------------------------------------------|---------------|---------------|
| Final dividend in respect of 2022 of US\$2.00 (2021: US\$6.50) per share | 27.1 | 87.9 |
| Interim dividend in respect of 2023 of US\$3.00 (2022: US\$1.00) per share | <u>40.6</u> | <u>13.5</u> |
| | 67.7 | 101.4 |
| Dividends on shares held by a subsidiary of the Group under a share-based long-term incentive plan | <u>(0.4)</u> | <u>(0.5)</u> |
| | <u>67.3</u> | <u>100.9</u> |

A final dividend in respect of 2023 of US\$5.00 (2022: US\$2.00) per share amounting to a total of US\$67.7 million (2022: US\$27.1 million) is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the 2024 Annual General Meeting. This amount will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2024.

12. Notes to Consolidated Cash Flow Statement

(a) Purchase of subsidiaries

| | 2022 US\$m |
|------------------------------------------------------|---------------|
| Non-current assets | 0.1 |
| Current assets | 8.1 |
| Current liabilities | <u>(7.0)</u> |
| Fair value of identifiable net assets acquired | 1.2 |
| Goodwill | <u>13.2</u> |
| Consideration paid | 14.4 |
| Cash and cash equivalents at the date of acquisition | <u>(5.6)</u> |
| Net cash outflows | <u>8.8</u> |

In 2022, the Group acquired 100% interests in Digital Hong Kong and Digital Singapore, developing and driving digital innovation businesses, from its joint venture, RTA, for a total net cash consideration of US\$8.8 million.

The fair values of the identifiable assets and liabilities were provisional at the acquisition date and finalised during the year with no change to the provisional values.

The goodwill arising from the acquisition amounting to US\$13.2 million was attributable to its ownership interest in the intellectual property.

None of the goodwill is expected to be deductible for tax purposes.

(b) Purchase of associates and joint ventures in 2023 related to the Group's capital injections of US\$8.3 million in its digital joint venture, US\$5.1 million in its associate in Singapore, US\$2.2 million in its health and beauty joint venture in Thailand and US\$2.8 million in the business in Vietnam.

Purchase in 2022 related to the capital injection of US\$8.3 million in the Group's digital joint venture.

(c) Purchase of other investments in 2022 related to the Group's subscription of a five-year convertible bond of Pickup Limited, a delivery platform founded in Hong Kong, for a principal of US\$10.0 million.

(d) Sale of subsidiaries

| | 2023 US\$m |
|----------------------------------------|---------------|
| Non-current assets | 102.2 |
| Current assets | 174.2 |
| Current liabilities | (177.9) |
| Non-current liabilities | (120.8) |
| Non-controlling interests | <u>10.2</u> |
| Net liabilities disposed of | (12.1) |
| Cumulative exchange translation losses | 48.7 |
| Loss on disposals | <u>(49.1)</u> |
| Total consideration | (12.5) |
| Non-cash items: | |
| - consideration settled | 41.8 |
| - consideration receivable | (1.1) |
| - transaction costs settled | 2.2 |
| - transaction costs payable | 4.4 |

| | |
|-----------------------------------------------------------|---------------|
| | 47.3 |
| Cash and cash equivalents of the subsidiaries disposed of | <u>(58.6)</u> |
| Net cash outflows | <u>(23.8)</u> |

Total consideration of the transaction is further analysed as follows:

| | US\$m |
|------------------------------------|---------------|
| Net sale proceeds | 59.6 |
| Consideration paid and settled | (49.2) |
| Consideration receivable | 1.1 |
| Transaction costs paid and settled | (19.6) |
| Transaction costs payable | (4.4) |
| | <u>(12.5)</u> |

In February 2023, the Group entered into agreements to dispose of interests in subsidiaries operating the Malaysia Grocery Retail business, and the associated properties, to a third party. The disposals of the Group's interests in the related subsidiaries, GCH, Jutaria and Jupiter Lagoon were completed during the year. Included within the consideration, an amount of US\$41.8 million was due to be paid to the third party after completion to cover certain liabilities incurred by GCH. The amount was subsequently settled via an offset against a loan receivable from GCH.

The revenue and loss after tax in respect of subsidiaries disposed of during the year amounted to US\$83.3 million and US\$8.8 million, respectively.

The cash received from the divestment of the Malaysia Grocery Retail business was US\$19.3 million, representing the cash outflows related to disposals of subsidiaries of US\$23.8 million and proceeds from the disposal of associated properties of US\$43.1 million (*note 12(f)*).

(e) Sale of associates and joint ventures in 2022 related to the proceeds from the Group's disposal of 8.5% of its interest in RTA amounted to US\$6.9 million.

(f) Sale of properties in 2023 related to disposal of properties in Singapore, Indonesia and Malaysia amounted to US\$142.0 million. A property in Singapore and three properties in Indonesia were sold with proceeds of US\$98.9 million, and a gain on disposal amounted to US\$61.0 million (*note 9*) was recognised. Four properties in Malaysia were sold through the divestment of Malaysia Grocery Retail business with proceeds of US\$43.1 million (*note 12(d)*), and a gain of US\$3.3 million (*note 9*) was recognised.

Sale of properties in 2022 related to disposal of three properties in Indonesia and one property in Hong Kong, Singapore and Malaysia, respectively, for a total cash consideration of US\$63.6 million, and a gain on disposal of properties amounted to US\$31.1 million (*note 9*) was recognised.

(g) Purchase of shares for a share-based long-term incentive plan in 2023 related to the purchase of 3,976,300 ordinary shares from the stock market by a subsidiary of the Group for a total consideration of US\$9.7 million.

Purchase of shares in 2022 related to the purchase of 7,912,100 ordinary shares from the stock market by a subsidiary of the Group for a total consideration of US\$20.0 million.

(h) Analysis of balances of cash and cash equivalents

| | 2023 US\$m | 2022 US\$m |
|----------------------------------------------------------------------------|---------------|---------------|
| Cash and bank balances | 303.4 | 230.7 |
| Bank overdrafts | (8.1) | (17.0) |
| Cash and bank balances included in assets held for sale (<i>note 10</i>) | <u>2.9</u> | <u>-</u> |
| Cash and cash equivalents | <u>298.2</u> | <u>213.7</u> |

13. Capital Commitments and Contingent Liabilities

Total capital commitments at 31st December 2023 amounted to US\$72.3 million (*2022: US\$131.1 million*).

Various Group companies are involved in litigation arising in the ordinary course of their respective businesses. Having reviewed outstanding claims and taking into account legal advice received, the Directors are of the opinion that adequate provisions have been made in the financial statements.

14. Related Party Transactions

The parent company of the Group is Jardine Strategic Limited and the ultimate parent company is Jardine Matheson Holdings Limited ('JMHL'). Both companies are incorporated in Bermuda.

In the normal course of business, the Group undertakes a variety of transactions with JMHL and certain of its subsidiaries, associates and joint ventures. The more significant of such transactions are described below.

The Group pays management fees to Jardine Matheson Limited ('JML'), a wholly-owned subsidiary of JMHL, under the terms of a Management Services Agreement, for certain management consultancy services provided by JML. The management fees paid by the Group to JML in 2023 were US\$0.2 million

(2022: US\$0.3 million). The Group also paid directors' fees of US\$0.3 million (2022: US\$0.3 million) in 2023 to JML.

The Group rents properties from Hongkong Land ('HKL') and Mandarin Oriental Hotel Group ('MOHG'), subsidiaries of JMH. The lease payments paid by the Group to HKL and MOHG in 2023 were US\$3.4 million (2022: US\$2.8 million) and US\$0.6 million (2022: US\$0.7 million), respectively. The Group's 50%-owned associate, Maxim's, also paid lease payments of US\$10.6 million (2022: US\$8.3 million) to HKL in 2023.

The Group obtains repairs and maintenance services from Jardine Engineering Corporation ('JEC'), a subsidiary of JMH. The total fees paid by the Group to JEC in 2023 amounted to US\$2.4 million (2022: US\$3.5 million).

Maxim's supplies ready-to-eat products at arm's length to certain subsidiaries of the Group. In 2023, these amounted to US\$47.3 million (2022: US\$41.9 million).

The Group's digital joint venture, RTA group, implements point-of-sale system and provides consultancy services to the Group. The total fees paid by the Group to RTA group in 2023 amounted to US\$16.9 million (2022: US\$13.1 million).

The Group's associate, Minden, supports the Group's customer loyalty programme in Singapore. The total fees paid by the Group to Minden in 2023 amounted to US\$4.7 million (2022: \$0.6 million).

There were no other related party transactions that might be considered to have a material effect on the financial position or performance of the Group that were entered into or changed during the year.

Amounts of outstanding balances with associates and joint ventures are included in debtors and creditors, as appropriate.

DFI Retail Group Holdings Limited

Principal Risks and Uncertainties

The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the Disclosure Guidance and Transparency Rules issued by the Financial Conduct Authority in the United Kingdom and are in addition to the matters referred to in the Chairman's Statement, Group Chief Executive's Review and other parts of the Company's 2023 Annual Report (the 'Report').

Economic Risk

Most of the Group's businesses are exposed to the risk of negative developments in global and regional economies and financial markets, either directly or through the impact such developments might have on the Group's joint venture partners, associates, franchisors, bankers, suppliers or customers. These developments could include recession, inflation, deflation, currency fluctuations, restrictions in the availability of credit, business failures, or increases in financing costs, oil prices, the cost of raw materials or finished products. Such developments might increase operating costs, reduce revenues, lower asset values or result in some or all of the Group's businesses being unable to meet their strategic objectives.

Mitigation Measures

- Monitor the volatile macroeconomic environment and consider economic factors in strategic and financial planning processes.
- Make agile adjustments to existing business plans and explore new business streams and new markets.
- Review pricing strategies and keep conservative assumptions.
- Insurance programme covering property damage and business interruption.

Commercial Risk

Risks are an integral part of normal commercial activities and where practicable steps are taken to mitigate them. Risks can be more pronounced when businesses are operating in volatile markets. While the Group's regional diversification does help to mitigate some risks, a significant portion of the Group revenues and profits continue to be derived from our operations in Hong Kong.

A number of the Group's businesses make significant investment decisions regarding developments or projects, which are subject to market risks. This is especially the case where projects are longer-term in nature and take more time to deliver returns.

The Group's businesses operate in areas that are highly competitive and failure to compete effectively, whether in terms of price, product specification, technology, property site or levels of service, failure to manage change in a timely manner or to adapt to changing consumer behaviours, including new shopping channels and formats, can have an adverse effect on earnings. Significant competitive pressure may also lead to reduced margins.

While social media presents significant opportunities for the Group's businesses to connect with customers and the public, it also creates a whole new set of potential risks for companies to monitor, including damage to brand equity or reputation, affecting the Group's profitability.

Mitigation Measures

- Utilise market intelligence and deploy digital strategies for business-to-consumer businesses.
- Establish customer relationship management programme and digital commerce capabilities.
- Engage in longer-term contracts and proactively approach suppliers for contract renewals.
- Re-engineer existing business processes.
- Continue accelerating the Group's own brand strategy.

Financial and Treasury Risk

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk.

The market risk the Group faces includes i) foreign exchange risk from future commercial transactions, net investments in foreign operations and net monetary assets and liabilities that are denominated in a

currency that is not the entity's functional currency; ii) interest rate risk through the impact of rate changes on interest bearing liabilities and assets; and iii) securities price risk as a result of its equity investments and limited partnership investment funds which are measured at fair value through profit and loss, and debt investments which are measured at fair value through other comprehensive income.

The Group's credit risk is primarily attributable to deposits with banks, contractual cash flows of debt investments carried at amortised cost and those measured at fair value through other comprehensive income, credit exposures to customers and derivative financial instruments with a positive fair value.

The Group may face liquidity risk if its credit rating deteriorates or if it is unable to meet its financing commitments.

Mitigation Measures

- Limiting foreign exchange and interest rate risks to provide a degree of certainty about costs.
- Management of the investment of the Group's cash resources so as to minimise risk, while seeking to enhance yield.
- Adopting appropriate credit guidelines to manage counterparty risk.
- When economically sensible to do so, taking borrowings in local currency to hedge foreign exchange exposures on investments.
- A portion of borrowings is denominated in fixed rates. Adequate headroom in committed facilities is maintained to facilitate the Group's capacity to pursue new investment opportunities and to provide some protection against market uncertainties.
- The Group's funding arrangements are designed to keep an appropriate balance between equity and debt from banks and capital markets, both short- and long-term in tenor, to give flexibility to develop the business. The Company also maintains sufficient cash and marketable securities, and ensures the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.
- The Group's treasury operations are managed as cost centres and are not permitted to undertake speculative transactions unrelated to underlying financial exposures.

The detailed steps taken by the Group to manage its exposure to financial risk will be set out in the Financial Review and in a note to the financial statements in the Report.

Concessions, Franchises and Key Contracts Risk

A number of the Group's businesses and projects rely on concessions, franchises, management, leasing of stores or other key contracts. Accordingly, cancellation, expiry or termination, or the renegotiation of any such concessions, franchises, management, leasing of stores or other key contracts could adversely affect the financial condition and results of operations of certain subsidiaries, associates, and joint ventures of the Group.

Mitigation measures

- Sustaining and strengthening relationships with franchisors.
- Monitor sales performance and compliance with franchise terms.
- Regular communication with franchisees and concessionaires, including performance management.

Regulatory and Political Risk

The Group's businesses are subject to several regulatory regimes in the territories they operate. Changes in such regimes, in relation to matters such as foreign ownership of assets and businesses, exchange controls, licensing, imports, planning controls, emission regulations, tax rules and employment legislation, could have the potential to impact the operations and profitability of the Group's businesses.

Changes in the political environment, including political or social unrest, in the territories where the Group operates, could adversely affect the Group's businesses.

Mitigation Measures

- Stay connected and informed of relevant new and draft regulations.
- Engage external consultants and legal experts where necessary.
- Assessing impact on the business and taking appropriate measures.
- Raise awareness with regular updates on new regulations that may have been implemented in other markets.

Cybersecurity and Technology Risk

The Group faces increasing numbers of cyberattacks from groups targeting individuals and businesses. As a result, the privacy and security of customer and corporate information are at risk of being compromised through a breach of our or our suppliers' IT systems or the unauthorised or inadvertent release of information, resulting in brand damage, impaired competitiveness or regulatory action. Cyberattacks may also adversely affect our ability to manage our business operations or operate information technology and business systems, resulting in business interruption, lost revenues, repair or other costs.

The Group is heavily reliant on its IT infrastructure and systems for the daily operation of its business. Any major disruption to the Group's IT systems could significantly impact operations. The ability to anticipate and adapt to technology advancements or threats is an additional risk that may also impact the business.

Mitigation Measures

- Continued investment in upgrading of technology and IT infrastructure.
- Defined cybersecurity programme and centralised function to provide oversight, manage cybersecurity matters, and strengthen cyber defences and security measures.
- Perform regular vulnerability assessment and/or penetration testing by third parties to identify weaknesses.
- Arrange regular security awareness training and phishing testing to raise users' cybersecurity awareness.
- Maintain disaster recovery plans and backup for data restoration.
- Regular external and internal audit reviews.

Talent Risk

The competitiveness of an organisation depends on the quality and the availability of the people that it attracts and retains. A shortage of store labour and unavailability of needed human resources may impact the ability of the Group's businesses to operate at full capacity, implement initiatives and pursue opportunities.

Mitigation Measures

- Proactive manpower planning and proactive hiring are in place.
- Enhanced employer branding, training for team members and talent development plans.
- Promote Inclusion, Equity and Diversity across the Group.
- Total compensation in line with market benchmarking.

Environmental and Climate Related Risks

Environmental disasters such as earthquakes, floods and typhoons can damage the Group's assets and disrupt operations. Global warming-induced climate change has increased the frequency and intensity of storms, leading to higher insurance premiums or reduced coverage for such natural disasters.

With governments also taking a more proactive approach towards carbon taxes, renewable energies and electric vehicles, additional investments and efforts to address physical and transition risks of climate change are anticipated from businesses.

With interest in sustainability surging in recent years from investors, governments and the general public, expectations by regulators and other stakeholders for accurate corporate sustainability reporting and commitments towards carbon neutrality to address climate change are also growing. This brings increasing challenges to the Group and its businesses to meet key stakeholders' expectations.

There is potential for negative publicity and operational disruption arising from conflict between activists and the Group's businesses that are perceived to be engaged in trade and activities that are environmentally unfriendly.

Mitigation Measures

- Sustainability Leadership Council established to mobilise and coordinate sustainability efforts across the Group.
- A sustainability strategy framework, including a climate action pillar, drives the Group's sustainability agenda.
- A Climate Action Working Group, with representatives from all business units, drives Group-wide initiatives which strengthen collaboration and share knowledge.
- Each business is building a net zero carbon pathway and climate change plan to build climate resilience.
- Assess emerging Environmental, Social and Governance ('ESG') reporting standards and requirements, to align Group disclosures to best market practice.
- Conduct climate risk assessments and adaptation action plans based on recommendations of Task Force on Climate-Related Financial Disclosures, including implementing measures to address physical risks posed by climate change and identifying opportunities in global transition to a low carbon economy.
- Formulate the appropriate risk response strategy (particularly on the Group's key assets and supply chain), and integrate Physical and Transitional Climate Risk into the Group's existing risk management approach.
- Foster ongoing dialogue with local communities, environmental groups, and regulators to gain insights and build partnerships for sustainability. Proactive engagement aids in preventing and resolving conflicts.
- Continue the practice of rolling out regular sustainability training for employees, aiming to enhance environmental awareness and instill a culture of responsibility. Notably, this year, we have successfully integrated ESG targets into each staff's annual performance review, reinforcing our commitment to sustainability across the Group.

Third-party Service Provider and Supply Chain Management Risk

Supply chain disruption caused by key suppliers or service providers, or failure to deliver by contractors/subcontractors could cause significant operational disruption, lack of inventory supply, financial loss and reputational damage to the businesses.

The Group's operations may be materially affected if third parties on which we depend are compromised by cyber-attacks. With increased reliance on third-party ecosystems, the Group has greater exposure to third-party risk if there is insufficient vetting, oversight or visibility over third parties and their subcontractors, particularly on information security, resilience, regulatory compliance, and their ongoing capability.

Mitigation Measures

- Ensuring protective terms and conditions in third-party service agreements, including vendors being contractually required to bear higher liability for failures to deliver or if they are responsible for a cyber incident at a Group's business.
- Having robust evaluation and selection procedures for vendors and third-party service providers, including an information security assessment where appropriate.
- Engaging suppliers only if they agree to comply with a supplier code of conduct where businesses require.
- Sourcing back-up suppliers, warehouses or other alternative plans.
- Maintaining strong relationships with suppliers that are designated by principals.
- Maintaining supplier insurance to cover logistics interruption.
- Ensuring early negotiation of new contracts for key service providers.
- Diversifying the product range to reduce the impact of disruptions to single products.
- Including third-party disruption scenarios as part of business continuity planning.

Health, Safety and Product Quality Risk

Several of the Group's businesses engage in production or other physical activities that may lead to serious injury or fatal incidents if work conditions are unsafe or workers do not take due care to observe safety procedures.

The safety and quality of food products and all items delivered by the Group's businesses are fundamental to their reputation with customers. Any actual or perceived deficiency in product safety or quality may damage consumer confidence and the Group's reputation, leading to financial loss.

Mitigation Measures

Health & Safety ('H&S')

- Risk management programme used to identify and manage the risk of the Group's business operations.
- H&S inspection and incident management programme implemented to identify unsafe acts and unsafe conditions in our workplaces so that we can take corrective action.
- H&S operational compliance is monitored via internal cross check programme.
- Management of fire safety, statutory equipment and first aid certificates.
- First aid policy is in place.
- Established a contractor H&S management programme.
- Contractors must have a contractual agreement in place to ensure they comply with high expected levels of safety standards.
- Incorporating site safety plans in tenders and contracts.
- Routine safety training for all team members and sub-contractors.
- Disseminating safety materials such as signage and pictorial representations of safe work procedures.

Product Safety/Operational Food Safety

- All Own Brand products have specifications, product quality and safety standards in place and are monitored via routine product surveillance assessments by a third party.
- Established a strong supplier qualification and surveillance programme.
- Suppliers must follow all DFI policies and adhere to all local regulations.
- Operational compliance KPIs for food safety and health and safety.
- Comprehensive quality control measures in place in the Group's fresh production centres, distribution centres and retail stores.
- Effectiveness of food safety standards validated by third-party audits in retail stores, processing centres and distribution centres.

Other General

- Purchasing sufficient insurance coverage including employee compensation.
- Obtaining adequate product liability insurance.

DFI Retail Group Holdings Limited Responsibility Statements

The Directors of the Company confirm to the best of their knowledge that:

- a. the consolidated financial statements prepared in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations as issued by the International Accounting Standards Board, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and
- b. the Chairman's Statement, Group Chief Executive's Review, Business Review, Financial Review and the description of Principal Risks and Uncertainties facing the Group as set out in the Company's 2023 Annual Report, which constitute the management report required by the Disclosure Guidance and Transparency Rule 4.1.8, include a fair review of all information required to be disclosed under Rules 4.1.8 to 4.1.11 of the Disclosure Guidance and Transparency Rules issued by the Financial Conduct Authority in the United Kingdom.

For and on behalf of the Board

Scott Price
Clem Constantine

Directors

DFI Retail Group Holdings Limited Dividend Information for Shareholders

The final dividend of US\$5.00 per share will be payable on 15th May 2024, subject to approval at the Annual General Meeting to be held on 8th May 2024, to shareholders on the register of members at the close of business on 22nd March 2024. The shares will be quoted ex-dividend on 21st March 2024, and the share registers will be closed from 25th to 29th March 2024, inclusive.

Shareholders will receive cash dividends in United States Dollars, except when elections are made for alternate currencies in the following circumstances.

Shareholders on the Jersey branch register

Shareholders registered on the Jersey branch register can elect for their dividends to be paid in Sterling. These shareholders may make new currency elections for the 2023 final dividend by notifying the United Kingdom transfer agent in writing by 26th April 2024. The Sterling equivalent of dividends declared in United States Dollars will be calculated by reference to a rate prevailing on 2nd May 2024.

Shareholders holding their shares through CREST in the United Kingdom will receive cash dividends in Sterling only, as calculated above.

Shareholders on the Singapore branch register who hold their shares through The Central Depository (Pte) Limited ('CDP')

Shareholders who are on CDP's Direct Crediting Service ('DCS')

Those shareholders on CDP's DCS will receive their cash dividends in Singapore Dollars unless they opt out of CDP Currency Conversion Service, through CDP, to receive United States Dollars.

Shareholders who are not on CDP's DCS

Those shareholders not on CDP's DCS will receive their cash dividends in United States Dollars unless they elect, through CDP, to receive Singapore Dollars.

Shareholders on the Singapore branch register who wish to deposit their shares into the CDP system by the dividend record date, being 22nd March 2024, must submit the relevant documents to Boardroom Corporate & Advisory Services Pte. Ltd., the Singapore branch registrar, by no later than 5.00 p.m. (local time) on 21st March 2024.

DFI Retail Group Holdings Limited

About DFI Retail Group

DFI Retail Group (the 'Group') is a leading pan-Asian retailer. At 31st December 2023, the Group and its associates and joint ventures operated some 11,000 outlets with more than 5,000 stores operated by subsidiaries. The Group together with associates and joint ventures employed some 213,000 people with some 48,000 people employed by subsidiaries. The Group had total annual revenue in 2023 exceeding US\$26 billion and reported revenue of US\$9 billion.

The Group provides quality and value to Asian consumers by offering leading brands, a compelling retail experience and great service; all delivered through a strong store network supported by efficient supply chains.

The Group (including associates and joint ventures) operates under a number of well-known brands across six divisions. The principal brands are:

Food

- Wellcome in Hong Kong S.A.R.; Yonghui in Chinese mainland; Cold Storage and Giant in Singapore; Hero in Indonesia; and Robinsons in the Philippines.

Convenience

- 7-Eleven in Hong Kong and Macau S.A.R., Singapore and Southern China.

Health and Beauty

- Mannings in Chinese mainland, Hong Kong and Macau S.A.R.; Guardian in Brunei, Cambodia, Indonesia, Malaysia, Singapore and Vietnam.

Home Furnishings

- IKEA in Hong Kong and Macau S.A.R., Indonesia and Taiwan.

Restaurants

- Hong Kong Maxim's group in Chinese mainland, Hong Kong and Macau S.A.R., Cambodia, Malaysia, Singapore, Thailand, Vietnam and Laos.

Other Retailing

- Robinsons in the Philippines operating department stores, specialty and DIY stores.

The Group's parent company, DFI Retail Group Holdings Limited, is incorporated in Bermuda and has a primary listing in the standard segment of the London Stock Exchange, with secondary listings in Bermuda and Singapore. The Group's businesses are managed from Hong Kong by DFI Retail Group Management Services Limited through its regional offices. DFI Retail Group is a member of the Jardine Matheson Group.

- end -

For further information, please contact:

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Full text of the Preliminary Announcement of Results and the Preliminary Financial Statements for the year ended 31st December 2023 can be accessed via the DFI Retail Group corporate website at www.dfiretailgroup.com.

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