



RNS

Final Results

## 2024 PRELIMINARY RESULTS

### DFI RETAIL GROUP HOLDINGS LIMITED

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DFI Retail Group Holdings Ltd  
10 March 2025

### Announcement

10 March 2025

*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 2024 PRELIMINARY ANNOUNCEMENT OF RESULTS**

#### Highlights

- 30% growth in underlying profit to US\$201 million
- Health and Beauty delivered a stable performance
- Convenience saw strong profit growth due to favourable product mix
- Food profit improved, driven by significant Singapore Food earnings recovery
- Portfolio simplification progressed further with Yonghui and Hero Supermarket divestments
- Net cash position achieved in February 2025 with completion of Yonghui sale
- Final dividend of US¢7.00 per share

"Effective strategy execution led to strong underlying profit growth in 2024, despite a challenging retail environment. We aim to remain relevant to consumers and to increase market share further, by evolving our offering through leveraging data and expanding our omnichannel presence. We are well-positioned for sustainable growth and increased shareholder returns over the mid-term."

John Witt  
Chairman

#### Results

	Year ended 31 December		Change %
	2024 US\$m	2023 US\$m	
Revenue	8,869	9,170	-3

Underlying profit attributable to shareholders* (Loss)/profit attributable to shareholders	<b>201</b> <b>(245)</b>	155 32	+30 n/a
	<b>US¢</b>	<b>US¢</b>	<b>%</b>
Underlying earnings per share* (Loss)/earnings per share Dividends per share	<b>14.91</b> <b>(18.17)</b> <b>10.50</b>	11.49 2.39 8.00	+30 n/a +31
* 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 38 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¢7.00 per share will be payable on 14 May 2025, subject to approval at the Annual General Meeting to be held on 2 May 2025, to shareholders on the registers of members at the close of business on 21 March 2025.

## DFI RETAIL GROUP HOLDINGS LIMITED

### PRELIMINARY ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### PERFORMANCE

I am pleased to report that DFI Retail Group ('DFI' or the Group) delivered a significantly improved underlying performance and a good partial recovery in results in 2024, despite a challenging retail environment. For the full year, underlying profit attributable to shareholders reached US\$201 million, a 30% increase from the previous year.

Our diverse portfolio and effective operational execution enabled us to gain market share across key businesses, even as we faced shifts in consumer behaviour and macroeconomic headwinds. Profit growth was driven by improved profit in Food and Convenience, supported by growth in digital channels.

We are confident that the Group's new strategy will drive further profit growth in the coming years, and are particularly optimistic about the growth prospects for our Health and Beauty business, which represents 55% of the Group's total operating profit. We also see strong growth opportunities in our Convenience business. Our other businesses continue to face challenges, but we are confident in the ability of DFI's senior leadership team to navigate short-term uncertainties, evolve the portfolio and invest in strengthening our core businesses to drive long-term growth in shareholder value.

The Board recommends a final dividend for 2024 of US¢7.00 per share (2023 final dividend: US¢5.00).

#### STRATEGIC HIGHLIGHTS

Under the capable leadership of our Group Chief Executive, Scott Price, we have made significant strides in implementing our strategic framework, which centres around three core pillars:

##### *Customer First*

Across our business, we have an ongoing commitment to putting our customers first, and we have made significant progress to better serve them over the past year. The *yuu* Rewards loyalty programme continues to strengthen, with a substantial increase in members and the addition of a number of further partners. We have also begun harnessing our proprietary customer data to refine our product assortment and revamp our Own Brand and digital strategies. We are driving a more transparent and collaborative approach to our negotiations with suppliers, leading to a better outcome for customers. As well as better serving our customers, these efforts aim to bolster market share growth and enhance margins across our businesses.

##### *People Led*

We have refined our organisation structure over the past year. Our new senior leadership team, with its deep industry expertise, shares a vision for strategic growth and operational excellence. Key appointments across the business have strengthened our capability to drive these initiatives forward, and we have reduced spans and layers within the organisation to streamline operations and expedite decision-making. Diversity across our business has also improved significantly.

##### *Shareholder Driven*

In alignment with our strategic and capital allocation priorities, we continued to simplify the Group's portfolio and divested our Hero Supermarket business and investment in Yonghui Superstores.

Following the disposal of Hero Supermarket, the Guardian and IKEA businesses will be our focus in Indonesia and we are confident in the long-term prospects for these two businesses to increase market share as the Indonesian market grows. These disposals allow us to reinvest in our subsidiaries' growth, deleverage our balance sheet and grow total shareholder returns.

Sustainability remains at the top of our agenda, and we are collaborating closely with our stakeholders and setting ambitious targets across the business. There was strong progress in 2024 against the Group's

sustainability strategy in areas including emissions reduction and waste diversion. Our efforts were recognised in improvements in our ESG ratings, including a significant improvement in the Group's S&P Global Corporate Sustainability Assessment. We will continue to promote and drive sustainable business practices in our end-to-end value chain.

## GOVERNANCE AND PEOPLE

The Board and its Committees, and senior leadership team, together play a key role in delivering against our priorities. The effective execution of our strategy depends on high quality debate around the boardroom table, with strong contributions from all Directors.

There have been a number of significant Board and executive leadership changes since the start of 2024:

- In July, I succeeded Ben Keswick as Chairman. On behalf of the Board, I would like to express our gratitude to Ben for his 11 years of service as Chairman.
- I also wish to thank Adam Keswick for his contribution to the Board and Nominations Committee as he steps down.
- We welcomed Elaine Chang to the Board as an Independent Non-Executive Director and Graham Baker as a Non-Executive Director. Elaine has 30 years of leadership experience across industries such as semiconductors, digital content, e-commerce, cloud computing and artificial intelligence, and her expertise in leveraging technology to drive growth will greatly benefit the Group.
- Christian Nothhaft was appointed as a member of the Remuneration and Nominations Committees.
- Tom van der Lee took over as Group Chief Financial Officer from Clem Constantine. We thank Clem for his significant contribution, especially during the pandemic and in strengthening the Group's financial position. Tom, who joined DFI in 2016, brings a wealth of experience from his various senior financial roles within the organisation.
- Sean Ward succeeded Jonathan Lloyd as our Company Secretary in December 2024. I want to thank Jonathan for his years of valued service.

## PROSPECTS

We are pleased by the Group's strong underlying profit growth in 2024, despite a challenging retail backdrop, providing encouraging early support for our new strategy. We aim to consolidate our position in markets such as Hong Kong where we have strong businesses, while at the same time aiming to achieve long-term growth as we expand key businesses such as Health and Beauty and Convenience.

By evolving our offerings through data-driven insights and expanding our omnichannel presence, we will remain relevant to consumers and continue capturing market share. Our deleveraged balance sheet and strategic initiatives position us well for sustainable growth and increased shareholder returns in the years to come.

I should like to express my appreciation to our shareholders, our valued partners and to the wider community for your continued support. Most of all, thanks must go to our team members, who are key to our success, for their exceptional work and unwavering commitment throughout the past year, despite challenging market conditions.

John Witt

*Chairman*

## GROUP CHIEF EXECUTIVE'S REVIEW

### INTRODUCTION

As I reflect on my first full year as DFI's Group Chief Executive, I am incredibly proud of the significant progress we have made executing in alignment to our strategic framework: **Customer First, People Led, Shareholder Driven**.

Despite the challenging macroeconomic backdrop, we demonstrated resilience in our business performance, reporting underlying profit attributable to shareholders of US\$201 million in 2024, up 30% year-on-year. During the year, we announced the divestment of our minority stake in Yonghui, a transaction that aligns with our strategic and capital allocation framework and enables us to reinvest in the future growth of our subsidiary businesses. While our reported results were impacted by one-off items, including fair value loss, impairment of equity interest and goodwill, we have continued to

significantly deleverage our balance sheet with a net cash position following the completion of the Yonghui transaction in February 2025.

As we head into the new financial year, we remain laser focused on executing our strategic priorities to drive revenue growth and enhance profitability. Our 2025 financial guidance of US\$230 million to US\$270 million underlying profit attributable to shareholders, reflects our confidence in further building on our momentum and delivering greater value for our stakeholders.

## **STRATEGIC FRAMEWORK - KEY PROGRESS**

We developed our strategic framework of Customer First, People Led, Shareholder Driven in the second half of 2023 to guide the Group's capital allocation priorities and growth plans over the coming years. I am both pleased and proud of the progress made by the team over the past 12 months in executing on this framework.

### **Customer First**

I continue to see value unlock across our uniquely diverse businesses across Asia. We are proud to serve millions of customers in various formats and banners with nearly 11,000 outlets across 13 markets in Asia. What stands out is our ongoing commitment to putting our customers first and serving with passion and care. Our purpose has always been part of who we are. During the year, we launched our DFI purpose to articulate it in a way that unites our organisation, which is to **Sustainably Serve Asia for Generations with Everyday Moments**. This statement underscores our commitment to meeting the everyday needs of our customers across Asia, while emphasising their interests in sustainable solutions.

Aligned with our purpose, we have made significant progress in a number of areas to better serve our customers over the past year.

#### *yuu Rewards*

Our *yuu* Rewards coalition loyalty programme continues to strengthen. In our home market of Hong Kong, total members have reached 5.3 million with over 3 million monthly active members. The active use of purchases across all our formats, restaurants and partners creates substantial volume of unique data insights. In 2024, the *yuu* Rewards programme in Hong Kong added a number of additional partners including Starbucks and FWD Insurance. Our members have engaged across a variety of redemption offers that incorporate new travel, entertainment and dining options, driving enhanced customer engagement.

In Singapore, the *yuu* Rewards programme has grown to over 1.8 million members. A number of new partners joined the programme during the year including Suntec City and Singapore Airlines.

#### *Improving assortment*

We are now leveraging our broad *yuu* Rewards customer data to improve assortment in our stores. At Wellcome, we have leveraged our proprietary data and cutting-edge data analytics capabilities to execute a reset of 14 categories in stores. The improved assortment has seen very encouraging initial results with uplifts in both sales and gross profits. We are now also leveraging the learnings from Wellcome to support assortment optimisation for our Health and Beauty and Convenience businesses across Hong Kong and Singapore.

#### *Improving supplier collaboration*

We are beginning to better leverage our data to support enhanced supplier collaboration. By creating a more transparent and collaborative approach to negotiations with suppliers, we are working together to drive market growth and a better outcome for customers.

#### *Own Brand*

We have reset our Own Brand strategy to better align with customer needs while delivering stronger margins for our business. By optimising our product range, redesigning packaging for greater customer appeal and maximising cross-selling opportunities across our formats, we have made meaningful improvements in margin and sales productivity, which includes a more than 300bps increase in our Food Own Brand margin and close to a 40% increase in sales productivity compared to 2023. Following the success of our reset of the Own Brand portfolio across our Food business, we have integrated the Health and Beauty Own Brand assortment into this center of excellence to replicate the same success in Health and Beauty as we reset its private label strategy.

#### *Digital*

Following our digital strategy reset in September 2023, customers are now able to access our retail portfolio through a wider range of digital assets including apps, websites and third-party platforms. Our expanded omnichannel presence includes Wellcome's quick-commerce partnership with foodpanda, a new 7-Eleven app with approximately 137,000 monthly active users and 30,000 daily active users in Hong Kong as of December 2024. Including a new Mannings Hong Kong app and Guardian Singapore app, we have launched more than 20 new channels in 2024 across apps, websites and third-party platforms. Our strengthened digital proposition was underpinned by a 31% growth in e-commerce order volume with strong profitability turnaround.

#### *Retail Media*

DFI launched our own Retail Media network in the first quarter of 2024. Initial performance has been encouraging, with more than 100 targeted marketing campaigns sold in less than a year since the launch, supported by strong sales acceleration in the second half. We have partnered with leading suppliers such as Procter & Gamble, Unilever, Coca-Cola, Nestlé and Reckitt.

Importantly, the integrated online and offline advertising proposition for Retail Media has supported the improved Return on Ad Spend for our supplier partners. We are in the early days of a potentially significant source of profit to invest in the business.

### **People Led**

In alignment with our strategic framework, we refined our organisation structure in the second half of 2023 by moving accountability to a format structure, thereby improving agility while reducing overhead costs. Throughout 2024, we have been focused on deeply embedding our values, underpinned by our purpose statement across the Group. We have reduced spans and layers within the organisation to streamline operations and expedite decision making. Diversity representation across formats has been significantly improved to ensure local relevancy of decision-making to customers. We have strengthened our leadership succession planning and development with a meaningfully improved team member engagement score, supported by a new incentive structure for senior management that aligns with shareholder interests, based on total shareholder return and business performance targets.

### **Shareholder Driven**

Our strategic framework has been developed with the primary aim of improving shareholder returns. We have approached capital allocation in a disciplined manner, both from a capex and working capital management perspective. Over the course of the year, we executed the divestment of a number of company-owned properties, which has supported a US\$150 million reduction in net debt at the end of 2024.

Concurrently, the Group continues to execute M&A transactions in a manner that is accretive to return on capital and total shareholder return based on a strategic review of our businesses in 2024. In June 2024, the Group completed the divestment of the Hero Supermarket business in Indonesia. Post-completion, DFI's operations in Indonesia has fully pivoted to the Guardian and IKEA businesses. In September 2024, the Group announced the divestment of its entire stake in Yonghui Superstores Co., Ltd. This transaction was subsequently completed in February 2025. The Group is in a net cash position following the completion of the Yonghui transaction.

### **2024 PERFORMANCE**

The Group reported total revenue from subsidiaries in 2024 of US\$8.9 billion, down 3% year-on-year. However, excluding the impact of a significant tobacco tax increase in Hong Kong, the divestment of our Malaysia Food business in 2023 and Hero Supermarket operation in Indonesia, operating revenue was largely stable. This broadly represents market share gains in all formats except IKEA.

Total revenue for the Group, including 100% of associates and joint ventures, was US\$24.9 billion, down 6% compared to 2023, largely due to lower sales at Yonghui. Total underlying profit attributable to shareholders was US\$201 million for the year, up 30% year-on-year.

The Group reported subsidiaries underlying profit attributable to shareholders of US\$158 million for the full year, 42% higher than the prior year. This was driven by significant earnings recovery in Singapore Food and favourable product mix shift towards non-cigarette categories in our Convenience business, partially offset by lower contribution from Home Furnishings as a result of weak property market activity and intensifying competition.

The Group's share of underlying profit from associates was US\$43 million, down 2% year-on-year. Lower contribution from Maxim's due to weaker mooncake sales and restaurant performance in the Chinese mainland was partially offset by reduced losses from Yonghui and a 15% profit growth at Robinsons Retail.

The Group's reported results for the year were impacted by non-trading losses attributable to shareholders of US\$445 million. This was predominantly due to loss of US\$114 million associated with the divestment of Yonghui, a US\$231 million impairment of interest in Robinsons Retail and US\$133 million goodwill impairment of Macau and Cambodia Food businesses. These losses were partially offset by gains from divestment of Singapore property assets and the Group's share of one-off gains from the Bank of the Philippine Islands (BPI)-Robinsons Bank merger. Despite the large non-trading losses reported, the Group is now in a net cash position following the completion of Yonghui transaction in February 2025.

The Group reported operating cash flow after lease payments of US\$331 million, 21% lower than the prior year, mainly due to unfavourable movement in working capital year-end timing difference, partially offset by underlying operating profit growth. Operating cash flow after lease payments and normal capital expenditure was US\$158 million, down 29% year-on-year.

### **ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)**

As a leading Asian retailer, we recognise our unique opportunity to promote and drive sustainable business practices in response to the preference of our customers. By positioning our ESG commitment as a core pillar of our Group Strategy, we have made meaningful progress in various initiatives, including emissions reduction and waste diversion. Our efforts are reflected in a significant improvement in the S&P Global Corporate Sustainability Assessment, with our score improving to 49 as at 8 January 2025, placing DFI in the 84<sup>th</sup> percentile within the Food and Staples Retailing industry, up from the 47<sup>th</sup> percentile in 2023.

Our strong commitment to ESG is underscored by our target to halve Scope 1 & 2 greenhouse gas (GHG) emissions by 2030 and achieve net-zero by 2050. Throughout 2024, we have made significant investments in upgrading and converting our existing refrigeration systems to more environmentally friendly options. We successfully completed trials of natural gas and ultra-low global warming potential gases as refrigerant alternatives for our food stores. Following a comprehensive analysis of

our Scope 3 emissions, we have identified key product categories and realistic decarbonisation opportunities within our supply chain. For example, our Low Carbon Rice Project, launching in Thailand this year, aims to drive decarbonisation by promoting low-carbon farming practices among local farmers, implementing field monitoring and tracking to measure carbon emission reductions. We have made notable progress in improving our waste diversion and are constantly exploring innovative ways to foster a transition towards a local circular economy. Wellcome has partnered with a Hong Kong-based recycling facility to convert trimmed fats into biodiesel for powering essential generators.

While we are still early in the journey, these initiatives collectively demonstrate our efforts and commitment to serving communities sustainable and affordable products, sustaining the planet and sourcing responsibly while meeting the return objectives of our shareholders.

## **BUSINESS REVIEW**

### **HEALTH AND BEAUTY**

Sales for the Health and Beauty division came in slightly higher than the prior year at US\$2.5 billion, with like-for-like (LFL) sales remaining broadly stable. Underlying operating profit was US\$211 million for the year, slightly below 2023.

Hong Kong reported strong LFL sales performance in the first quarter, which then decelerated in the second and third quarters due to a strong comparable period in 2023 when consumption vouchers were disbursed in April and July 2023. Sales momentum improved in the fourth quarter with Mannings continuing to gain market share. Profit for the year increased 6%, attributable to gross margin improvement and disciplined cost control, despite a 2% decline in full-year LFL sales. Guided by a customer-first proposition, the Pharmacare programme reached a significant milestone since its launch in 2023. In partnership with Bupa, one of Hong Kong's major medical insurers, the Mannings team further expanded Pharmacare into its network of more than 150,000 members. Leveraging Mannings' position as the largest pharmacist network, the programme offers free consultations and medication for a range of common illness. The Mannings team continued to enhance in-store experience with the launch of the Health Pod at our International Finance Centre flagship store in Hong Kong. This innovative service offers an AI wellness assessment that measures over 20 metrics, followed by personalised consultations and product recommendations. Initial results have been promising, with customers using the service showing a basket size three times higher than average. In addition, the team also launched a new Mannings app in December to grow its digital footprint. LFL sales of Mannings China declined as the business pivots away from offline stores to online channels which involves the closure of the majority of its offline network.

Guardian in South East Asia reported US\$857 million in sales, reflecting a 5% year-on-year increase, driven by growth in basket size across all key markets. Indonesia, in particular, saw a 17% LFL sales growth supported by increased mall traffic and strong execution of promotional campaigns. Strong profit growth was reported across most key markets, underpinned by gross margin expansion and operating leverage. In Singapore, strong commercial execution and a favourable product mix contributed to gross margin expansion, with healthcare products accounting for more than 60% of sales.

### **CONVENIENCE**

Total Convenience sales were US\$2.4 billion, representing a decline of 3% year-on-year. LFL sales were 5% behind the prior year, impacted by a decline in lower-margin cigarette volumes following tax increases in Hong Kong at the end of February 2024. Excluding cigarette sales, overall Convenience LFL sales were up 2%, with continued market share gain across markets. Convenience underlying operating profit was US\$102 million for the year, an increase of 17% compared to 2023. Hong Kong operating profit has grown 10% year-on-year, driven by a favourable mix shift towards higher-margin categories, with ready-to-eat (RTE) accounting for 16% of total sales for the full year. The newly launched 7-Eleven app offers discounted RTE bundles, pre-order functions, and digital stamps for IP collectibles to drive purchase frequency and customer loyalty.

7-Eleven South China and Singapore reported largely stable LFL sales supported by robust growth in RTE, which accounted for 40% and 23% of sales, respectively. Favourable margin impact from product mix shift and ongoing cost control contributed to meaningful profit growth in both markets. 7-Eleven continued to grow its store network in the South China region with 103 net openings during the year. The Group aims to drive further network expansion primarily through a capex-light franchise model.

### **FOOD**

Reported sales for the Food division in 2024 were US\$3.1 billion, down 5% year-on-year. Excluding the impact of the divestment of the Malaysia Food business in 2023 and Hero Supermarket operation in Indonesia, revenue for the division was 2% lower than the prior year. Underlying operating profit for the division was US\$58 million for the year, up from US\$45 million in 2023.

While increased outbound travel of Hong Kong residents to the Chinese mainland has affected food consumption for the majority of 2024, the situation has begun to normalise with total retail sales of supermarkets in Hong Kong returning to growth in the fourth quarter of 2024. Wellcome saw improving sales momentum in the fourth quarter with full-year LFL sales marginally below those of the prior year despite challenging trading conditions. Strong in-store execution and effective promotional campaigns have supported consistent market share gain over the course of the year. The Wellcome team has strengthened its omnichannel presence through the *wellcome.com.hk* website, its app and a quick-commerce partnership with foodpanda, contributing to a more than 20% sales growth in overall Food e-commerce with significantly improved profitability.

South East Asia Food sales performance was adversely affected by intense competition and soft consumer sentiment due to cost-of-living pressures. Improved sales mix, effective cost control and optimisation of the store portfolio led to a meaningful earnings recovery, with Singapore Food turning profitable in the fourth quarter of 2024. The Group continues to serve the Singapore market with different propositions through its various brands.

In June 2024, the Group completed the divestment of its Hero Supermarket business in Indonesia. Post-completion, DFI's operations in Indonesia have fully pivoted to the Guardian and IKEA businesses.

## HOME FURNISHINGS

IKEA reported sales of US\$701 million, representing a 12% drop compared to the prior year. Overall, LFL sales reduced by 11% in 2024. Operating profit was US\$16 million, down 13% year-on-year.

IKEA's business performance has been hampered by reduced customer traffic due to weak property market activity across regions. While IKEA Taiwan demonstrated relative resilience, sales in Hong Kong and Indonesia were affected by intensified competition and basket mix change as customers reduced purchases of big-ticket items.

In response to the challenging sales environment, the IKEA team continues to implement strong cost control measures across our markets. The IKEA Hong Kong business is pivoting towards a more value-driven omnichannel proposition to compete with Chinese mainland digital platforms. E-commerce penetration has now surpassed 10% across all markets. The IKEA Indonesia team remains focused on driving sales through enhancing store commerciality, increasing local sourcing, and adopting a more effective marketing strategy to improve local relevancy. Implementation of cost-saving measures contributed to narrowing losses compared to the prior year.

## RESTAURANTS

The Group's share of Maxim's underlying profits was US\$66 million in 2024, down from US\$79 million in the prior year, largely due to lower mooncake sales and weaker restaurant performance on the Chinese mainland. Maxim's continued to expand its presence in South East Asia, adding 76 net new stores during the year, mainly in Thailand and Vietnam. Benefiting from a diversified portfolio, restaurant sales performance in Hong Kong remained resilient despite an increase in outbound travel on weekends and public holidays.

## OTHER ASSOCIATES

The Group's share of Yonghui's underlying losses was US\$33 million for the year, compared to a US\$36 million share of underlying losses in the prior year. Continued macro headwinds and intense competition led to lower LFL sales. The reduction in losses was underpinned by ongoing cost optimisation, partially offset by a decline in gross margin. The divestment of the Group's minority stake in Yonghui was completed in February 2025.

Robinsons Retail's underlying profit contribution was US\$17 million, up 15% year-on-year. Robinsons Retail reported low single-digit growth in LFL and robust growth in operating profit driven by the Food and Drugstore segments. Reported profit contribution grew close to 90% year-on-year, supported by one-off gains following the BPI-Robinsons Bank merger in early 2024.

## OUTLOOK

We have navigated 2024 with resilient business performance and continued market share gains for our key business units by proactively adapting to changing market conditions through a stronger value proposition, expanded omnichannel presence and disciplined cost control. While challenges remain, we are cautiously optimistic about the outlook for 2025. The Group expects underlying profit attributable to shareholders to be between US\$230 million and US\$270 million in 2025, supported by an organic revenue growth of approximately 2%.

The Group will continue to execute against its strategic framework. By enhancing the local relevancy of our product offerings, deepening monetisation of our digital assets, and executing value-enhancing M&A transactions, we have put in place solid foundations in 2024, and we remain confident in driving sustained, profitable growth and shareholder returns in the years ahead.

Scott Price

*Group Chief Executive*

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### DFI Retail Group Holdings Limited Consolidated Profit and Loss Account for the year ended 31 December 2024

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	Underlying business performance US\$m	2024 Non- trading items US\$m	Total US\$m	Underlying business performance US\$m	2023 Non- trading items US\$m	Total US\$m
Revenue (note 2)	8,868.9	-	8,868.9	9,169.9	-	9,169.9
Net operating costs (note 3)	<u>(8,525.8)</u>	<u>(144.0)</u>	<u>(8,669.8)</u>	<u>(8,876.1)</u>	<u>(131.2)</u>	<u>(9,007.3)</u>
Operating profit (note 4)	343.1	(144.0)	199.1	293.8	(131.2)	162.6
Impairment charge on interest in an associate	-	(231.3)	(231.3)	-	-	-
Loss relating to divestment of an associate (note 10)	-	(114.4)	(114.4)	-	-	-
Financing charges	(155.5)	-	(155.5)	(151.8)	-	(151.8)
Financing income	4.7	-	4.7	7.9	-	7.9
Net financing charges (note 5)	(150.8)	-	(150.8)	(143.9)	-	(143.9)
Share of results of associates and	42.5	42.1	84.6	43.4	9.2	52.6



joint ventures (note 6)						
(Loss)/profit before tax	<b>234.8</b>	<b>(447.6)</b>	<b>(212.8)</b>	193.3	(122.0)	71.3
Tax (note 7)	<b>(29.5)</b>	<b>2.9</b>	<b>(26.6)</b>	(41.9)	1.0	(40.9)
(Loss)/profit after tax	<b>205.3</b>	<b>(444.7)</b>	<b>(239.4)</b>	<b>151.4</b>	<b>(121.0)</b>	<b>30.4</b>
Attributable to: Shareholders of the Company	<b>200.6</b>	<b>(445.1)</b>	<b>(244.5)</b>	154.7	(122.5)	32.2
Non-controlling interests	<b>4.7</b>	<b>0.4</b>	<b>5.1</b>	(3.3)	1.5	(1.8)
	<b>205.3</b>	<b>(444.7)</b>	<b>(239.4)</b>	<b>151.4</b>	<b>(121.0)</b>	<b>30.4</b>
	<b>USç</b>		<b>USç</b>	<b>USç</b>		<b>USç</b>
(Loss)/earnings per share (note 8)						
- basic	<b>14.91</b>		<b>(18.17)</b>	11.49		2.39
- diluted	<b>14.82</b>		<b>(18.17)</b>	11.43		2.38

**DFI Retail Group Holdings Limited**  
**Consolidated Statement of Comprehensive Income**  
**for the year ended 31 December 2024**

	<b>2024</b>	<b>2023</b>
	<b>US\$m</b>	<b>US\$m</b>
(Loss)/profit for the year	<b>(239.4)</b>	30.4
Other comprehensive (expense)/income		
Items that will not be reclassified to profit or loss:		
Net exchange translation loss arising during the year	<b>(0.3)</b>	-
Remeasurements of defined benefit plans	<b>3.2</b>	(1.7)
Net revaluation surplus before transfer to investment properties		
- tangible assets	-	1.5
- right-of-use assets	<b>5.7</b>	63.2
Tax relating to items that will not be reclassified	<b>(0.3)</b>	0.3
	<b>8.3</b>	63.3
Share of other comprehensive (expense)/income of associates and joint ventures	<b>(0.8)</b>	2.4
	<b>7.5</b>	65.7
Items that may be reclassified subsequently to profit or loss:		
Net exchange translation differences		
- net loss arising during the year	<b>(40.4)</b>	(15.2)

- transfer to profit and loss	8.4	48.7
	(32.0)	33.5
Cash flow hedges		
- net gain arising during the year	6.6	6.7
- transfer to profit and loss	(12.9)	(34.3)
	(6.3)	(27.6)
Tax relating to items that may be reclassified	(0.2)	1.2
Share of other comprehensive expense of associates and joint ventures		
- exchange translation loss and other arising during the year	(17.0)	(3.0)
- exchange translation loss transfer to profit and loss	0.4	-
	(16.6)	(3.0)
	(55.1)	4.1
Other comprehensive (expense)/income for the year, net of tax	(47.6)	69.8
Total comprehensive income for the year	(287.0)	100.2
Attributable to:		
Shareholders of the Company	(292.4)	96.8
Non-controlling interests	5.4	3.4
	(287.0)	100.2

**DFI Retail Group Holdings Limited**  
**Consolidated Balance Sheet**  
**at 31 December 2024**

	2024 US\$m	2023 US\$m
<b>Net operating assets</b>		
Intangible assets	137.5	289.6
Tangible assets	618.4	708.1
Right-of-use assets	2,542.1	2,662.3
Investment properties	100.8	122.2
Associates and joint ventures	839.1	1,793.7
Other investments	20.3	6.7
Non-current debtors	97.9	102.2
Deferred tax assets	38.7	35.8
Pension assets	7.6	4.4
Non-current assets	4,402.4	5,725.0
Stocks	686.3	763.5
Current debtors	222.7	256.3
Current tax assets	13.3	15.1
Cash and bank balances	273.8	303.4
	1,196.1	1,338.3

Assets held for sale ( <i>note 10</i> )	<u>1,673.5</u>	<u>47.8</u>
Current assets	<u>2,869.6</u>	<u>1,386.1</u>
Current creditors	<u>(2,949.8)</u>	<u>(2,095.9)</u>
Current borrowings	<u>(504.9)</u>	<u>(771.1)</u>
Current lease liabilities	<u>(560.4)</u>	<u>(562.0)</u>
Current tax liabilities	<u>(33.7)</u>	<u>(39.7)</u>
Current provisions	<u>(42.2)</u>	<u>(38.9)</u>
	<u>(4,091.0)</u>	<u>(3,507.6)</u>
Liabilities associated with assets held for sale ( <i>note 10</i> )	<u>-</u>	<u>(19.8)</u>
Current liabilities	<u>(4,091.0)</u>	<u>(3,527.4)</u>
Net current liabilities	<u>(1,221.4)</u>	<u>(2,141.3)</u>
Long-term borrowings	<u>(236.5)</u>	<u>(153.0)</u>
Non-current lease liabilities	<u>(2,202.6)</u>	<u>(2,285.8)</u>
Deferred tax liabilities	<u>(25.8)</u>	<u>(41.2)</u>
Pension liabilities	<u>(4.4)</u>	<u>(6.2)</u>
Non-current creditors	<u>(5.3)</u>	<u>(3.7)</u>
Non-current provisions	<u>(111.7)</u>	<u>(105.7)</u>
Non-current liabilities	<u>(2,586.3)</u>	<u>(2,595.6)</u>
	<u>594.7</u>	<u>988.1</u>
<b>Total equity</b>		
Share capital	<u>75.2</u>	<u>75.2</u>
Share premium and capital reserves	<u>75.6</u>	<u>72.8</u>
Revenue and other reserves	<u>430.6</u>	<u>832.2</u>
Shareholders' funds	<u>581.4</u>	<u>980.2</u>
Non-controlling interests	<u>13.3</u>	<u>7.9</u>
	<u>594.7</u>	<u>988.1</u>

**DFI Retail Group Holdings Limited**  
**Consolidated Statement of Changes in Equity**  
**for the year ended 31 December 2024**

	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	To equ US
<b>2024</b>							
At 1 January	75.2	39.6	33.2	832.2	980.2	7.9	<b>988</b>
Total comprehensive income	-	-	-	(292.4)	(292.4)	5.4	<b>(287.</b>
Dividends paid by the Company ( <i>note 11</i> )	-	-	-	(114.3)	(114.3)	-	<b>(114.</b>
Unclaimed dividends forfeited	-	-	-	0.1	0.1	-	<b>0</b>

Share-based long-term incentive plans	-	-	11.1	-	11.1	-	11
Shares purchased for a share-based long-term incentive plan	-	-	-	(2.7)	(2.7)	-	(2.7)
Change in interests in associates and joint ventures	-	-	-	(0.6)	(0.6)	-	(0.6)
Transfer	-	-	(8.3)	8.3	-	-	-
<b>At 31 December</b>	<b>75.2</b>	<b>39.6</b>	<b>36.0</b>	<b>430.6</b>	<b>581.4</b>	<b>13.3</b>	<b>594.5</b>
<b>2023</b>							
At 1 January	75.2	37.6	30.0	804.3	947.1	(5.7)	941.6
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(c))	-	-	-	-	-	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	-	-	-
<b>At 31 December</b>	<b>75.2</b>	<b>39.6</b>	<b>33.2</b>	<b>832.2</b>	<b>980.2</b>	<b>7.9</b>	<b>988.1</b>

Revenue and other reserves at 31 December 2024 comprised revenue reserves of US\$742.9 million (2023: US\$1,088.3 million), hedging reserves of US\$5.6 million (2023: US\$12.2 million), revaluation reserves of US\$91.1 million (2023: US\$98.5 million) and exchange reserves of US\$416.7 million loss (2023: US\$366.8 million loss).

**DFI Retail Group Holdings Limited**  
**Consolidated Cash Flow Statement**  
**for the year ended 31 December 2024**

	2024 US\$m	2023 US\$m
<b>Operating activities</b>		
Operating profit (note 4)	199.1	162.6
Depreciation and amortisation	837.4	827.2
Other non-cash items	163.7	148.1
(Increase)/decrease in working capital	(79.1)	45.4
Interest received	4.8	8.7
Interest and other financing charges paid	(153.9)	(153.2)
Tax paid	(50.7)	(40.8)
	<b>921.3</b>	<b>998.0</b>
Dividends from associates and joint ventures	51.6	45.6
<b>Cash flows from operating activities</b>	<b>972.9</b>	<b>1,043.6</b>
<b>Investing activities</b>		
Purchase of associates and joint ventures (note 12(a))	(6.4)	(18.4)

Purchase of other investments ( <i>note 12(b)</i> )	(46.5)	-
Purchase of intangible assets	(19.7)	(22.9)
Purchase of tangible assets	(153.3)	(173.4)
Repayment from associates and joint ventures	-	1.2
Sale of subsidiaries ( <i>note 12(c)</i> )	94.1	(23.8)
Sale of associates and joint ventures ( <i>note 12(d)</i> )	40.2	-
Sale of other investments	0.2	-
Sale of supermarkets in Indonesia ( <i>note 12(e)</i> )	7.3	-
Sale of properties ( <i>note 12(f)</i> )	18.9	142.0
Sale of other tangible assets	1.6	0.7
<b>Cash flows from investing activities</b>	<b>(63.6)</b>	<b>(94.6)</b>
<b>Financing activities</b>		
Purchase of shares for a share-based long-term incentive plan ( <i>note 12(g)</i> )	(2.7)	(9.7)
Drawdown of borrowings	1,490.0	1,268.9
Repayment of borrowings	(1,617.1)	(1,486.1)
Net (decrease)/increase in other short-term borrowings	(44.6)	51.3
Principal elements of lease payments	(641.7)	(624.7)
Dividends paid by the Company ( <i>note 11</i> )	(114.3)	(67.3)
<b>Cash flows from financing activities</b>	<b>(930.4)</b>	<b>(867.6)</b>
Net (decrease)/increase in cash and cash equivalents	(21.1)	81.4
Cash and cash equivalents at 1 January	298.2	213.7
Effect of exchange rate changes	(3.3)	3.1
<b>Cash and cash equivalents at 31 December (<i>note 12(h)</i>)</b>	<b>273.8</b>	<b>298.2</b>

## 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 31 December 2024 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).

There are no amendments which are effective in 2024 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 standards, interpretations or amendments that have been issued but not yet effective.

The Group's 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: Health and Beauty, Convenience, Food, Home Furnishings, Restaurants and Other Retailing. Health and Beauty represents the health and beauty businesses. Convenience is the Group's 7-Eleven businesses. Food comprises the grocery retail businesses (including the Group's associates, Robinsons Retail and Yonghui, leading grocery retailers in the Philippines and on the Chinese mainland, respectively). 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 Robinsons Retail.

The Group's reportable segments are set out in notes 2, 4 and 6.

### 2. Revenue

2024 US\$m	2023 US\$m
---------------	---------------

Sales of goods

*Analysis by reportable segments:*

Health and Beauty	2,457.3	2,444.8
Convenience	2,378.8	2,441.4
Food	3,130.6	3,285.4
Home Furnishings	<u>701.2</u>	<u>793.7</u>
	<b>8,667.9</b>	<b>8,965.3</b>
Revenue from other sources	<u>201.0</u>	<u>204.6</u>
	<b><u>8,868.9</u></b>	<b><u>9,169.9</u></b>

The Group's revenue is further analysed as follows:

	2024 US\$m	2023 US\$m
From contracts with customers		
Recognised at a point in time	8,853.1	9,156.5
Recognised over time	12.6	12.6
	<b>8,865.7</b>	<b>9,169.1</b>
Other		
Rental income from investment properties	<u>3.2</u>	<u>0.8</u>
	<b><u>8,868.9</u></b>	<b><u>9,169.9</u></b>

*Analysis by geographical areas:*

North Asia	6,489.8	6,675.4
South East Asia	<u>2,379.1</u>	<u>2,494.5</u>
	<b><u>8,868.9</u></b>	<b><u>9,169.9</u></b>

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

	2024			2023		
	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	(5,639.8)	-	<b>(5,639.8)</b>	(5,957.2)	-	(5,957.2)
Other operating income	5.8	57.5	<b>63.3</b>	10.5	61.0	71.5
Selling and distribution costs	(2,375.7)	-	<b>(2,375.7)</b>	(2,412.1)	-	(2,412.1)
Administration and other operating expenses	<u>(516.1)</u>	<u>(201.5)</u>	<u>(717.6)</u>	<u>(517.3)</u>	<u>(192.2)</u>	<u>(709.5)</u>
	<b><u>(8,525.8)</u></b>	<b><u>(144.0)</u></b>	<b><u>(8,669.8)</u></b>	<b><u>(8,876.1)</u></b>	<b><u>(131.2)</u></b>	<b><u>(9,007.3)</u></b>

4. Operating Profit

2024 US\$m	2023 US\$m
---------------	---------------

*Analysis by reportable segments:*

Health and Beauty	210.8	212.5
Convenience	102.3	87.7
Food	57.8	45.3
Home Furnishings	16.1	18.5
	<b>387.0</b>	364.0
Selling, general and administrative expenses	<b>(138.7)</b>	<b>(151.9)</b>
Underlying operating profit before IFRS 16 <sup>+</sup>	<b>248.3</b>	212.1
IFRS 16 adjustment <sup>‡</sup>	<b>94.8</b>	81.7
Underlying operating profit	<b>343.1</b>	293.8
Non-trading items (note 9):		
- business restructuring costs	(21.6)	(12.4)
- net gain on sale of subsidiaries	8.8	-
- net gain on sale of joint ventures	43.6	-
- profit on sale of supermarkets in Indonesia	1.4	-
- net profit on sale of properties	3.7	61.0
- impairment of intangible assets	(133.4)	(109.8)
- impairment of properties	(0.2)	-
- change in fair value of investment properties	(13.6)	(0.6)
- change in fair value of equity and debt investments	(32.7)	(15.0)
- divestment of Malaysia Grocery Retail business	-	(54.4)
	<b>199.1</b>	<b>162.6</b>

<sup>+</sup> This measure of profit and loss is regularly provided to 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.

<sup>‡</sup> 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 areas:

	2024 US\$m	2023 US\$m
North Asia	339.8	351.5
South East Asia	47.2	12.5
	<b>387.0</b>	364.0
Selling, general and administrative expenses	<b>(138.7)</b>	<b>(151.9)</b>
Underlying operating profit before IFRS 16 <sup>+</sup>	<b>248.3</b>	212.1
IFRS 16 adjustment <sup>‡</sup>	<b>94.8</b>	81.7
Underlying operating profit	<b>343.1</b>	<b>293.8</b>

<sup>+</sup> This measure of profit and loss is regularly provided to 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.

<sup>‡</sup> 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

	2024 US\$m	2023 US\$m
Interest expense		

- bank loans and advances	(35.5)	(49.5)
- lease liabilities	(113.5)	(95.9)
- discounted liability on provisions	(1.0)	-
	(150.0)	(145.4)
Commitment and other fees	<u>(5.5)</u>	<u>(6.4)</u>
Financing charges	(155.5)	(151.8)
Financing income	<u>4.7</u>	<u>7.9</u>
	<u>(150.8)</u>	<u>(143.9)</u>

#### 6. Share of Results of Associates and Joint Ventures

	2024*	2023*
	US\$m	US\$m
<i>Analysis by reportable segments:</i>		
Health and Beauty	5.9	8.5
Food	11.4	(39.1)
Restaurants	63.9	77.6
Other Retailing	<u>3.4</u>	<u>5.6</u>
	<u>84.6</u>	<u>52.6</u>

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

	2024*	2023*
	US\$m	US\$m
Change in fair value of Maxim's investment property	(1.7)	(0.9)
Change in fair value of Yonghui's investment property	(0.7)	(0.2)
Change in fair value of Robinsons Retail's equity investments	34.4	20.8
Change in fair value of Yonghui's equity investments	(8.0)	(0.9)
Impairment charge of Yonghui's investments	-	(9.8)
Gain from sale of an associate by Robinsons Retail	16.5	-
Net gain from sale of debt investments by Robinsons Retail	-	0.2
Gain from partial sale of an investment by Yonghui	<u>1.6</u>	<u>-</u>
	<u>42.1</u>	<u>9.2</u>

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

In January 2024, Robinsons Retail disposed of its interest in an associate, Robinsons Bank Corporation (RBC) through a merger between RBC and Bank of the Philippine Islands (BPI), Robinsons Retail's equity investment. Upon the completion of merger, Robinsons Retail directly and indirectly owns approximately 6.5% interest of BPI. The Group shared a gain of US\$16.5 million on this transaction. The fair value change of Robinsons Retail's equity investments largely represented the fair value change of BPI.

\* Included 12 months results from 1 October 2023 to 30 September 2024 (2023: 1 October 2022 to 30 September 2023) for Robinsons Retail and Yonghui, based on their latest published announcements.

#### 7. Tax

	2024	2023
	US\$m	US\$m
Tax charged to profit and loss is analysed as follows:		
Current tax	(46.9)	(45.8)
Deferred tax	<u>20.3</u>	<u>4.9</u>



	<u>(26.6)</u>	<u>(40.9)</u>
Tax relating to components of other comprehensive income is analysed as follows:		
Remeasurements of defined benefit plans	(0.3)	0.3
Cash flow hedges	<u>(0.2)</u>	<u>1.2</u>
	<u>(0.5)</u>	<u>1.5</u>

The Group is within the scope of the OECD Pillar Two model rules, and has applied the exception to recognising and disclosing information about deferred tax assets and liabilities relating to Pillar Two income taxes from 1 January 2023.

Pillar Two legislation has been enacted or substantially enacted in certain jurisdictions in which the Group operates. The legislation has become effective for the Group's financial year ended 31 December 2024. 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.

The assessment of the potential exposure to Pillar Two income taxes is based on the latest financial information for the year ended 31 December 2024 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 income tax expense related to Pillar Two income taxes in the relevant jurisdiction is assessed to be immaterial.

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\$26.0 million (2023: US\$23.4 million) is included in share of results of associates and joint ventures.

#### 8. (Loss)/Earnings per Share

Basic (loss)/earnings per share are calculated on loss attributable to shareholders of US\$244.5 million (2023: profit of US\$32.2 million), and on the weighted average number of 1,345.3 million (2023: 1,346.1 million) shares in issue during the year.

Diluted (loss)/earnings per share are calculated on loss attributable to shareholders of US\$244.5 million (2023: profit of US\$32.2 million), and on the weighted average number of 1,345.3 million shares in issue during the year (2023: 1,353.6 million shares in issue after adjusting for 7.5 million shares which were deemed to be issued or granted for no consideration under the share-based long-term incentive plans).

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

	Ordinary shares in millions	
	2024	2023
Weighted average number of shares in issue	1,353.7	1,353.6
Shares held by a subsidiary of the Group under a share-based long-term incentive plan	<u>(8.4)</u>	<u>(7.5)</u>
Weighted average number of shares for basic earnings per share calculation	1,345.3	1,346.1
Adjustment for shares deemed to be issued or granted for no consideration under the share-based long-term incentive plans	<u>8.4*</u>	<u>7.5</u>
Weighted average number of shares for diluted earnings per share calculation	<u>1,353.7</u>	<u>1,353.6</u>

\* Applicable for calculating diluted earnings per share for underlying profit attributable to shareholders only.

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

	2024			2023		
	US\$m	Basic (loss)/earnings per share	Diluted (loss)/earnings per share	US\$m	Basic earnings per share US¢	Diluted earnings per share US¢

		US¢	US¢			
(Loss)/profit attributable to shareholders	<b>(244.5)</b>	<b>(18.17)</b>	<b>(18.17)</b>	32.2	2.39	2.38
Non-trading items ( <i>note 9</i> )	<b>445.1</b>			<b>122.5</b>		
Underlying profit attributable to shareholders	<b>200.6</b>	<b>14.91</b>	<b>14.82</b>	<b>154.7</b>	11.49	11.43

#### 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 revaluations of investment properties, and equity and debt investments which are measured at fair value through profit and loss; 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 (loss)/profit attributable to shareholders is set out below:

	Operating profit		(Loss)/profit attributable to shareholders	
	2024 US\$m	2023 US\$m	2024 US\$m	2023 US\$m
Business restructuring costs	<b>(21.6)</b>	(12.4)	<b>(20.5)</b>	(11.4)
Net gain on sale of subsidiaries	<b>8.8</b>	-	<b>10.7</b>	-
Net gain on sale of joint ventures	<b>43.6</b>	-	<b>43.6</b>	-
Profit on sale of supermarkets in Indonesia	<b>1.4</b>	-	<b>1.2</b>	-
Net profit on sale of properties ( <i>note 12(f)</i> )	<b>3.7</b>	61.0	<b>3.3</b>	59.2
Impairment of intangible assets	<b>(133.4)</b>	(109.8)	<b>(133.4)</b>	(109.8)
Impairment of properties	<b>(0.2)</b>	-	<b>(0.2)</b>	-
Change in fair value of investment properties	<b>(13.6)</b>	(0.6)	<b>(13.5)</b>	(0.6)
Change in fair value of equity and debt investments	<b>(32.7)</b>	(15.0)	<b>(32.7)</b>	(15.0)
Divestment of Malaysia Grocery Retail business	-	(54.4)	-	(54.1)
Impairment charge on interest in an associate	-	-	<b>(231.3)</b>	-
Loss relating to divestment of an associate ( <i>note 10</i> )	-	-	<b>(114.4)</b>	-
Share of change in fair value of Maxim's investment property	-	-	<b>(1.7)</b>	(0.9)
Share of change in fair value of Yonghui's investment property	-	-	<b>(0.7)</b>	(0.2)
Share of change in fair value of Robinsons Retail's equity investments ( <i>note 6</i> )	-	-	<b>34.4</b>	20.8
Share of change in fair value of Yonghui's equity investments	-	-	<b>(8.0)</b>	(0.9)
Share of impairment charge of Yonghui's investments	-	-	-	(9.8)
Share of gain from sale of an associate by Robinsons Retail ( <i>note 6</i> )	-	-	<b>16.5</b>	-
Share of net gain from sale of debt investments by Robinsons Retail	-	-	-	0.2
Share of gain from partial sale of an investment by Yonghui	-	-	<b>1.6</b>	-
	<b>(144.0)</b>	<b>(131.2)</b>	<b>(445.1)</b>	<b>(122.5)</b>

The Group continues to review and restructure its operation formats. In view of this, restructuring costs primarily relating to employee costs of US\$17.0 million and business closure costs of US\$6.2 million

were charged to profit and loss during the year. In 2023, there were also US\$12.5 million restructuring costs primarily relating to employee costs charged to profit and loss.

Net gain on sale of subsidiaries in 2024 related to the Group's disposals of its wholly-owned subsidiaries, Jelita Property Pte Ltd (Jelita Property), a property holding company in Singapore and DFI Properties Taiwan Limited (DFI Properties), a property holding company in Taiwan with a gain of US\$14.4 million and a loss of US\$5.6 million, respectively. Following the disposals, the Group immediately leased back certain portions of the tangible and right-of-use assets from Jelita Property and DFI Properties.

Net gain on sale of joint ventures comprised a gain of US\$44.1 million on sale of 41.5% interest in Retail Technology Asia Limited (RTA) to a joint venture partner, and a loss of US\$0.5 million on sale of the Group's interest in All Guardian Company Limited (All Guardian), a health and beauty joint venture in Thailand during the year. The Group has no interest in these joint ventures upon the completion of the transactions.

In June 2024, the Group disposed of its supermarkets in Indonesia with the assets and liabilities supporting the business sold at a profit of US\$1.4 million.

Following an impairment review in 2024, goodwill associated with San Miu business in Macau was fully impaired with an impairment charge of US\$120.5 million, while goodwill related to Lucky business in Cambodia was reduced to its recoverable amount of US\$12.3 million, resulting in a US\$12.9 million impairment charge. In 2023, the impairment charges on goodwill were associated with San Miu, Giant business in Singapore and the remaining goodwill in digital business in Hong Kong and Singapore amounting to a total of US\$109.8 million.

The impairment charge on interest in an associate related to the Group's interest in Robinsons Retail. At 31 December 2024, the fair value of Robinsons Retail was US\$196.3 million, compared to its carrying amount of US\$471.9 million, indicating a deficit of US\$275.6 million. An impairment review was conducted on the carrying value, by determining the recoverable amount using a value-in-use calculation to estimate the discounted future cash inflows derived from holding the investment and from its ultimate disposal, and concluded that an impairment charge of US\$231.3 million was required.

In 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 shareholdings in GCH Retail (Malaysia) Sdn. Bhd. (GCH), Jutaria Gemilang Sdn. Bhd., and Jupiter Lagoon Sdn. Bhd., were disposed. A loss on sale of subsidiaries amounting to US\$49.1 million, including a cumulative exchange translation loss of US\$48.7 million, was recorded. There were also impairment charge of US\$3.0 million on certain tangible assets in the business upon the reclassification to assets held for sale and a profit on disposal of associated properties of US\$3.3 million was recorded. Together with other charges, a total of US\$54.4 million was charged to profit and loss in regard of the divestment in 2023.

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

	2024 US\$m	2023 US\$m
Tangible and right-of-use assets	3.7	6.5
Investment properties	7.7	-
Interest in an associate	1,662.1	-
Assets included in disposal group held for sale	-	41.3
Assets held for sale	1,673.5	47.8
Liabilities associated with assets held for sale	-	(19.8)
	<u>1,673.5</u>	<u>28.0</u>

##### *Tangible and right-of-use assets*

At 31 December 2024, the tangible and right-of-use assets held for sale represented a property in Indonesia. The sale of this property is considered to be highly probable in 2025.

At 31 December 2023, the tangible and right-of-use assets held for sale represented two properties in Indonesia. These properties were sold at a profit of US\$4.6 million during the year.

##### *Investment properties*

At 31 December 2024, the investment properties held for sale represented two properties in Indonesia. The sale of these properties is considered to be highly probable in 2025.

##### *Interest in an associate*

At 31 December 2024, the interest in an associate classified as held for sale represented the Group's 21.44% interest in Yonghui.

On 23 September 2024, the Group entered into a share transfer agreement (the Agreement) with a third-party for the disposal of 1,913.1 million shares of Yonghui at CNY2.35 per share, representing the Group's entire interest in Yonghui, for a total consideration of CNY4,495.9 million (approximately US\$622.7 million). A total loss relating to the divestment of US\$114.4 million was recognised in the year.

On entering the Agreement, management considered the divestment was highly probable within one year, and accordingly, the interest in Yonghui was reclassified to assets held for sale, and the equity basis of accounting for this investment was discontinued in September 2024. An impairment charge of US\$149.3 million was recognised to reduce the US\$758.9 million carrying value of Yonghui to its fair value less costs to sell.

As part of its financial risk management strategy, the Group designated the Agreement, representing a forward contract, as the hedge instrument to mitigate the changes in fair value of the shares associated with its interest in Yonghui, the hedged asset. As a result, fair value hedge accounting has been applied, with changes in the fair value of both the forward contract and the Group's interest in Yonghui recognised in profit and loss.

At 31 December 2024, Yonghui's share price indicated a fair value gain of US\$1,081.8 million on the Yonghui interest classified under held for sale. Simultaneously, a corresponding fair value loss of US\$1,050.7 million was recorded on the forward contract.

To mitigate the potential losses from the Chinese yuan versus the United States dollar, forward foreign exchange contracts were secured in December 2024. At 31 December 2024, there was a total fair value gain of US\$7.8 million arose from these forward foreign exchange contracts and the gain was credited to profit and loss.

The loss relating to divestment of Yonghui for the year ended 31 December 2024 is summarised as below:

	US\$m
Impairment charge upon reclassification to assets held for sale	(149.3)
Fair value gain on interest in Yonghui	1,081.8
Fair value loss on a forward contract	(1,050.7)
Fair value gain on forward foreign exchange contracts	7.8
Transaction costs provided	(4.0)
Loss relating to the divestment ( <i>note 9</i> )	<u>(114.4)</u>

Additional information on the impact to the consolidated balance sheet relating to the divestment at 31 December 2024 is also set out below:

	US\$m
Current debtors	7.8
Assets held for sale	1,662.1
Current creditors	<u>(1,053.4)</u>
Assets and liabilities relating to the divestment	<u>616.5</u>

The divestment was completed with proceeds of CNY4,495.9 million received on 26 February 2025. The assets held for sale and current creditors described above were therefore settled on the completion date. Based on a preliminary assessment, a further loss of approximately US\$130.0 million, mainly from the realisation of exchange translation differences, will be charged to profit and loss in the year ending 31 December 2025. The total loss relating to the divestment is approximately US\$244.0 million.

***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. Upon completion of the disposal, the Group immediately leased back a portion of the tangible and right-of-use assets from DFI Properties. The transactions were completed during the year (*note 9*).

The disposal group held for sale represented the portion of the tangible and right-of-use assets that would not be leased back, and other assets and liabilities, with a total carrying value of US\$21.5 million attributable to DFI Properties at 31 December 2023.

#### 11. Dividends

	2024 US\$m	2023 US\$m
Final dividend in respect of 2023 of US\$5.00 ( <i>2022: US\$2.00</i> ) per share	67.7	27.1
Interim dividend in respect of 2024 of US\$3.50 ( <i>2023: US\$3.00</i> ) per share	<u>47.4</u>	<u>40.6</u>
	115.1	67.7
Dividends on shares held by a subsidiary of the Group under a share-based long-term incentive plan	<u>(0.8)</u>	<u>(0.4)</u>
	<u>114.3</u>	<u>67.3</u>

A final dividend in respect of 2024 of US\$7.00 (*2023: US\$5.00*) per share amounting to a total of US\$94.8 million (*2023: US\$67.7 million*) is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the 2025 Annual General Meeting and will be accounted for as an appropriation of revenue reserves in the year ending 31 December 2025.

#### 12. Notes to Consolidated Cash Flow Statement

(a) Purchase of associates and joint ventures in 2024 related to the Group's capital injections of US\$4.5 million to Minden International Pte. Ltd. (Minden), an associate in Singapore and US\$1.9 million to Pan Asia Trading and Investment One Member Company Limited (PATI), a joint venture in Vietnam.

Purchase in 2023 related to the Group's capital injections of US\$8.3 million to RTA, US\$5.1 million to Minden, US\$2.2 million to All Guardian and US\$2.8 million to PATI.

(b) Purchase of other investments in 2024 related to the Group's subscription of 1.14% equity shares in Dmall Inc., a company listed in the Hong Kong Stock Exchange, amounted to US\$39.6 million and the Group's investment in Tecsa Limited, a company founded in the United Kingdom, providing customer data and loyalty analytics consultancy services, for US\$6.9 million.

(c) Sale of subsidiaries

	2024 US\$m	2023 US\$m
Non-current assets	79.3	102.2
Current assets	42.9	174.2
Current liabilities	(19.8)	(177.9)
Non-current liabilities	(35.3)	(120.8)

Non-controlling interests	-	10.2
Net assets/(liabilities) disposed of	67.1	(12.1)
Deferred gain on sale and leaseback of properties	11.6	-
Cumulative exchange translation losses	8.4	48.7
Net gain/(loss) on disposals	8.8	(49.1)
Total consideration	95.9	(12.5)
Non-cash items:		
- consideration settled	-	41.8
- consideration receivable	-	(1.1)
- transaction costs settled	-	2.2
- transaction costs payable	2.0	4.4
	2.0	47.3
Cash and cash equivalents of the subsidiaries disposed of	(3.8)	(58.6)
Net cash inflows/(outflows)	94.1	(23.8)

Total consideration of the transactions is further analysed as follows:

	2024 US\$m	2023 US\$m
Net sale proceeds	97.9	59.6
Consideration paid and settled	-	(49.2)
Consideration receivable	-	1.1
Transaction costs paid and settled	-	(19.6)
Transaction costs payable	(2.0)	(4.4)
	95.9	(12.5)

Net cash inflows for sale of subsidiaries in 2024 related to the Group's disposal of its 100% interest in DFI Properties and Jelita Property for net cash inflows of US\$57.4 million and US\$36.7 million, respectively (*note 9*).

There was no revenue recognised by the subsidiaries disposed of during the year. Loss after tax in respect of the subsidiaries disposed of during the year amounted to US\$1.3 million.

In 2023, the Group completed the disposals of its interests in subsidiaries operating the Malaysia Grocery Retail business, and the associated properties, to a third-party. 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 cash received from the divestment of the Malaysia Grocery Retail business in 2023 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)*).

- (d) Sale of associates and joint ventures in 2024 mainly related to the proceeds from the Group's disposal of 41.5% interest in RTA amounted to US\$38.9 million and its interest in All Guardian amounted to US\$2.2 million.
- (e) Sale of supermarkets in Indonesia in 2024 represented the net proceeds from the Group's disposal of its supermarket business amounting to US\$7.3 million. Assets mainly tangible assets and inventories, and liabilities supporting the business were sold at a profit of US\$1.4 million (*note 9*).
- (f) Sale of properties in 2024 related to disposal of four properties in Indonesia for a total cash consideration of US\$18.9 million, and a net profit on disposal amounted to US\$3.7 million (*note 9*) was recognised.

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 profit 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(c)*), and a profit of US\$3.3 million (*note 9*) was recognised.

(g) Purchase of shares for a share-based long-term incentive plan in 2024 related to the purchase of 1,432,716 ordinary shares from the stock market by a subsidiary of the Group for a total consideration of US\$2.7 million. In 2023, 3,976,300 ordinary shares were purchased for US\$9.7 million.

(h) Analysis of balances of cash and cash equivalents

	2024 US\$m	2023 US\$m
Cash and bank balances	273.8	303.4
Bank overdrafts	-	(8.1)
Cash and bank balances included in assets held for sale ( <i>note 10</i> )	-	2.9
Cash and cash equivalents	<u>273.8</u>	<u>298.2</u>

### 13. Capital Commitments and Contingent Liabilities

Total capital commitments at 31 December 2024 amounted to US\$44.6 million (*2023: US\$72.3 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 (JMH). Both companies are incorporated in Bermuda.

In the normal course of business, the Group undertakes a variety of transactions with certain subsidiaries, associates and joint ventures of JMH (Jardine Matheson group), and the Group's associates and joint ventures. The more significant of such transactions are described below.

	2024 US\$m	2023 US\$m
Management services provided by Jardine Matheson Limited (JML)		
- management consultancy services	0.4	0.2
- directors' fees	0.3	0.3
Property, purchases and other services provided by Jardine Matheson group		
- lease payments	3.0	4.0
- motor vehicles	1.5	0.9
- accounting, and repairs and maintenance services	8.2	2.4
Purchases and services received from associates and joint ventures		
- ready-to-eat products	45.6	47.3
- point-of-sale system implementation and consultancy services	19.5	16.9
- customer loyalty programme launched in Singapore	4.7	4.7

The management fees paid to JML, a wholly-owned subsidiary of JMH, are under the terms of a Management Services Agreement.

The fees relating to the point-of-sale system implementation and consultancy services paid to RTA group represented the amounts paid before the Group's divestment of RTA during the year.

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 creditors.

### 15. Post Balance Sheet Event

On 26 February 2025, the Group completed the divestment of its interest in Yonghui. Detailed information is stated in note 10.

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 2024 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, 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 and unemployment rate. Such developments might increase operating costs, reduce consumers' purchasing power and 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.

#### **Competitive Market Environment, Consumer Behaviour Change and Digital Transformation Risk**

Market risk refers to the potential for a company's financial performance to be adversely affected by changes in market conditions. The Group's businesses operate in areas that are highly competitive and failure to compete effectively, whether in terms of price, technology, property site or levels of service, or 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 the Group's earnings. Significant competitive pressure may also lead to reduced margins.

While the Group's regional diversification does help to mitigate some risks, a significant portion of the Group's revenues and profits continues to be derived from our operations in Hong Kong. Although Hong Kong has seen a return of tourists, this is still below pre-pandemic levels. With the increasing integration with the Greater Bay Area, more citizens opt to shop across the border due to price differences and wider range of product choices. Recent increased emigration and a decline in net population also impact the Group, leading to local customer base and spending power reduction.

With technology advancements, consumers now have heightened expectations for their online shopping experiences. Our digital strategy will continue to evolve to meet these expectations. While social media presents significant opportunities for the Group's businesses to connect with customers and the public, it also creates potential risks for companies to monitor, including potential damage to brand equity or reputation from negative publicity on these media, which may in turn adversely affect 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.
- Closely monitoring price index against competitor and market and rationalising promotion to reduce unnecessary price investment in price inelastic products.

#### **Financial and Treasury Risk**

The Group prepares financial statements in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations as issued by the International Accounting Standards Board. These standards may be subject to revisions and/or supplements from time to time, which could in turn have significant impact on the Group's financial statement presentation, financial position, or results of operations.

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

The financial and treasury risk the Group faces includes i) foreign exchange-related risk: this refers to risks arising from daily operations and other 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: potential adverse interest rate fluctuations through the impact of rate changes on interest-bearing liabilities and assets; and iii) securities price risk: the Group's financial performance may be negatively impacted 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.
- Continuous monitoring on accounting standards and reporting requirements updates.

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.

#### **Leasing, Franchises, Concessions 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 contracts could adversely affect the financial conditions and results of operations of certain subsidiaries, associates, and joint ventures of the Group.

Other factors relating to lease arrangements of stores such as competition with other potential tenants or rental increase could adversely impact store profitability, and the Group's offline expansion strategy.

Our convenience business mainly operates on a sub-franchise model and offers the Group with expansion opportunities. However, the risk that we may be unable to recruit suitable franchisees and potential inconsistency in sub-franchisee's operations could adversely affect our earnings and reputation.

#### ***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.
- Negotiate to commit to a longer lease term for low-rent-stores with renewal options.
- Seek space expansion of existing stores with high sales potential, or downsize stores with low sales intensity.
- Leverage the Group's resources by pooling stores of different formats and banner to create high stakes and enhance bargaining power.

#### **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, environmental protection, 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.

The Group's businesses could also be impacted by worldwide or geographical political tensions. These include US-China trade war, the Ukraine War and Middle East Conflicts, which indirectly impact our businesses from different aspects e.g. product supply, customer preference and insurance coverage.

#### ***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 and arrange intensive training for key personnel to understand and work towards full compliance.
- Updated/Fit-for-purpose crisis management plans in place.

#### **Cybersecurity and Technology Risk**

The Group faces an increasing number of cyber threat. With the increase volume of customer data collected via loyalty programs and alongside our ecommerce expansion strategy, 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.

There are also increasing cyber fraud activities such as phishing email or SMS with fake websites, where team members and customers are deceived to provide confidential information or make payment to fraudsters. These could also adversely impact the Group businesses image.

The Group is heavily reliant on the integrity of 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. Existing and new unsupported systems with security vulnerabilities are also prone to performance issue and unable to support the Group's expansion strategy.

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 (labour shortage)**

The competitiveness of an organisation depends on the quality and the availability of the people that it attracts and retains. The market has also seen a change in work preference (e.g. self-employed/non-customers facing role/remote working), driven by generational shift in workforce.

A shortage of manpower to run stores and other 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 DE&I across the Group.
- Total compensation in line with market benchmarking.

- Review and expand recruitment channels to reach out more candidates, i.e. Facebook's recruitment page, LinkedIn recruitment and WhatsApp of related job group, recruitment booth, and direct mailing.

#### **Environmental and Climate Related Risks**

Natural 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. Additionally, rising temperatures may lead to increased energy and refrigerant consumption, resulting in a higher carbon footprint.

With governments also taking a more proactive approach towards carbon taxes, renewable energies, waste reduction 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 among investors, governments and the general public, expectations from 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 for the Group and its businesses to meet key stakeholders' expectations.

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

#### **Mitigation Measures**

- Established a Sustainability Committee, led by the Group Chief Executive and certain Management Committee members, actively involved in developing and implementing the decarbonisation strategy and targets while monitoring progress.
- Investing in energy and refrigeration efficiency initiatives to reduce energy consumption and optimise cooling system, addressing temperature rise and extreme heat.
- Budgeted US\$15 million to US\$20 million annually to the investment in scope 1 and 2 projects to ensure sufficient funding in reducing carbon footprints addressing low carbon technologies transition.
- Incorporated carbon emission assessments into new store openings and renewals and consider potential carbon pricing impacts in decision-making, managing the potential risk from carbon pricing.
- Implemented business continuity plans for all locations to ensure operational resilience to address typhoon and rainfall flooding.
- Implementing supplier diversification programme to diversify supply source from regions with more sustainable farming practice or less prone to climate impact to address increased production cost due to climate change.
- Innovating and developing new products or services that align with sustainability trends, such as sustainable packaging and Own Brand Low Carbon Rice, addressing consumer preferences change to low carbon products.
- Improved ESG rating, particularly climate-related criteria to address increased investors and consumers concerns over climate change management by corporations.
- Conducting regular and comprehensive climate scenario analysis to identify vulnerabilities and opportunities, enabling informed decision-making to address the risks.
- Obtaining assurance on emission data disclosed and improve climate-related data quality and accounting control.
- Implemented compliance programme to ensure adherence to evolving regulations, including regular monitoring, and updating of policies and procedures.

#### **Third-party Service Provider and Supply Chain Management Risk**

Third-party reliance risk refers to the availability and/or major disruption in operations of our key suppliers, rendering their inability to serve the Group's businesses. These can be linked to financial instability, cyber fraud or security threats, violation of legal and regulatory requirement and non-compliance to the Group's supplier code of conduct.

Supply chain risk refers to potential disruptions and uncertainties that can affect the flow of goods and services from suppliers to end consumers. These risks include dependence on key suppliers, suppliers quality fluctuations, geopolitical tensions, natural disasters and transportation delays. Changes in international trade policies or tariffs could also impact the availability and cost of goods.

All these factors could potentially lead to inventory shortages, financial losses due to business disruption, and reputation damage to the Group.

#### ***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 the 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 supplier's 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**

Health and safety risks encompass the potential threats to the well-being of team members, customers, and contractors within the Group's operating environment. These risks can arise from workplace accidents, insufficient safety protocols, and exposure to hazardous materials which could lead to injuries or illnesses. High traffic in stores also increases the potential for incidents, while ensuring we adhere to health & safety regulations.

Product quality risk involves potential issues associated with the goods used or consumed by customers, which can lead to recalls, legal liabilities, and reputational damage to the Group. Risks may also arise from supplier quality issues, non-compliance with regulatory standards, or manufacturing defects.

#### ***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 is designed to recognise potential hazards, enabling timely corrective actions to be taken to enhance workplace safety.
- 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 that 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 the Group's 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 team member compensation.
- Obtaining adequate product liability insurance.

##### **Supplier-related Ethical Sourcing Risk**

Supplier-related ethical sourcing risk refers to the risk of engaging with suppliers who do not align with the Group's ethical and sustainability goals. This includes limited transparency in complex supply chains,

difficulties in verification and auditing, and potential non-compliance by suppliers such as violation of employment rights related regulations at production sites.

Our business advocates for protecting human rights in our own operations and business relationships. It includes ensuring fair wages and safe working conditions for team members, privacy protection, working environment free from discrimination and abuse.

Failure to manage such risks could lead to material reputational damage, regulatory fines and negative financial impact.

***Mitigation Measures***

- Establish and communicate on supplier's code of conduct.
- Risk-based Supplier Ethical Audit requirement to ensure compliance with ethical standards and code of conduct.
- Provide training and education to internal team members and suppliers about ethical sourcing and sustainability best practices.
- Maintain effective 'Speak Up' hotline for any non-compliance or workplace concern to be raised.
- Implement survey for team members and business partners to understand ethical environment in our operation.

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**DFI Retail Group Holdings Limited  
Responsibility Statements**

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

- 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 2024 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  
Tom van der Lee

*Directors*

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**DFI Retail Group Holdings Limited  
Dividend Information for Shareholders**

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The final dividend of US\$7.00 per share will be payable on 14 May 2025, subject to approval at the Annual General Meeting to be held on 2 May 2025, to shareholders on the registers of members at the close of business on 21 March 2025. The shares will be quoted ex-dividend on 20 March 2025, and the share registers will be closed from 24 to 28 March 2025, inclusive.

Shareholders will receive cash dividends in United States Dollars, except where 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 Pounds Sterling. These shareholders may make new currency elections for the 2024 final dividend by notifying the United Kingdom transfer agent in writing by no later than 4.00 p.m. (local time) on 25 April 2025. The Pounds Sterling equivalent of dividends declared in United States Dollars will be calculated by reference to an exchange rate prevailing on 30 April 2025.

Shareholders holding their shares through the CREST system in the United Kingdom will receive cash dividends in Pounds 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 enrolled in CDP's Direct Crediting Service (DCS).

Those shareholders who are enrolled in 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 enrolled in CDP's DCS

Those shareholders who are not enrolled in 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 21 March 2025, 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 20 March 2025.

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## DFI Retail Group Holdings Limited About DFI Retail Group

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DFI Retail Group is a leading Asian retailer. At 31 December 2024, the Group, its associates and joint ventures operated over 10,700 outlets, of which more than 5,000 stores were operated by subsidiaries. The Group, together with associates and joint ventures, employed over 190,000 people, with over 45,000 people employed by its subsidiaries. The Group had total annual revenue in 2024 of US\$24.9 billion and reported revenue of US\$8.9 billion.

DFI Retail Group is dedicated to delivering quality, value and exceptional service to Asian consumers through a compelling retail experience, supported by an extensive store network and highly efficient supply chains.

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

### Health and Beauty

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

### Convenience

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

### Food

- Wellcome and Market Place in Hong Kong S.A.R.; Cold Storage and Giant in Singapore; Lucky in Cambodia; and Robinsons in the Philippines.

### Home Furnishings

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

### Restaurants

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

### Other Retailing

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

At the heart of its business, DFI Retail Group is driven by its purpose to 'Sustainably Serve Asia for Generations with Everyday Moments'.

The Group's parent company, DFI Retail Group Holdings Limited, is incorporated in Bermuda and has a primary listing in the equity shares (transition) category of the London Stock Exchange, with secondary listings in Bermuda and Singapore. The Group's businesses are managed from Hong Kong. DFI Retail Group is a member of the Jardine Matheson Group.

For further information, please contact:

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Christine Chung (Corporate Communications and Affairs)	(852) 2299 1056

William Brocklehurst (Brunswick Group Limited)	(852) 5685 9881
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Full text of the Preliminary Announcement of Results and the Preliminary Financial Statements for the year ended 31 December 2024 can be accessed via the DFI Retail Group corporate website at

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