



Dairy Farm International Holdings Ltd

Jardine House, 33-35 Reid Street
Hamilton HM EX, Bermuda

To: Business Editor

For immediate release

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

DAIRY FARM INTERNATIONAL HOLDINGS LIMITED

Interim Management Statement

8th May 2019 – Dairy Farm International Holdings Limited has today issued its Interim Management Statement for the first quarter of 2019.

Sales for the period were ahead of the comparable period in 2018, with four of the Group's five formats continuing to perform well despite mixed market conditions. Underlying earnings were also higher than the first quarter of last year, as restated following the adoption of the new lease accounting standard.

There was a strong performance from the Health and Beauty business as well as from key associates Maxim's, Yonghui and Robinsons Retail, which offset the continuing softness in the Food business. IKEA continued to perform in line with expectations, although its contribution to the Group was impacted by higher pre-opening costs than in the first quarter of 2018.

Although the Group's Supermarkets and Hypermarkets business continued to face challenges, implementation of the multi-year transformation plan is now in progress, with actions being taken to improve performance over the medium term. Sales in North Asia were broadly in line with last year, with positive sales growth in Hong Kong and Macau offset by weakness in Taiwan. Profit performance in the quarter was impacted by rising rent and labour costs in Hong Kong.

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Issued by: **Dairy Farm Management Services Ltd**

Incorporated in Bermuda with limited liability

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Sales in Southeast Asia were impacted by the launch of a store consolidation plan in the region, with profits also lower. The plan is designed to improve space productivity and underlying profitability over time. The Group's Convenience store business achieved higher sales in all markets, but with slower profit growth as a result of additional costs incurred in support of a stronger store network expansion.

Sales and profits growth continued for the Health and Beauty business in North Asia, with total tourist traffic remaining strong. Southeast Asia also delivered a solid performance with encouraging sales and profits growth in the quarter, particularly in Malaysia and Indonesia.

The Home Furnishings business reported higher sales in all markets, but profitability was lower primarily due to the increased cost of goods compared with last year and the pre-opening expenses incurred for new stores under development.

Maxim's and Yonghui delivered strong sales growth for the period and their contributions to the Group's profit were ahead of the comparable period in 2018. The Group's results also benefitted from its share of results from the 20% interest in Robinsons Retail it acquired in November last year.

Dairy Farm remains firmly focused on its multi-year strategic transformation to deliver sustainable improvements to the business.

Dairy Farm is a leading pan-Asian retailer. The Group, together with its associates and joint ventures, operates over 9,700 outlets – including supermarkets, hypermarkets, convenience stores, health and beauty stores, home furnishings stores and restaurants – employing over 230,000 people, and had total sales in 2018 exceeding US\$21 billion. Dairy Farm International Holdings Limited is incorporated in Bermuda and has a standard listing on the London Stock Exchange, with secondary listings in Bermuda and Singapore. It is a member of the Jardine Matheson Group.

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This and other Group announcements can be accessed through the Internet at
'www.dairyfarmgroup.com'.