

FOOD

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Sales of Goods

US\$ **3.3** billion

Operating Profit

US\$ **45** million

Store Network*

1,907 stores



CS Fresh Gold Paragon, Singapore provides a premium supermarket experience



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



Meadows Own Brand product selection

* Including 1,353 associates and joint ventures stores.

† Sales of goods.

‡ Based on operating profit before effect of adopting IFRS 16, excluding selling, general and administrative expenses and non-trading items.



Hero Supermarket team member Muhamad Firdaus from Hero Kota Wisata



M. Cellars is Meadows' exclusive selection of fine wines



The newly transformed Cold Storage store at Joo Chiat, Singapore



Giant Own Brand product selection



South East Asia Food sales performance was adversely affected by intense competition and weakening consumer sentiment caused by cost-of-living pressures. Profitability was impacted by soft sales as well as rising cost pressures, particularly labour costs. Growing the contribution from digital sales has remained a key focus area for the management team. The *yu* Rewards programme in Singapore, which was launched in October 2022, has now reached 1.5 million members,

with the Food banners leading the programme in terms of transaction penetration. In September 2023, the Singapore Food business also launched one hour delivery in partnership with Foodpanda, with initial encouraging results.

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



The largest Market Place at The Wai, Hong Kong opened its doors in July 2023

CONVENIENCE

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

Sales of Goods

US\$ **2.4** billion

Operating Profit

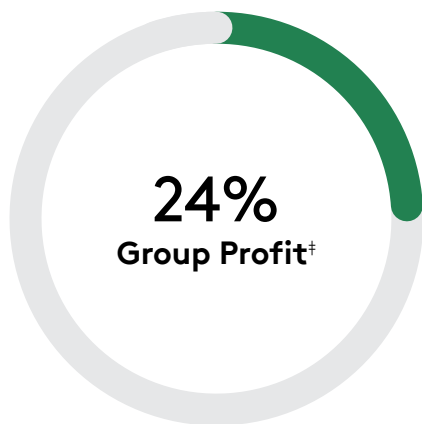
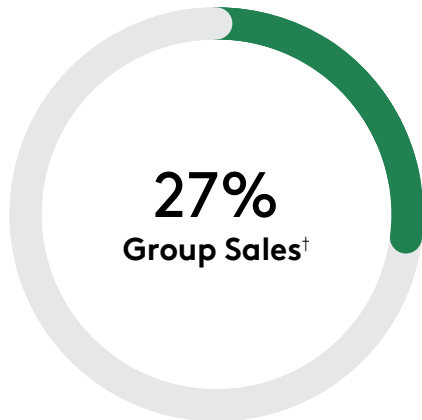
US\$ **88** million

Store Network*

3,791 stores



DFI's Caring Passionately Award Grand Champions from 7-Eleven China – Zhimei Liang (L) and Chunling Liang (R)



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

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

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



7-SELECT ready-to-eat products from 7-Eleven Hong Kong

* Including 416 associates and joint ventures stores.

† Sales of goods.

‡ Based on operating profit before effect of adopting IFRS 16, excluding selling, general and administrative expenses and non-trading items.

HEALTH AND BEAUTY

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

Sales of Goods

US\$ **2.4** billion

Operating Profit

US\$ **213** million

Store Network*

2,694 stores



Mannings newly opened store in Tai Wai, Hong Kong



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

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



Caring Passionately Award – Crystal Award winner, Steven Fok from Mannings Hong Kong, serving a customer at our Mongkok store

* Including 1,156 associates and joint ventures stores.

† Sales of goods.

‡ Based on operating profit before effect of adopting IFRS 16, excluding selling, general and administrative expenses and non-trading items.



Mannings Own Brand Vitamins selection

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



The brand-new Guardian flagship store at Mid Valley Megamall in Kuala Lumpur, Malaysia



Guardian Indonesia's team member Annisa Zahwa with a customer at Lippo Mall Puri, Jakarta



Mannings Pharmacy at Atrside, Kai Tak, Hong Kong



Mannings' Pharmacist, Nathan Lam, helping a customer with the recently launched AI Wellness Scan service in Hong Kong

HOME FURNISHINGS

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

Sales of Goods

US\$ **794** million

Operating Profit

US\$ **19** million

Store Network

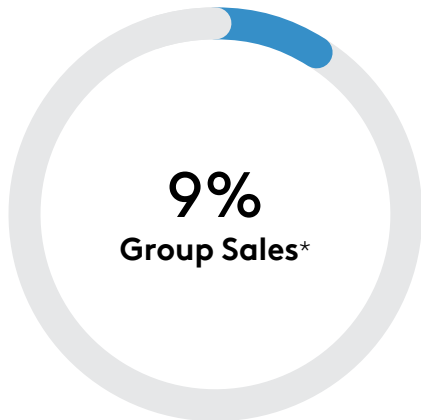
26 stores

Macau ● Hong Kong ● Taiwan

● Indonesia



Solar panels at IKEA Hsin Chuang store, Taiwan



9%
Group Sales*



5%
Group Profit†

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

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



IKEA team members Rena Satya (L) and Arina Rahmatul (R) hosting IKEA's 9th Anniversary Celebration in Indonesia at the Alam Sutera store

* Sales of goods.

† Based on operating profit before effect of adopting IFRS 16, excluding selling, general and administrative expenses and non-trading items.

Despite the challenging external environment in the short term, the IKEA team continues to invest judiciously for the long-term. In May 2023, the new IKEA Taiwan fulfillment centre became fully operational, providing a key foundation for future e-commerce growth in Taiwan. Supported by enhanced fulfillment capabilities, e-commerce

penetration in Taiwan has now increased to over 9%. In 2023, three small store concepts were opened in Hong Kong, with encouraging initial performance to date. The formats will provide IKEA with an opportunity to test and experiment new growth drivers over the coming years.



Self-ordering kiosks at IKEA Bistro, Taipei City Shop – Arena



IKEA Pop-Up store at K11 Art Mall, Hong Kong



IKEA's Djungelskog soft toy collection



Customers shopping at IKEA Taipei City Shop – Arena

RESTAURANTS

The Group's overall share of Maxim's underlying profits was US\$79 million for the full year, more than double the US\$38 million contribution in the prior year.

Share of Underlying Results

US\$ **79** million

● Chinese Mainland

● Macau ● Hong Kong

● Laos

● Thailand

● Cambodia

● Vietnam

● Malaysia

● Singapore

Store Network

1,998 stores



Maxim's latest Chiuchow cuisine restaurant – Be My Goose in Yuen Long, Hong Kong

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

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



Maxim's opened its 2,000th store in Hong Kong – simplylife in the apm mall

OTHER ASSOCIATES

The Group's share of Yonghui's underlying losses was US\$36 million for the year, compared to a US\$80 million share of underlying losses in the prior year. Robinsons Retail's underlying profit contribution reduced from US\$24 million to US\$15 million.

● Chinese Mainland

The Philippines ●



Yonghui supermarket in Taihe Plaza, Fuzhou City, China

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

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



GoCart – Robinsons Retail's online retail platform



Robinsons Department Store at Robinsons Magnolia in Quezon City, Metro Manila