Chairman's Statement

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.

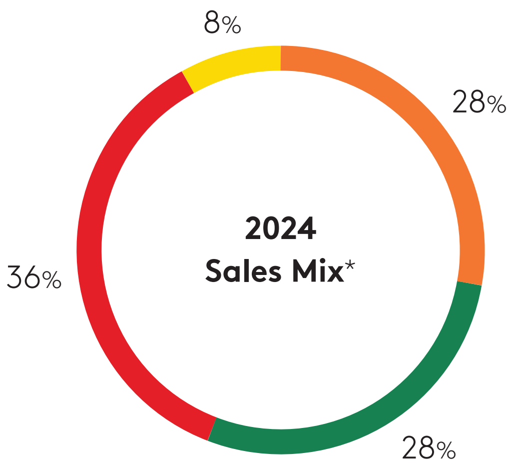
Performance

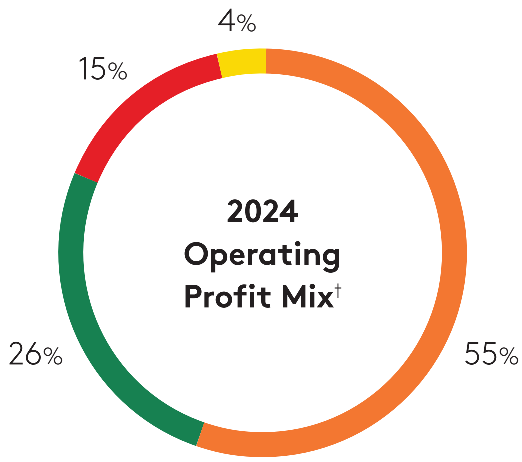
I am pleased to report that DFI Retail Group ('DFI' or the Group) delivered a significantly improved underlying performance and a good partial recovery in results in 2024, despite a challenging retail environment. For the full year, underlying profit attributable to shareholders reached US$201 million,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





- Health and Beauty
- Convenience
- Food
- Home Furnishings

* Sales of goods.

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

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
10 March 2025