DFI RETAIL GROUP

SERVING EVERYDAY MOMENTS

Annual Report 2024

DFI RETAIL GROUP

Sustainably serve Asia for generations with everyday moments

Our Businesses

Health and Beauty

DFI's health and beauty business operates across Asia through well-established and trusted brands like Mannings and Guardian, offering a wide range of health, beauty, personal care, and baby care products. Our health and beauty network spans more than 1,500 stores in the region.

Convenience

DFI operates the global convenience chain 7-Eleven in Hong Kong, Macau, Guangdong and Singapore, with over 3,400 stores. In addition to every day essentials, it provides Own Brand ready-to-eat products and unique collectibles, along with a wide range of convenient services to meet customer needs.

Food

DFI operates some of Asia's largest grocery retail brands, providing access to quality products and great value. Our commitment to delivering a trusted shopping experience spans the region through well-known brands like Wellcome in Hong Kong Cold Storage in Singapore and Lucky in Cambodia.

Home Furnishings

DFI operates IKEA in Hong Kong, Macau, Taiwan, and Indonesia. Renowned for design, functionality, and quality at affordable prices, IKEA offers a comprehensive range of products, underpinned by a solid commitment to sustainability and to create a better everyday life for the many people.

Restaurants

DFI holds a 50% ownership interest in Maxim's Caterers Limited. Founded in 1956, Maxim's has over 2,000 outlets across Asia, offering a diverse range of Chinese, Asian, and Western dining options and is the licensee of brands such as COVA, Genki Sushi, Shake Shack, Starbucks Coffee and the Cheesecake Factory.

Other Associates

DFI owns a 22% stake in Robinsons Retail, one of the largest multiformat, omnichannel retailers in the Philippines. Robinsons Retail's diverse portfolio includes food, drugstores, department stores, DIY and specialty stores.

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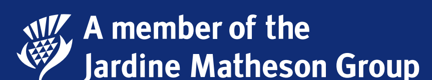
(Left to right) Our CS Fresh team members, Marivic Baculfo Laynesa, Zhang Xianbao, Keisyavaartiny Segaran, Lim Joon Wee, Kimmy Chong, Gao Song at the Kim Yam Road, Singapore store

Front cover:
(Left) A customer with a selection of Mannings and Guardian Own Brand supplements
(Top centre) 7-Eleven team member Liu Jingyi at Tat Chee Avenue, Hong Kong store
(Bottom centre) A customer at Wellcome Fresh, The Westwood, Hong Kong store
(Right) Chee-Leung Wong serving a customer at the IKEA Nei Hu, Taiwan store



DFI Retail 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.

Corporate Information

Directors

Ben Keswick
Chairman
(stepped down as Chairman on 22 July 2024 and as a Director on 17 February 2025)

John Witt
Chairman
(appointed as Chairman on 22 July 2024)

Scott Price
Group Chief Executive

Clem Constantine
Group Chief Financial Officer
(stepped down on 1 October 2024)

Tom van der Lee
Group Chief Financial Officer
(joined the Board on 1 October 2024)

Graham Baker
(joined the Board on 22 July 2024)

Elaine Chang
(joined the Board on 17 February 2025)

Dave Cheesewright

Weiwei Chen

Christian Nothhaft

Adam Keswick
(stepped down on 22 July 2024)

Anthony Nightingale
(stepped down on 31 January 2024)

Company Secretary

Jonathan Lloyd
(resigned on 10 December 2024)

Sean Ward
(appointed on 10 December 2024)

Registered Office

Jardine House
33-35 Reid Street
Hamilton
Bermuda

Management Committee

Scott Price
Group Chief Executive

Tom van der Lee
Group Chief Financial Officer

Martin Lindström
Chief Executive Officer, DFI IKEA

Curtis Liu
Chief Executive Officer, Food

Danni Peirce
Chief Executive Officer, 7-Eleven
(stepped down on 18 January 2025)

Yoep Man
Chief Executive Officer, 7-Eleven
(appointed on 10 February 2025)

Andrew Wong
Chief Executive Officer, Health & Beauty

Crystal Chan
Group Chief Technology and Information Officer

Erica Chan
Group Chief Legal, Governance and Corporate Affairs Officer

Shen Li
Group Corporate Strategy and yuu Rewards Director

Wee Lee Loh
Group Chief Digital Officer

Joy Jinghui Xu
Group Chief People & Culture Officer

DFI Retail Group At-a-Glance

Geographical Locations

- Health and Beauty
- Convenience
- Food
- Home Furnishings
- Restaurants
- Other Retailing

13
Asian Markets

Over
10,700
Outlets
(including associates and joint ventures)

Figures as at December 2024

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

Results	**2024 US$m**	2023 US$m	Change %
Revenue			
– subsidiaries	**8,869**	9,170	(3)
– including associates and joint ventures*	**24,938**	26,471	(6)
Underlying profit attributable to shareholders†	**201**	155	30
Net non-trading items attributable to shareholders	**(445)**	(123)	n/a
(Loss)/profit attributable to shareholders	**(245)**	32	n/a
Net debt	**468**	618	(24)
	US¢	US¢	%
Underlying earnings per share†	**14.91**	11.49	30
(Loss)/earnings per share	**(18.17)**	2.39	n/a
Dividends per share	**10.50**	8.00	31
Net asset value per share‡	**42.95**	72.41	41

Store Network^	**2024**	2023	Net change
Health and Beauty	**2,625**	2,694	-69
Convenience	**3,436**	3,375	+61
Food	**2,104**	2,300	-196
Home Furnishings	**26**	26	–
Restaurants	**2,023**	1,998	+25
Other Retailing	**554**	578	-24
	10,768	10,971	-203

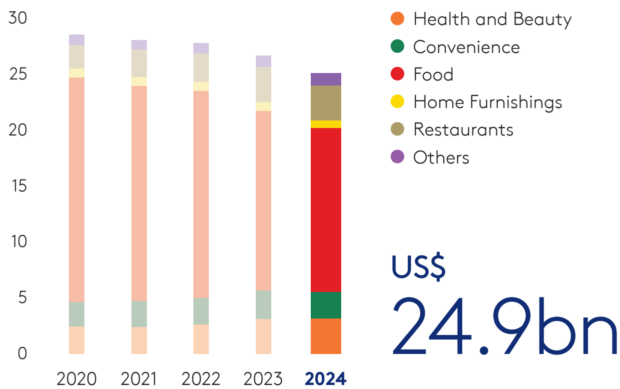
* Including 100% of associates and joint ventures.

† 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.

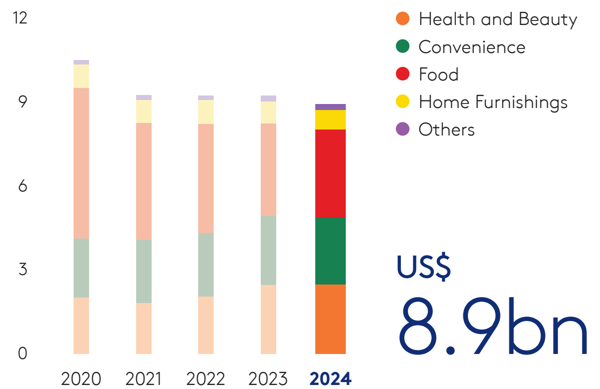
‡ Net asset value per share is based on the book value of shareholders' funds.

^ Including 5,389 associates and joint ventures stores in 2024 *(2023: 5,501)* and on a continuing basis.

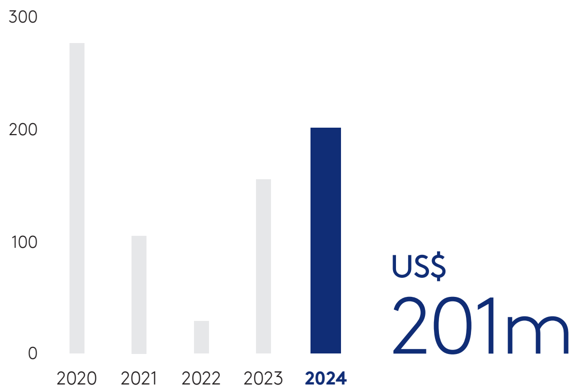
Gross Revenue* (US$bn)



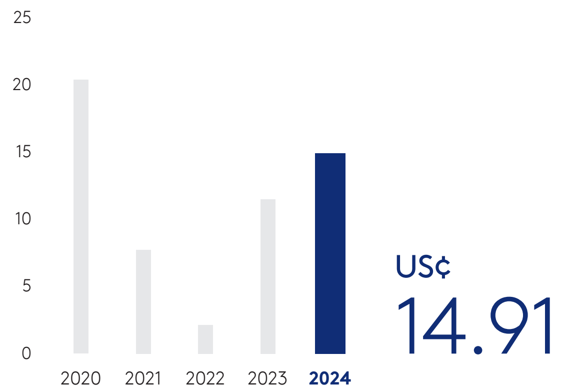
Revenue – Subsidiaries (US$bn)



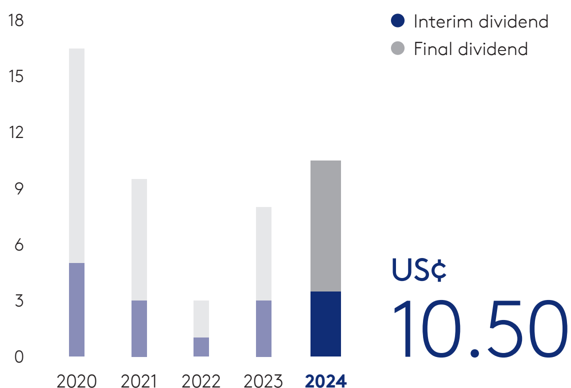
Underlying Profit Attributable to Shareholders (US$m)



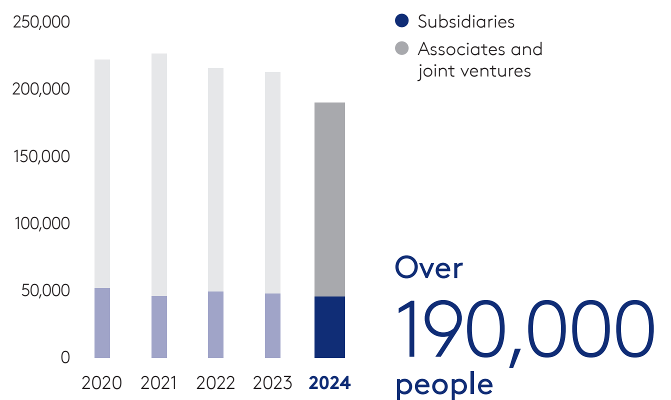
Underlying Earnings per Share (US¢)



Ordinary Dividends per Share (US¢)



Number of Employees



Gross Revenue*
-6 %

Underlying Profit
+30 %

Number of Stores^
10,768

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.

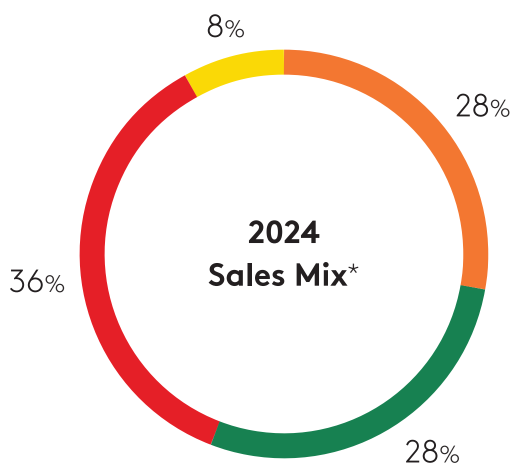
Performance

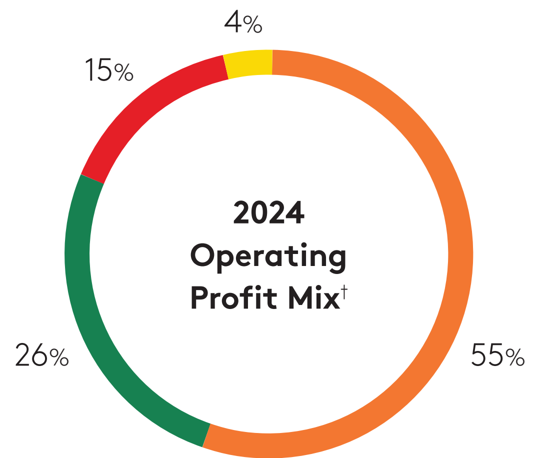
I am pleased to report that DFI Retail Group ('DFI' or the Group) delivered a significantly improved underlying performance and a good partial recovery in results in 2024, despite a challenging retail environment. For the full year, underlying profit attributable to shareholders reached US$201 million,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

Group Chief Executive's Review

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.

By enhancing the local relevancy of our product offerings, deepening monetisation of our digital assets, and executing value-enhancing M&A transactions, we remain confident in driving sustained, profitable growth and shareholder returns in the years ahead.

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 deleveraged 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 a 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 centre 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 net cash position following the completion of the 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 84th percentile within the Food and Staples Retailing industry, up from the 47th 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.

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%.

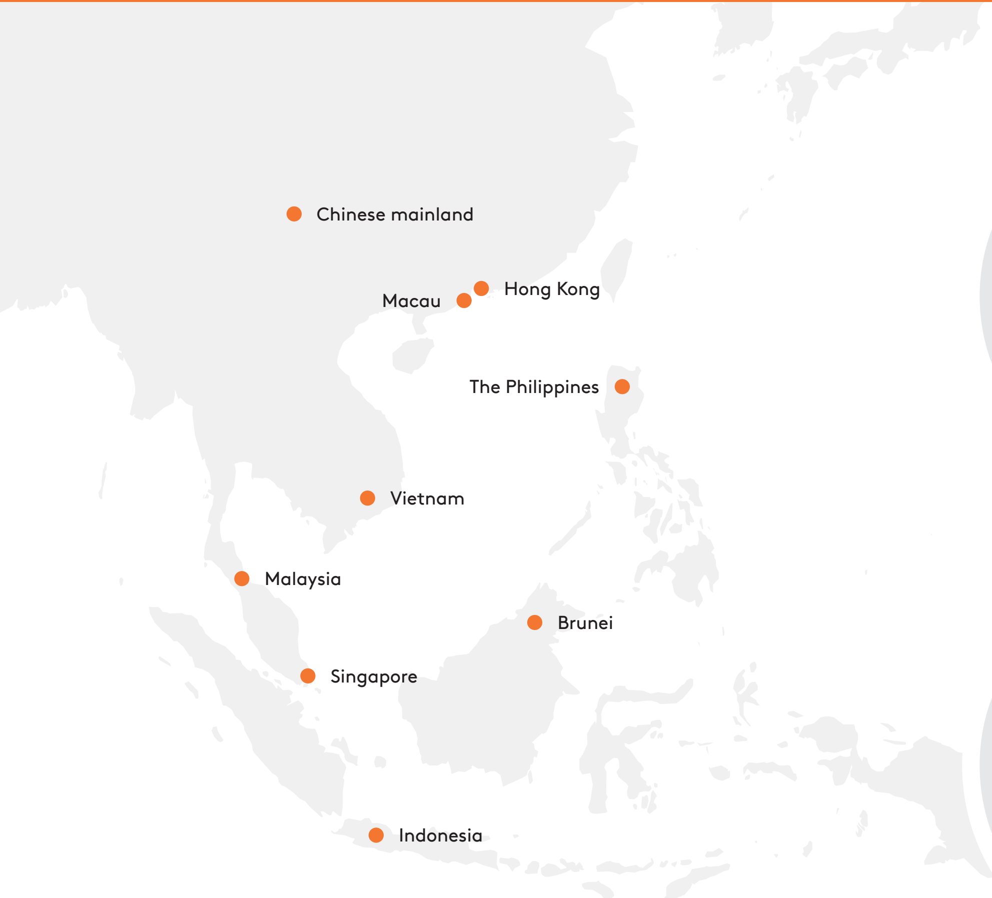
The Group will continue to execute against its strategic framework. By enhancing the local relevancy of our product offerings, deepening monetisation of our digital assets, and executing value-enhancing M&A transactions, we have put in place solid foundations in 2024, and we remain confident in driving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

Scott Price
Group Chief Executive
10 March 2025

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.



* Sales of goods.

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

Ophelia Kwan, a Mannings team member, explores the interactive 'Mannings' Picks' display of curated best-selling skincare and health products

Sales for the Health and Beauty division came in slightly higher than the prior year at US$2.5 billion, with 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

Sales of Goods

US$ 2.5 billion

Operating Profit

US$ 211 million

Store Network ‡

2,625 stores

‡ Including 1,228 associates and joint ventures stores.

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

Guardian Malaysia team member, Norina Binti Zulkepli at the Sunway Pyramid store

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.

Our pharmacists, Jessica Teo and Roman Lester Rosales at Guardian Takashimaya Shopping Centre, Singapore

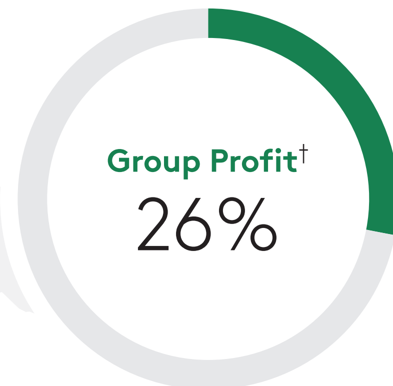
The newly launched Mannings health pod at the IFC Mall in Hong Kong

Mannings at The Venetian, Macau

Business Review

CONVENIENCE

Total Convenience sales were US$2.4 billion, representing a decline of 3% year-on-year. Excluding cigarette sales affected by the tax increase, overall LFL sales were up 2% year-on-year, with continued market share gain across markets. Underlying operating profit was US$102 million, an increase of 17% compared to 2023.



* Sales of goods.

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

The new 7-Eleven at Imbiah Station in Singapore opened its doors in May 2024

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.

Sales of Goods

US$ 2.4 billion

Operating Profit

US$ 102 million

Store Network

3,436 stores

7-Eleven coffee made with sustainable coffee beans served in an eco-friendly cup

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

7-Eleven Store Manager, Wan Lai King at the Tat Chee Avenue store in Hong Kong

Interior of a 7-Eleven store located in Tianhe, Guangzhou, Chinese mainland

Isabel Thum at the 7-Eleven Imbiah store opening in Singapore

7-Eleven Hong Kong's 'Grounds to Green' Coffee Grounds Upcycling Programme

Business Review

FOOD

Sales for the Food division 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, sales for the division was 2% lower than the prior year. Underlying operating profit was US$58 million, up from US$45 million in 2023.

* Sales of goods.

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

A customer at Wellcome Fresh, The Westwood, Hong Kong

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.

Sales of Goods

US$ 3.1 billion

Operating Profit

US$ 58 million

Store Network‡

2,104 stores

‡ Including 1,584 associates and joint ventures stores.

Strong in-store execution and effective promotional campaigns have supported consistent market share gain of Hong Kong Food over the course of the year

Phang Mei Yuag, our team member at Giant, serving a customer at Giant IMM Building, Singapore

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.

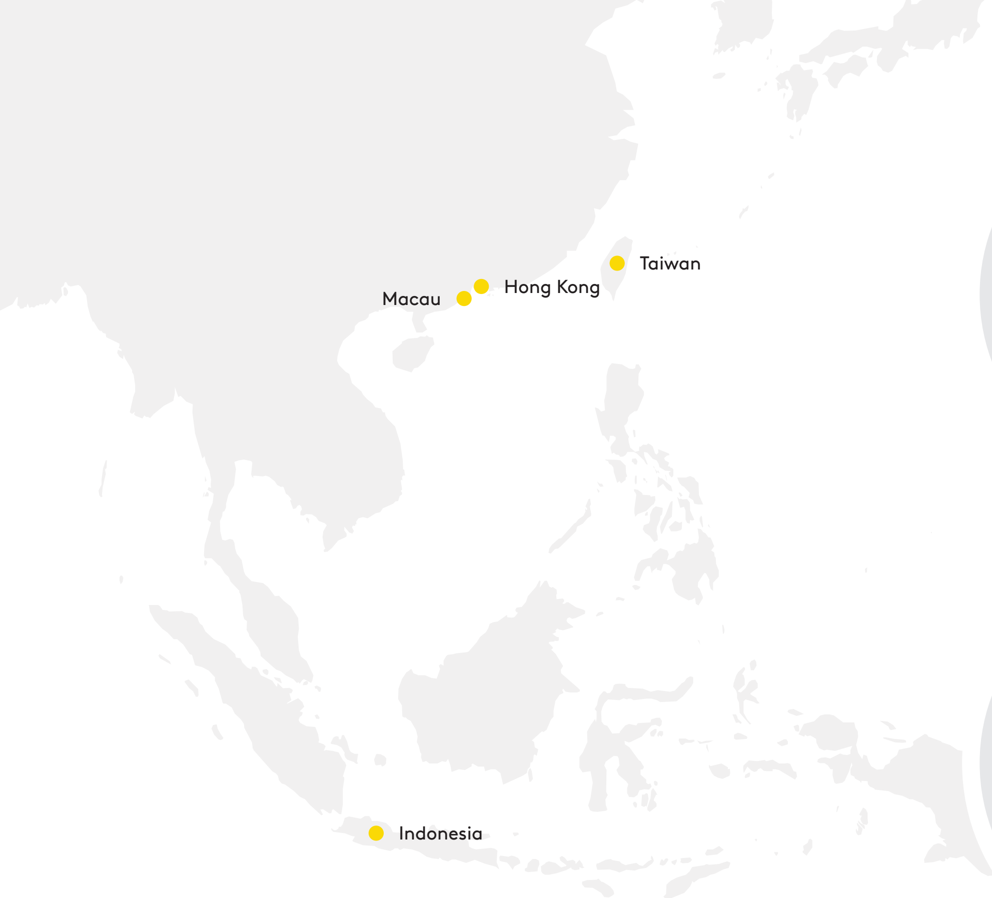
Wellcome Fresh store in Lei Yue Mun, Hong Kong

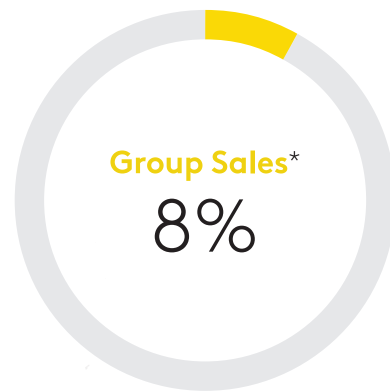
Gao Song at the CS Fresh Kim Yam Road, Singapore store

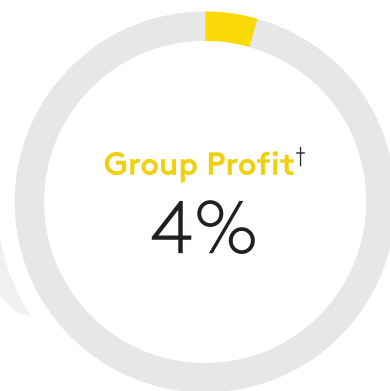
Business Review

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.







* Sales of goods.

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

Chee-Leung Wong from the IKEA Nei Hu, Taiwan store is dedicated to serving customers, embodying IKEA's mission to 'create a better everyday life for the many people'

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.

Sales of Goods

US$ 701 million

Operating Profit

US$ 16 million

Store Network

26 stores

Business Review

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.

Kikusan, a Chinese-Japanese eatery at The Landmark, Hong Kong

Four commended team members of Maxim's Cakes at Tsing Yi MTR Station, Hong Kong, exemplifying excellent service and attitude towards customers

Hong Kong MX Lava Custard Mooncake series

The newly opened Paper Stone Bakery in China World Mall marks its first store in Beijing, Chinese mainland

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.

Share of Underlying Results

US$ 66 million

Store Network

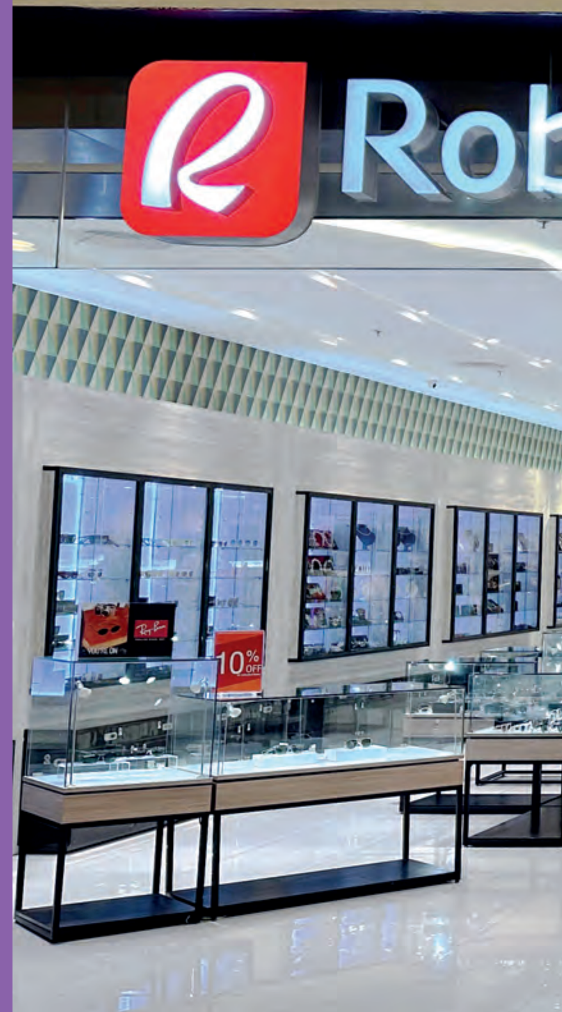
2,023 stores

Shake Shack's Earl Grey Shake introduced in September 2024

Business Review

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. Robinsons Retail's underlying profit contribution was US$17 million, up 15% year-on-year.



Chinese mainland

The Philippines

Robinsons Department Store at Robinsons Magnolia in Quezon City, The Philippines

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.

Yonghui supermarket in Tianhe Plaza, Fuzhou City, Chinese mainland

Financial Review

The Group's robust underlying profit growth in 2024 demonstrates the effectiveness of its strategy, despite a challenging retail backdrop. This solid foundation, built on a deleveraged balance sheet and a focused strategic approach, positions the Group well for sustained growth. The Group is optimistic about increasing shareholder returns in the medium-term.

Results

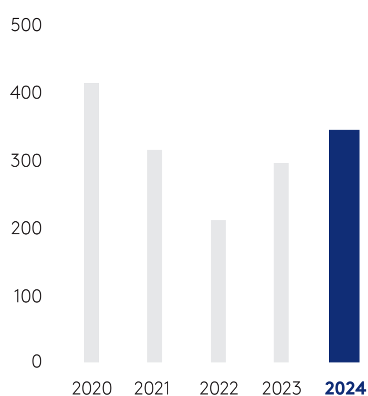
DFI Retail Group (the Group) reported a significantly improved performance in 2024, with underlying profit attributable to shareholders reaching US$201 million, a 30% increase compared to the previous year. This positive performance was largely driven by the improved profitability in the Food and Convenience businesses. The Group's overall results were, however, impacted by the one-off non-trading losses and reported a loss attributable to shareholders of US$245 million in 2024, compared to a profit of US$32 million in 2023. Revenue from subsidiaries, totalled US$8.9 billion, representing a 3% decline year-on-year. Excluding the impact of a significant tobacco tax increase in Hong Kong, and the divestment of the Malaysia Food in 2023 and Hero Supermarket businesses in Indonesia, revenue was broadly in line with last year.

Total revenue, including 100% of associates and joint ventures, was 6% down at US$24.9 billion, largely driven by lower sales at Yonghui.

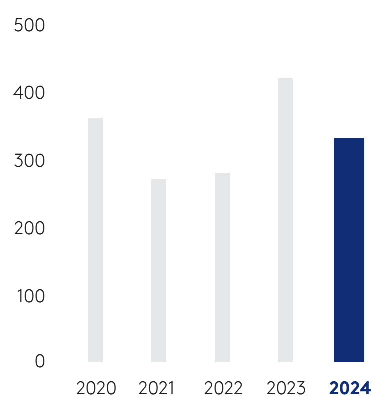
Health and Beauty recorded a slight increase in sales, reaching US$2.5 billion, with overall LFL sales remained broadly stable. Underlying operating profit was US$211 million for the year, slightly below 2023.

Convenience experienced a 3% decline in sales compared to the previous year. Excluding the tobacco sales, sales showed a 5% increase year-on-year. Underlying operating profit was US$102 million, reflecting a 17% growth compared to 2023. Profit growth was supported by a favourable shift in margin mix towards non-cigarette categories and ongoing cost optimisation efforts.

Underlying Operating Profit (US$m)



Cash Flows from Operating Activities after Lease Payments (US$m)



Food also delivered increased operating profit, driven by a significant earnings recovery in the business in Singapore.

Home Furnishings reported a reduction in sales, primarily due to the intense competition from digital platforms on the Chinese mainland. The decline in sales negatively impacted profitability, although the impact was partially mitigated by various cost-saving initiatives implemented during the year.

Net financing charges rose by US$7 million year-on-year. This increase was primarily driven by higher interest expenses associated with lease liabilities, partially offset by a reduction in interest expense attributed to the overall lower net debt position.

The Group's share of the underlying profit of associates and joint ventures was US$43 million, down 2% year-on-year.

Contribution from Maxim's underlying results was US$66 million, a 16% decrease as compared to US$79 million in 2023, mainly attributed to reduced mooncake sales and weaker restaurant performance on the Chinese mainland.

The Group's share of Yonghui's underlying loss was US$33 million, compared to US$36 million in the prior year.

The Group's share of underlying profit in Robinsons Retail was US$17 million, compared to US$15 million in 2023. The Group's interest in Robinsons Retail increased from 21.47% to 21.98%, following the share buyback by Robinsons Retail.

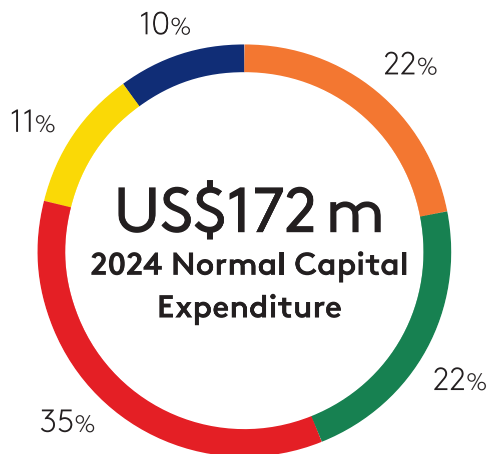
The Group's tax charge for 2024 was US$27 million, reflecting a substantial 35% decrease compared to 2023. This significant reduction was largely driven by the implementation of the new tax rule allowing the deduction of reinstatement costs in Hong Kong, a key market for the Group, which came into effect in late 2024.

Net non-trading items of US$445 million were reported in 2024, principally from the impairment charge on goodwill relating to San Miu business in Macau and interest in Robinsons Retail, the loss relating to the divestment of Yonghui, partly offset by share of one-off gains of Robinsons Retail from the merger between Robinsons Bank Corporation and Bank of the Philippine Islands (BPI), and the respective fair value gain on BPI investment.

Underlying profit attributable to shareholders was US$201 million, significantly increased from US$155 million in 2023. Underlying earnings per share was also improved by 30%, to US¢14.91.

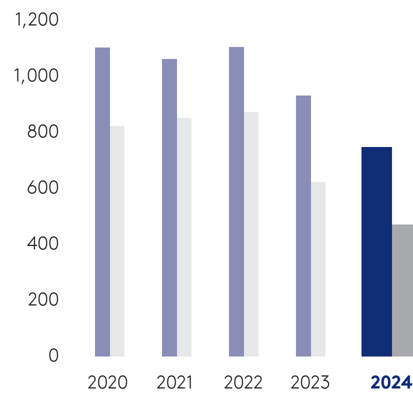
Cash flow

Summarised Cash Flow	2024 US$m	2023 US$m
Underlying operating profit	**343**	294
Depreciation and amortisation	**837**	827
(Increase)/decrease in working capital	**(79)**	45
Net interest and other financing charges paid	**(149)**	(145)
Tax paid	**(51)**	(41)
Dividends received from associates	**52**	46
Other	**20**	18
Cash flows from operating activities	**973**	1,044
Principal elements of lease payments	**(642)**	(625)
Cash flows from operating activities after lease payments	**331**	419
Normal capital expenditure	**(172)**	(197)
Investments	**(53)**	(17)
Disposals	**162**	119
Cash flows from investing activities	**(63)**	(95)
Cash flows before financing but after lease payments	**268**	324



- Health and Beauty
- Convenience
- Food
- Home Furnishings
- IT/Distribution Centres

Gross Debt and Net Debt (US$m)



- Gross Debt
- Net Debt

The Group reported a solid cash flow amounting to US$331 million from operating activities after lease payments, though this was a drop from the US$419 million generated in the previous year. This negative movement was largely attributed to unfavourable movement in working capital year-end timing difference, partly offset by the increase in underlying operating profit.

Normal capital expenditure was lower at US$172 million versus US$197 million in 2023 principally due to disciplined capital allocation.

During the year, the Group realised proceeds from the sale of various assets, including a property holding company in both Singapore and Taiwan, a digital joint venture, the Hero Supermarket business, and four properties in Indonesia, for a total net cash received amounting to US$162 million. These contributed to a lower net debt level at end of 2024.

At 31 December 2024, the Group's businesses, including associates and joint ventures, operated a total of 10,768 stores across all formats in 13 Asian markets, compared with 10,971 stores at the end of 2023 on a continuing basis.

Balance sheet

Total assets, excluding cash and bank balances, were US$7.0 billion, representing an increase of US$193 million compared to 2023. The increase was primarily attributed to the divestment of the Group's interest in Yonghui. Reported as held for sale, the interest in Yonghui was measured at fair value as of 31 December 2024, resulting in a recognised net fair value gain of US$933 million at year-end. Excluding this one-off net fair value gain and the cash and bank balances, the total assets would have been US$6.1 billion, representing a decrease of US$739 million versus last year. The decline was mainly due to the divestment of several company-owned properties and subsidiaries during the year, as well as lower capital expenditure. In addition, the impairment charge against the Group's investment in Robinsons Retail and goodwill, and adverse movements in foreign exchange rates, specifically the weakening of Asian currencies against the United States dollar, the reporting currency, also contributed to the overall decline. Net operating assets were US$595 million at the end of 2024, a 40% decrease from the previous year.

The Group ended the year with a reduced net debt level at US$468 million, US$150 million lower as compared to US$618 million at 31 December 2023. The improvement reflects the continuous efforts resulting from the ongoing optimisation of capital structure through disciplined capital and resource allocation to drive the improved shareholder value and returns.

Dividend

The Board is recommending a final dividend of US¢7.00 per share, giving a total dividend of US¢10.50 per share for the year.

Financing

At 31 December 2024, the Group had a gross debt of US$741 million, a decrease of US$183 million from 2023. The gross debt is funded by total committed and uncommitted lines of US$2.5 billion, with US$986 million committed and US$779 million uncommitted facilities being unused and available. The Group had cash balances of US$274 million. The undrawn committed facilities, combined with the cash pooling arrangement, provide substantial financial flexibility. This, in turn, ensured the Group had sufficient cash and liquidity available to support its operational requirements. Subsequent to the completion of the divestment in Yonghui in February 2025, the Group achieved a net cash position.

The Group typically finances its daily operations through borrowings in local currencies. These borrowings are primarily used for working capital purposes and are managed at the operational subsidiary level. Conversely, borrowings supporting the Group's strategic initiatives are managed centrally. These strategic borrowings are usually obtained in Hong Kong dollars, Singapore dollars and United States dollars. The Group effectively manages foreign exchange and interest rate risks associated with these borrowings through hedging strategies, which are implemented based on the nature of the investment.

The Group's robust underlying profit growth in 2024 demonstrates the effectiveness of its strategy, despite a challenging retail backdrop. This solid foundation, built on a deleveraged balance sheet and a focused strategic approach, positions the Group well for sustained growth. The Group is optimistic about increasing shareholder returns in the medium-term.

Financial risk management

A comprehensive discussion of the Group's financial risk management policies is included in note 40 to the financial statements. The Group manages its exposure to financial risk using a variety of techniques and instruments. The main objectives are to limit exchange and interest rate risks and to provide a degree of certainty on costs. It is our policy not to engage in speculative derivative transactions. The investment of the Group's cash resources is managed to minimise risk while seeking to enhance yield.

Overall, the Group's funding arrangements are designed to keep an appropriate balance between equity and debt (short- and long-term), to maximise flexibility for the future development of the business and to increase the shareholder value and returns.

Principal risks and uncertainties

A review of the principal risks and uncertainties facing the Group is set out on pages 214 to 222 of the Annual Report.

Accounting policies

The accounting policies are consistent with those of the previous year. The Directors continue to review the appropriateness of the accounting policies adopted by the Group, having regard to developments in International Financial Reporting Standards (IFRS Accounting Standards). In 2024, a number of amendments to the IFRS Accounting Standards become effective and the Group has applied these amendments with no material impacts to the financial statements.

Tom van der Lee
Group Chief Financial Officer
10 March 2025

Sustainability Overview

At DFI, our purpose is to sustainably serve Asia for generations with everyday moments. We are committed to transforming Asia's retail landscape through sustainable choices that benefit both people and the planet. Our sustainability strategy is anchored in three strategic pillars: **People**, **Products**, and **Planet**, with **Governance** as the cornerstone, ensuring robust leadership and oversight.

People

As Asia's leading retailer, people are at the heart of everything we do. With our retail formats connected to millions of lives on a daily basis, we have a unique opportunity and responsibility to create a positive and lasting impact on our customers, team members, communities and supply chain partners.

Products

Our aim is to enable customers to make more informed sustainable choices that foster positive changes for both people and the planet. We achieve this by introducing more sustainable products and packaging while ensuring high product quality and safety standards.

Planet

We are dedicated to advancing the sustainable development of the retail landscape by further strengthening our environmental stewardship and reducing our environmental footprint across our operations and value chains.

Our Low Carbon Rice Pilot Programme in Thailand

Guiding Principles for Sustainability

Our sustainability journey is shaped by three guiding principles:

- **Focused:** We concentrate on areas where we can create the greatest impact, such as our own-brand products and key product categories, while strategically addressing value chain challenges unique to our operational context.
- **Balanced:** We carefully navigate the price-sensitive nature of our markets while striving to meet our sustainability goals. We dedicate ourselves to practical, equitable solutions that deliver value by considering the needs of all stakeholders, including customers, shareholders, and the environment, without compromising affordability or long-term progress.
- **Collaborative:** Sustainability is a shared responsibility. We actively partner with industry coalitions to tackle systemic challenges, leveraging shared resources and expertise to amplify impact, drive efficiencies, and foster a sustainable future.

Strong ESG Performance

DFI has made significant strides in its Environmental, Social, and Governance (ESG) performance. As of 8 January 2025, we ranked in the 84th percentile (ahead of 84% peers) in the Food and Staples Retailing industry in the S&P Global Corporate Sustainability Assessment, a notable improvement from 2023, when we ranked in the 47th percentile.

ESG Awards and Recognitions

Our ongoing commitment to sustainability has been acknowledged with multiple awards and accolades:

- CLP Smart Energy Award 2024 (DFI)
- Retail Asia Awards 2024, FMCG Asia Awards 2024 – ESG Initiative of the Year, Health and Wellness Initiative of the Year (Mannings)
- ESG Business Awards 2024 – Workplace Wellness Programme Award (Mannings)
- Retail Asia Awards 2024 – Sustainability Initiative of the Year (7-Eleven)
- Outstanding Green Achiever Award, Sixth Gold Award in the Shops and Retailers category, Sole Recipient of the Super Gold Award by Environmental Campaign Committee of the Hong Kong Government (Wellcome)
- 2023/24 Vision Awards for DFI Sustainability Report 2023 – Platinum Award, Technical Achievement Award, Top 100 Reports Worldwide

Sustainability Memberships and Associations

We actively engage with key organisations and networks to drive sustainable practices and industry transformation:

- The Consumer Goods Forum – Towards Net Zero Coalition of Action, Plastic Waste Coalition of Action
- Amfori BSCI
- Foodlink Foundation
- Hong Kong General Chamber of Commerce – Environment & Sustainability Committee
- Hong Kong Retail Management Association – Sustainability Task Force
- World Business Council for Sustainable Development (Membership of Jardine Matheson)

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Environmental, Social, and Governance (ESG) Disclosure 2024

Basis of preparation

Introduction

The purpose of this Environmental, Social, and Governance disclosure (ESG Disclosure) is to highlight DFI's efforts in quantifying our impact on the economy, environment, and society, along with our targets and progress made to date. We disclose all relevant performance indicators for material ESG issues (refer to page 44 for ESG Materiality Assessment) with the aim of improving the transparency of our businesses.

This ESG Disclosure has been prepared in accordance with the Global Reporting Initiative (GRI), with reference to the index also published online on our website www.DFIretailgroup.com. This ESG Disclosure has also considered information from sustainability reporting standards (including, but not limited to, International Sustainability Standards Board (ISSB), Corporate Sustainability Reporting Directive (CSRD), Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), Carbon Disclosure Project (CDP)), ESG rating agencies (S&P, Sustainalytics), and industry initiatives.

Disclosure Scope

This ESG Disclosure covers ESG data for the year ended 31 December 2024. Where feasible, data from the two previous years is also provided, and any comparative figures from prior years have been adjusted to comply with updated DFI ESG accounting policy.

For the scope of coverage, we included all subsidiaries of DFI unless stated otherwise. Associates, joint ventures and franchisees of DFI are out of scope unless stated otherwise.

Outcome uncertainties and estimation

In preparing the ESG-related information contained in this ESG Disclosure, DFI has made a number of key judgements, estimations, and assumptions. The processes and issues involved are complex with the ESG data, models, and methodologies constantly evolving. In addition, not all ESG data are of the same standard as those available in the context of other financial information, and they are not bound by the same disclosure requirements, historical benchmarks, or globally accepted accounting principles. Reliance on historical data as a reliable predictor of future trends is limited. The quality of underlying data can significantly impact the outcomes of models, processed data, and methodologies. We expect industry guidance, market practice, and regulations in this field to continue to change. There are also challenges faced in relation to the ability to access data on a timely basis and the lack of consistency and comparability between data that is available. This means the ESG metrics discussed in this ESG Disclosure carry an additional degree of inherent risk and uncertainty.

In light of uncertainty as to the nature of future policy, market response to climate change, and the effectiveness of any such response, DFI may have to re-evaluate its progress towards its ESG ambitions, commitments and targets in the future, update the methodologies it uses, or alter its approach to ESG analysis, and may be required to amend, update, and recalculate its ESG disclosures and assessments in the future, as market practice and data quality, accuracy, and availability develops rapidly.

Restatement

If an error or change in methodology leads to a change in total figure that exceeds the materiality threshold of 5% of the original figure before such change, the Group's total figures will be restated. The reason for changes, revised comparative figures, and the differences would be noted in the Methodology section where practical. Any errors or changes below the threshold are considered not material and therefore not restated. The metrics impacted by any restatement are also disclosed in the GRI Index available online at www.DFIretailgroup.com.

DFI revised its approach in accounting for divestments and acquisitions to align with the composition of the Group financial statements reporting in 2024. This approach also aligns with upcoming ISSB sustainability reporting standards. Prior years' numbers are now restated where practicable and material in this disclosure. For details, please refer to Methodology section.

In terms of target performance tracking on Scope 1 and Scope 2 emissions, the impacts of divestments and acquisitions have been incorporated in tracking the performance against targets, and the baseline emissions for target setting have been recalibrated. This is in line with the Greenhouse Gas Protocol (GHG Protocol). Further details on the recalibrated figures can be found in the Climate Change section of the ESG disclosure.

ESG data limited assurance

Selected ESG data have been subject to limited assurance by PricewaterhouseCoopers. Their limited assurance report outlines the specific scope of the assurance provided and the conclusion. The appointment with PricewaterhouseCoopers was made by the Audit Committee. For further details, please refer to the Limited Assurance Report on page 70.

ESG Governance

As we continue our journey towards sustainable practices, ESG governance framework serves as a guidepost for our commitment to integrating ethical, social, and environmental considerations into our decision-making process.

Board of Directors

The Board oversees significant ESG risks, opportunities, and impacts by ensuring that relevant sustainability and ESG considerations are integrated into DFI's purpose, governance, strategy, decision-making, and risk management processes. The Board also provides an oversight of our risk management framework, including risks related to ESG and climate change.

Additionally, the Board receives training materials or direct training annually. Several members of the Board have also received external training on ESG issues.

Risk Management Committee

The Risk Management Committee is chaired by the Group Chief Executive and the members are the whole Management Committee. It is responsible for risk management activities of DFI's operations and oversight of its risk management framework including DFI's ESG risks. This includes those associated with climate change. This committee plays a crucial role in assessing DFI's risk appetite and determining appropriate responses to identified risks. By integrating ESG considerations into its risk management framework, the committee ensures that DFI proactively addresses potential ESG risks and aligns its strategies with sustainability goals.

Audit Committee

The Audit Committee is responsible for overseeing ESG and sustainability-related data, ensuring that DFI maintains data integrity and accuracy while also ensuring compliance with reporting regulations. Additionally, the committee reviews the assurance provided by external auditor on DFI's ESG metrics and assesses the effectiveness and alignment of these metrics against the overall business strategy.

Sustainability Committee

The Sustainability Committee is a sub-committee of the Management Committee. The sub-committee is chaired by the Group Chief Executive Officer, and its members include the Group Chief Financial Officer, Group Chief Legal, Governance and Corporate Affairs Officer, and Chief Executive Officer of Food. This committee is actively involved in developing and implementing our sustainability strategy and targets while monitoring progress. In alignment with the terms of reference, the responsibility of the Sustainability Committee includes but not limited to:

- Leading and overseeing the strategic direction of DFI's sustainability initiatives.
- Ensuring cohesive governance and execution of sustainability efforts across all company divisions.
- Overseeing the execution, monitoring, and reporting of sustainability-related programmes by working groups, ensuring these align with DFI's sustainability framework and goals.
- Facilitating, developing and adjusting action plans to achieve or surpass ESG performance indicators.

Results and progress are reported to the Board semi-annually along with other matters through the Management Committee.

The Group Chief Executive Officer reviews the composition of the Sustainability Committee periodically to ensure a balanced representation of expertise and experience. Additionally, the Group Chief Executive Officer may appoint individuals from within or outside DFI as deemed appropriate.

ESG Reporting Team

The ESG Reporting Team is dedicated to ensuring compliance with ESG reporting regulations while managing ESG data to meet stakeholders' expectations. This team plays a critical role in tracking performance on ESG data, overseeing data control, and implementing automation processes to enhance efficiency and accuracy in reporting. Additionally, the ESG Reporting Team supports in reporting decision-useful information to the Audit Committee, Risk Management Committee, and Sustainability Committee, ensuring that all relevant stakeholders are informed.

Sustainability Team and Sustainability Working Groups

The Sustainability Team and Sustainability Working Groups are responsible for the implementation of sustainability initiatives and assisting the Sustainability Committee in realising DFI's sustainability objectives.

Each working group focuses on a specific topic, such as Scope 3 emissions reduction, waste diversion, gender pay gap, etc. These working groups comprise cross-functional teams consisting of experts from relevant departments across our Group, and report progress directly to the Sustainability Committee monthly.

Sustainability-linked remuneration

DFI has integrated sustainability Key Performance Indicators (KPIs) into the evaluations of team members. We have established a connection between sustainability performance in emission reduction and team members' promotions. This mechanism is designed to align the efforts of individual divisions in emission reduction with the broader sustainability goals of DFI.

ESG risk management

DFI has adopted a double materiality approach to assess ESG risks and opportunities. We evaluated the materiality of both internal and external impacts associated with these risks and opportunities, using the DFI Group's risk management methodology as its foundation. A consistent rating scale for financial risks and opportunities is adopted to measure the likelihood of events and the scale of the financial impact. ESG risks identified are then integrated into the overall Enterprise Risk Management and prioritised based on the same scale. The results of the risk assessment with ESG risks included are communicated to the Risk Management Committee and the Audit Committee. Details on the input parameters and methodology used for the materiality assessment to identify ESG risks are discussed in the Double Materiality Assessment section in this disclosure.

ESG due diligence

ESG due diligence is a key component of risk management and is applied to major capital allocation. In the fourth quarter of 2024, we launched shadow carbon pricing assessment, where we assessed the emissions impact related to significant real estate transactions of new stores or leasing contract renewals by implementing a simulated carbon tax. This assessment and associated potential financial impact are then considered by the Real Estate Committee for decisions on new store expansions and the renewals of existing stores.

ESG policies

Governance policies

DFI established the following policies and guidelines among the others that govern the actions and behaviours of all team members:

- Code of Conduct
- Anti-Corruption Policy
- Data Privacy Policy
- Speak Up Policy
- Information Security Policy
- No Gift and Entertainment Policy
- Personal Data Protection Policy

Furthermore, we have separately adopted a Supplier Code of Conduct setting out the requirement for our suppliers. By upholding these policies, DFI aims to conduct business with integrity, transparency, and accountability, thereby aiming to safeguard the interests of our stakeholders and upholding our reputation as a responsible corporate entity.

Sustainability policies

Our parent company, Jardine Matheson group, also established a comprehensive range of sustainability policies that outlines its commitment to responsible and sustainable business practices:

- Climate Change
- Resources and Circularity
- Sustainability
- Diversity and Inclusion
- Human Rights
- Health and Safety

ESG materiality assessment

Double materiality assessment

In 2024, DFI engaged an independent party to enhance our stakeholder engagement and materiality assessment exercise based on the principle of 'double materiality'. We evaluated materiality based on impact to DFI's financial performance (financial materiality) and DFI's impacts on the economy, environment and society (impact materiality). This allows us to reshape our sustainable development strategy and effectively address current and anticipated risks and opportunities across the DFI.

1. Identification

We conducted a comprehensive review to identify key ESG issues. With reference to DFI's previous material ESG topics, and leveraging insights based on peer benchmarking, industry trends, international reporting standards including GRI, ISSB, European Sustainability Reporting Standards (ESRS), and material issues identified by ESG rating agencies, we have updated the list material ESG issues.

2. Evaluation

Our stakeholder engagement exercise comprises a two-part approach, via an online survey and interviews discussions, for relevant stakeholders to express their perspectives and concerns.

Employees and suppliers were invited to participate in our online survey focusing on impact materiality. Through this survey, respondents assessed and ranked ESG issues according to their understanding and perception on DFI's impact to the economy, environment and society.

To deepen our understanding of stakeholders' evolving expectations, we conducted interviews to explore both impact and financial materiality. We engaged a diverse range of stakeholders including Management Committee members, senior management, key suppliers and business partners, investors, and NGO partners. Interviewees provided their perception on the severity, scope, remediability and likelihood of DFI's impact on ESG topics, and considered the likelihood and magnitude on DFI's financial performance and enterprise value. Interviewees also shared perspectives on areas of opportunities, as well as their overall interest and concerns regarding potential material ESG issues relevant for DFI. To better understand the focus areas and priorities of customers, insights were also leveraged from DFI's internal documents on customers' consumption behaviour.

3. Validation
We utilised quantitative and qualitative inputs from stakeholders to develop the double materiality scorecard, representing the relative importance of ESG issues within a broader context. This further supports and informs our risk management framework, while guiding us to leverage opportunities that will arise from ESG topics in the future. A validation workshop was conducted with senior management to present and endorse the double materiality results.

Time horizon

In assessing ESG topics, the scope of assessment follows different time horizons, with a time horizon being assigned to each risk to assess the most relevant time scale. Short-term horizon (2027) to deal with immediate risks and within DFI 3-year planning cycle. Medium-term horizon (2030) to deal with more complex risks that aligns with targets set by DFI. Long-term horizon (2030-2050) to deal with long-term risk with highest level of uncertainties and contribute to global long-term goals such as Paris Agreement net zero by 2050.

Stakeholder engagement

DFI's stakeholders include both internal and external interest groups that could influence our business or are notably affected by our operations. We maintain regular engagement with these stakeholders through suitable channels.

Stakeholder	Engagement method
Customers	Customer surveys and customer sentiment research
Suppliers	Supplier assessments, supplier code of conduct, and regular communication channels
Investors and shareholders	Annual general meetings, result announcements, investor relations communications, and sustainability reports
Community and non-governmental organisations (NGOs)	Partnerships, community outreach programmes, stakeholder consultations, and collaboration on initiatives
Regulators and government authorities	Compliance with regulations, participation in industry consultations, and regular reporting
Industry associations and trade unions	Participation in industry forums, collaboration on industry-wide initiatives, and dialogue with trade unions
Academia and research institutions	Collaborative research projects and knowledge sharing
Media and public	Press releases, media interviews, social media engagement, and public events
Board of directors and executive leadership	Board meetings, executive briefings, and regular reporting

Double materiality assessment results

After conducting a comprehensive double materiality analysis, we have identified the following topics as having high financial and social impact.

Material issues

Climate change

Description	Climate change leads to extreme weather events, rising sea levels, and disruptions in natural ecosystems, resulting in challenges such as crop failures and increased frequency of natural disasters. The shift toward a low-carbon economy involves changes in regulations, market dynamics, and consumer behaviour.
Risk	• Increased costs resulting from physical damage to goods and properties caused by extreme weather events. • Decreased revenue as a result of business disruption caused by store closure during severe weather events; • Increased operating costs from higher energy expenses and consumption for cooling to maintain comfortable temperatures for customers and team members; • Increased costs due to supply chain disruptions, such as crop failures; • Increased costs associated with compliance with new climate-related regulations and carbon mechanisms.
Opportunity	• Cost savings benefited from successful investments in low-carbon technologies that enhance energy efficiency.
Value chain impacted	Upstream and own operations.
Time horizon	Short-, medium-, and long-term.

Waste

Description	Excess waste contributes to pollution, while also exacerbating climate change through greenhouse gas (GHG) emissions from landfills and waste incineration. Increasing regulations aimed at reducing waste and promoting recycling compel businesses to adopt sustainable practices, leading to potential tariff on waste disposal.
Risk	• Increased operating costs associated with adhering to environmental regulations and standards related to waste management, resource utilisation, and circularity practices.
Opportunity	• Cost savings related to the collection, processing, recycling, and disposal of waste, resulting from successful implementation of resource management practices.
Value chain impacted	Own operations.
Time horizon	Short- and medium-term.

Sustainable packaging

Description	Consumers are increasingly asking for eco-friendly packaging solutions made from biodegradable, recyclable, or reusable materials. Emerging regulations, such as producer responsibility schemes, can hold manufacturers accountable for the entire lifecycle of their products.
Risk	• Increased costs associated with potential compliance challenges with regulations, leading to operational complexities in managing packaging waste throughout the product lifecycle.
Opportunity	• Increased market share from eco-conscious consumers attracted to innovative packaging solutions that are both sustainable and functional; • Cost savings associated with material cost and transportation cost due to lighter and more compact sustainable packaging.
Value chain impacted	Upstream and own operation.
Time horizon	Short- and medium-term.

Human capital

Description	Team members prioritise competitive salaries, professional development, and career advancement opportunities as essential factors in their employment decisions. Business needs to implement effective strategies that address these expectations.
Risk	• Higher turnover rate attributed to employees consistently exploring external job opportunities in pursuit of more competitive compensation packages; • Increased costs from recruitment, employee benefits, and training expenses.
Opportunity	• Increased productivity across all aspects of operations through investments in training and mentorship initiatives; • Fostering a culture of creativity and continuous improvement through offering opportunities for professional growth.
Value chain impacted	Own operation.
Time horizon	Short-, medium-, and long-term.

Health and safety

Description	Health and safety measures safeguard the physical and mental well-being of team members, reducing the risk of workplace accidents, injuries, and illnesses. Improper health and safety management reduce workforce productivity and increase absenteeism.
Risk	• Increased costs for medical treatment, rehabilitation, and compensation for employees who suffer workplace injuries or illnesses; • Operation disruption caused by workplace incidents, leading to downtime, decreased productivity, and potential damage to equipment and property; • Increased costs related to non-compliance with health and safety regulations, including fines and penalties; • Reputational damage due to work-related safety incidents.
Value chain impacted	Own operation.
Time horizon	Short-, medium-, and long-term.

Product safety and quality

Description	Ensuring the safety and quality of products leads to increased customer satisfaction and loyalty. Overlooking product safety and quality management can be far-reaching, affecting not only the revenue of an organisation but also its reputation and customer relationships.
Risk	• Increased costs associated with product recalls resulting from safety or quality issues; • Reduced market share due to reputational damage to the brand.
Opportunity	• Increased market share by attracting customers' attention and encouraging purchases through improved product quality and greater value for their spending.
Value chain impacted	Upstream and own operations.
Time horizon	Short-, medium-, and long-term.

Supply chain management

Description	Human rights issues in the supply chain, such as forced labor are prevalent in some markets, and we are actively addressing these concerns. Additionally, tackling environmental issues within the supply chain is crucial to our overarching goal of decarbonisation.
Risk	• Increased cost due to supply chain interruption stemming from suppliers' violations in social issues; • Reduced market share associated with consumers boycott due to violation of social standards.
Value chain impacted	Upstream.
Time horizon	Medium- and long-term.

Data privacy and cybersecurity

Description	Data privacy measures safeguard individuals' personal information from unauthorised access, use, or disclosure. Organisations that overlook the protection of data can damage their reputation and credibility in the eyes of the public or even result in regulatory non-compliance.
Risk	• Increased cost in legal expenses because of increased legal proceedings associated with data breaches or other cybersecurity incidents. • Reputational damage due to the loss of trust in cybersecurity integrity.
Value chain impacted	Own operation and downstream.
Time horizon	Short- and medium-term.

Emerging material issues

Sustainable products

Description	As the demand for sustainable products continues to rise, businesses face emerging risks associated with this shift. Ethically source goods, services and materials that prioritise social and environmental considerations throughout the supply chain and minimise other undesired impact to society are being increasingly preferred by customers.
Risk	• Consumer backlash from greenwashing and damage brand trust; • Inability to offer appropriate products to eco-conscious customers.
Opportunity	• Increased revenue through responsible procurement, which attracts sustainability conscious consumers.
Value chain impacted	Upstream and own operation.
Time horizon	Long-term.

Health and nutrition

Description	Develop and offer products with high nutritional quality and health benefits, tailored to meet the expectations of consumers with increasing health awareness. This topic is a newly identified emerging opportunity. As part of our strategic planning, we are developing roadmap to cater to the needs of a growing consumer base that prioritises health and wellness.
Opportunity	• Increased revenue due to successful adaptation to health-conscious customers' demands; • Enhanced brand reputation as a provider of quality products that promote well-being.
Value chain impacted	Own operations and downstream.
Time horizon	Long-term.

Upstream

Value Chain

Throughout DFI, each of our local divisions strives to create sustainable long-term value and foster growth across our entire value chain. Our impact extends beyond our stores and distribution centres; our divisions collaborate with suppliers and partners to enhance the sustainability of supply chains, offering customers more of the products they desire every day and a greater range of quality choices to support their well-being.

Own Operation

Downstream

Upstream

Raw materials

Operating in Asia, DFI procures products from numerous fragmented suppliers, who cultivate raw materials or raise livestock for commodity production. We collaborate across the industry to build a more sustainable value chain. For example, we are engaging farmers in Thailand for low-carbon rice.

Material Topics

1 7 9

Production and transport

Raw materials are sourced and carefully combined, processed, and packaged to produce our Own Brand products. These products are shipped to our distribution centres or directly to retail outlets. Our Own Brand line offers exceptional value across a range of price points, tailored to meet local preferences. Key initiatives to enhance the sustainability of our supply chain include conducting supply chain audits on Own Brand factories to ensure compliance with amfori BSCI or equivalent standards, as well as promoting the use of more sustainable plastic packaging.

Material Topics

1 3 6 7 9 10

Own Operation

Warehouse and distribution

Products are sent to our divisions' distribution centres, where they are organised for delivery to stores, e-commerce fulfilment centres, pick-up locations, and directly to customers' homes. In our distribution centres, we are focusing on reducing packaging waste. We replaced plastic wrap with reusable textile door for our pallet. We also deployed carton recycling technology to further divert waste from landfill. In terms of logistics, we began the electrification of our fleet, thereby reducing direct emissions.

Material Topics

1 2 3 4 5 6 7 8

Retail outlet

Our well-known local divisions have a network of outlets delivering a quality shopping experience both in-store and online. Additionally, we are expanding our sales activities related to media and data insights, which encompass digital advertising opportunities for B2B partners, enabling us to create more personalised and relevant experiences for customers. To safeguard data privacy of our customers, we conduct regular third-party cybersecurity tests on our system, ensuring that the data are not prone to hacking. We have extensive programmes to reduce emissions across outlets to make our store greener, such as a minimum green equipment standard for new store expansion.

Material Topics

1 2 3 4 5 6 8 9 10

Downstream

Customers

Customers are at the heart of our value chain, driving our commitment to deliver high-quality products and exceptional services that meet their evolving needs and preferences. We make donations each year to support and develop the communities we operate in.

Material Topics

8 9 10

Material Topics

1. Climate Change
2. Waste
3. Sustainable Packaging
4. Human Capital
5. Health and Safety
6. Supply Chain Management
7. Product Safety and Quality
8. Cybersecurity and Data Privacy

Emerging Material Topics

9. Sustainable Products
10. Health and Nutrition

ESG risks and impact management programme

Environmental

Climate Change

Scope 1 emissions

The majority of DFI's Scope 1 emissions stem from the leaking of cooling refrigerant, with a smaller portion attributed to emissions from fuel combusted by company-owned vehicles, electricity generators or other equipments that directly burn fossil fuels. Scope 1 emissions remained stable compared to 2023, primarily due to an increase in refrigeration gas leaks being offset by ongoing investments made throughout the year. We expect most of the benefits associated with our 2024 investments to realise in 2025.

In 2024, DFI continued to upgrade refrigeration systems in its stores located in Hong Kong and Singapore. This initiative incorporated advanced technologies designed to minimise gas leakage and enhance refrigeration efficiency. DFI continues to innovate and develop more sustainable solutions, including natural gas and ultra-low Global Warming Potential (GWP) refrigeration systems, through our Research and Development centre in Chung Hom Kok, Hong Kong.

DFI is taking a dual approach to reduce emissions from its fleet operations. This strategy involves optimising truck routes and maximising load efficiency to decrease fuel consumption and emissions. Additionally, DFI is transitioning its fleet to electric trucks, prioritising commercial viability. DFI already introduced larger electric trucks in Taiwan and Hong Kong, demonstrating its dedication to environmentally friendly logistics practices.

Scope 2 emissions

DFI's Scope 2 emissions are driven by electricity consumption. DFI is actively investing in energy-efficient technologies and practices to reduce energy consumption in its stores. Key strategies include further enhancements to smart refrigeration and air conditioning systems, roof insulation and EC Fans for efficiency. Additionally, DFI has introduced minimum requirements and specifications for equipment tendering to improve equipment efficiency and reduce emissions, with plans to update these specifications continuously as technology advances in this space.

In 2024, Scope 2 emissions decreased from 341 kt of carbon dioxide equivalent (CO_2e) in 2023 to 328 kt CO_2e, reflecting the impact of continued investments in energy efficiency and related programs. However, these gains were partially offset by an increase in ambient outdoor temperatures. As temperatures rise, there is a strong positive correlation with increased energy consumption as refrigeration and air-conditioning systems work harder to keep our products and stores safe and cool.

DFI's dedication to carbon reduction extends beyond technological upgrades. It encompasses employee engagement and empowerment as well. By offering energy efficiency training to team members, promoting eco-conscious behaviours, and encouraging team involvement in decarbonisation initiatives, the Group cultivates a culture of environmental responsibility. This operationalises its commitment to decarbonisation through collective action and behavioural change within its workforce.

Scope 1 and 2 GHG emissions

Performance indicator	**2024** **kt CO_2e**	2023 kt CO_2e	2022 kt CO_2e
Total Scope 1	239	236	282
Total Scope 2 (market-based)	328	341	443
Total Scope 1 & Scope 2 (market-based)	**567**	**577**	**725**
Scope 1 & Scope 2 (market-based) intensity Tonnes CO_2e per US$m net sales	64	63	79

Note: The data underlined have been independently assured by PricewaterhouseCoopers.

Performance indicator	**2024 Million Gigajoules**	2023 Million Gigajoules	2022 Million Gigajoules
Total energy consumption	**2.52**	**2.59**	**3.09**
Energy intensity Gigajoules consumption per US$m net sales	284	282	337

Note: The data underlined have been independently assured by PricewaterhouseCoopers.

DFI established a target to reduce Scope 1 and 2 emissions by 50% by 2030 compared to 2021 levels, with an ambition of achieving net-zero emissions by 2050, in line with the Paris Agreement's 1.5°C scenario. Since 2022, DFI has invested over US$30 million into climate initiatives to advance towards these targets. To continue mitigating climate risk, DFI allocated an annual investment of US$15 million to US$20 million for 2025-2027 to bolster the objective for reducing Scope 1 and 2 emissions. Moving forward, we will continue to channel investments into sustainability projects, striving to balance environmental stewardship with the affordability of our products.

In the interest of transparency and comparability, the table below presents the recalibrated performance data for our continuing businesses only (i.e., excluding divested businesses).

Scope 1 and 2 GHG emissions — For continuing businesses

Performance indicator	**2024 kt CO_2e**	2023 kt CO_2e	2022 kt CO_2e	(Base year) 2021 kt CO_2e	% Change 2024 vs 2021
Total Scope 1	231	227	222	323	(28.5)
Total Scope 2 (market-based)	323	329	324	322	0.2
Total Scope 1 & Scope 2 (market-based)	**554**	**556**	**546**	**645**	**(14.2)**

Scope 3 emissions

Within our Scope 3 emissions, DFI identified Category 1 — Purchased Goods and Services as a major contributor, comprising a significant portion of the total emissions. The Scope 3 reduction observed over the past three years can largely be attributed to the divestment of our food businesses in Malaysia and Indonesia. At DFI, we prioritise our customers and rely on a vast global supplier network to provide cost-effective products. The size and diversity of our supplier network presents challenges in influencing, expanding, and monitoring decarbonisation efforts. As a Asia retailer, a majority of our purchases are sourced from Asia-based suppliers where the industry is fragmented and developing. In certain operational regions, governmental climate actions do not align with our commitments, creating additional obstacles to decarbonising our value chain. Customer action is also crucial, yet bridging the gap between behaviour and action is complex. Numerous individual and societal factors are beyond our direct influence, necessitating a comprehensive approach to address these challenges.

Reducing emissions across the value chain, therefore, requires active participation from governments, close collaboration with suppliers, and effective communication with customers. In 2024, with the assistance of an external party, we developed a structured transition plan for Scope 3 emissions, concentrating on four priority categories (rice, dairy, beef, and coffee). Strategies include collaborating with suppliers on decarbonisation strategies and transitioning to lower-emission sourcing regions. We will first focus on our Own Brand products where we have more direct control and can have a more significant influence. Additionally, DFI aims to partner with coalitions of retailers to collectively tackle challenges in commodities and implement scalable, cost-effective industry- wide solutions.

DFI initiated a sustainable rice cultivation project in Thailand in 2024 in response to the pivotal role rice plays in Asian diets and its significant carbon footprint within our Scope 3 emissions. Through collaboration with industry partners, consultants, and verification entities, we provided trainings to farmers to promote Alternate Wetting and Drying (AWD) farming techniques, aiming to enhance water efficiency and potentially reduce methane emissions by up to 50%. The data collection is also overseen by university professors. We target to launch 200 metric tons of Own Brand low-carbon rice in Hong Kong in 2025 to raise public awareness.

Performance indicator	**2024** **kt CO_2e**	2023 kt CO_2e	2022 kt CO_2e
Total Scope 3	**3,277**	**3,438**	**3,619**

Waste

DFI is dedicated to minimising the waste generated during our operations. Our waste diversion target is to achieve an 80% reduction by 2030. This year, DFI's waste diversion rate increased from 56% in 2023 to 61%, demonstrating a steady trend toward our waste reduction commitment. This improvement in waste diversion was attributed to a refinement of our data collection methods, accurately capturing our recycling efforts and notable improvements in our distribution centres, where diversion rates rose from 73% to 82% in 2024.

Recognising waste as a pressing environmental concern, DFI is actively concentrating on diminishing paper, plastic, and food waste. We further strengthened our paper recycling effort by enhancing cardboard collection frequency and segregating paper waste for further recycling. In addressing plastic waste, we transitioned from plastic wrap to reusable textile pallet wrap whenever feasible and are exploring options with reduced plastic content where replacement is challenging. To tackle food waste, several impactful initiatives have been put into action. We collaborated with NGOs to donate over 330 tonnes of non-perishable and soon-to-expire food items in 2024. We also participated in the Environmental Protection Department's food waste collection programme, diverting food waste to Opark1 for biogas production, and started collaborating with a local biofuel company in the second half of the year to explore the use of trimmed meat fat and transforming into biodiesel for our operations. We also introduced the Coffee Grounds Upcycling Programme, collaborating with partners such as Foodlink Foundation and Bottle of Bread (BOB) to repurpose used coffee grounds into nutrient-rich fertiliser and pale ale. We also launched Group-wide behavioural change training campaigns that promote effective recycling practices, encourage the use of reusable items such as water bottles and coffee cups, and minimise the office waste.

Performance indicator	**2024** **tonnes**	2023 tonnes	2022 tonnes
Disposed Waste	**30,110**	**27,758**	**38,451**
– Paper	**4,684**	6,302	6,691
– Plastic	**212**	185	310
– Food waste	**17,599**	14,450	20,776
– General Waste	**6,524**	5,654	9,248
– Others	**1,091**	1,167	1,426
Diverted Waste	**48,162**	**35,799**	**36,769**
– Paper	**40,886**	28,104	29,963
– Plastic	**734**	392	529
– Food waste	**2,084**	1,895	566
– General Waste	**3,585**	5,200	5,484
– Others	**873**	208	227
Total Waste	**78,272**	**63,557**	**75,220**
Diverted waste %	**61%**	**56%**	**48%**

Sustainable packaging

Responsible and ethical sourcing resources are dedicated to exploring sustainable packaging and alternative solutions. This involves investigating innovative materials that minimise environmental impact, such as biodegradable, compostable, and recyclable options. Our subject matter experts collaborate with suppliers and industry experts to identify technologies that enhance packaging performance while reducing waste.

Recyclable plastic packaging

DFI is actively investigating alternative packaging materials to minimise our environmental impact. We set an ambitious target for our Own Brand plastic packaging to achieve 100% recyclability by Stock Keeping Unit (SKU) count by 2030, contingent on the availability of appropriate packaging technologies that ensure product safety and quality. This commitment underscores DFI's dedication to reducing plastic waste and promoting sustainable packaging solutions.

As a member of the Consumer Goods Forum and Plastic Waste Coalition, DFI endorsed six of the Consumer Goods Forum's Golden Design Rules, which guide us in optimising our packaging for recyclability. These rules include strategies such as enhancing recycling value in PET bottles, eliminating problematic elements, increasing recycling value in PET trays, improving recycling value in rigid HDPE and PP, reducing virgin plastic in B2B packaging, and providing on-pack recycling instructions.

In 2024, DFI's percentage of Own Brand products with plastic packaging that is recyclable by SKU remained stable. This was due to a commercially driven range reset in 2024, resulting in changes of total number of SKUs. The roadmap for improving packaging recyclability was reviewed and was being adjusted, allowing us to realign and accelerate our progress toward the 2030 target.

Performance indicator	2024	2023
Own Brand products with plastic packaging that is recyclable (% of SKUs)	57%	57%

Note: The data underlined have been independently assured by PricewaterhouseCoopers.

Sustainable products

DFI recognises the vital importance of sustainable food production and sourcing as an emerging ESG issue and risk. As a food retailer operating in Pan-Asian markets, we could foster positive change in these areas. In response to the growing environmental awareness among consumers, we have implemented various initiatives and sustainable sourcing practices across our Own Brand product lines:

- Sustainable Seafood: All our Own Brand canned tuna products are sourced from fisheries certified by the Marine Stewardship Council (MSC). This certification by the MSC certifies that seafood is obtained from sustainable and well-managed fisheries.
- Sustainable Cocoa: Our Meadows Gold Chocolate products are certified by the Rainforest Alliance, ensuring that the cocoa used is sourced sustainably, which supports biodiversity conservation and fair treatment of farmers.
- Sustainable Coffee: The coffee beans used in our 7Café locations in Singapore, Hong Kong, and Macau are also certified by the Rainforest Alliance. This certification ensures that the coffee is grown using sustainable practices that protect the environment and support the livelihoods of coffee farmers.
- Paper Products: DFI is committed to ensuring that 100% of our grocery paper products are FSC™-certified by 2028, reflecting our dedication to reducing waste and promoting responsible sourcing across our operations.

The percentage of DFI's Own Brand products with sustainability certifications by SKU in the selected categories increased from 24% in 2023 to 28% in 2024, indicating an upward trend. This increase can be attributed to DFI offering a greater number of SKUs that have received sustainability certifications.

Performance indicator	2024	2023	2022	Scope
Percentage of Own Brand products with sustainability certifications (% of SKUs)	28%	24%	11%	Own Brand pre-packaged products within selected categories

Social

Human capital

Talent development and training

DFI aims to upskill our workforce to meet our objectives effectively. In 2024, DFI team members achieved an average of 16.6 training hours per team member, surpassing the target set at 14 hours. We provided a range of training courses covering values training, leadership skills, and a wide array of emerging skills such as data analytics and AI for Business. One-off training sessions due to new technology rollouts contributed to the increase in training hours, which are not recurring. Therefore, DFI will maintain the target at 14 hours.

Performance indicator	2024	2023	2022
Team members average training hours	**16.6**	13.6	13.7

Team members benefits and retention

Due to the nature of the retail business, DFI aims at maintaining a turnover rate at or below 27%. In 2024, our voluntary turnover rate decreased from 27% in 2023 to 22%. This improvement was attributed to our dedicated efforts to enhance team member benefits and retention, alongside the macroeconomic environment in the Chinese mainland and Hong Kong. In order to retain our team members, DFI conducts regular reviews and benchmarking of our employment, remuneration and benefit policies, allowing us to make necessary adjustments to ensure market competitiveness. Additionally, we continuously offer a wide range of development opportunities and actively implement initiatives to improve overall employee experiences. These strategic efforts have been instrumental in fostering employee retention and enhancing overall satisfaction.

Performance indicator	2024	2023	2022
Full-time team members turnover rate (voluntary)	**22%**	27%	30%

Diversity

In 2024, DFI maintained a gender diversity rate of 65% across all team members, a figure that aligns with our goal. The slight decrease in diversity within senior leadership can be traced back to internal restructuring, specifically the consolidation of roles, resulting in a reduction in the percentage of female senior management positions. As a business serving a predominantly female customer base, it is crucial to ensure that our team composition reflects the diversity of our customers. This underscores the importance of improving diversity within our organisation. Our commitment to gender diversity remains steadfast as we navigate organisational changes, striving towards a more equitable and supportive workplace for all.

Performance indicator	2024	2023	2022
Team members diversity			
Male	**35%**	35%	36%
Female	**65%**	65%	64%
By gender			
Total	**45,308 (100%)**	47,465 (100%)	48,110 (100%)
Senior leadership diversity			
Male	**63%**	62%	65%
Female	**37%**	38%	35%

Note: The data underlined have been independently assured by PricewaterhouseCoopers.

Gender pay equity

DFI recognises the significance of gender equity and took a proactive approach to review and monitor gender pay equity across all our major markets and businesses. DFI is continuing to make progress to bridge observed pay gaps and towards gender pay equality. This year, a group-wide gender compensation review was conducted, marking the first time we have monitored, measured and reviewed the gender pay gap across the entire organisation.

Performance indicator	Median	Mean
Gender pay indicator		
Management	0.98	0.95
Non-management	0.98	0.97
All team members	**0.98**	**0.97**

Health and safety

DFI saw an improvement in workplace safety. Our work-related fatality rate remained at nil, as there were no work-related fatalities in 2024. Additionally, our recordable and lost time injury rates decreased from 1.41 to 1.32 and 1.02 to 0.84, attributed to a reduction in injury cases resulting from more effective health and safety measures and improvements in man-hours data quality. Despite the improving performance, we continue to implement measures to encourage the reporting of injuries. We are committed to establishing a safe workplace that supports the well-being and success of our team members while adhering to all Health and Safety (H&S) regulations across our operating regions.

DFI also has H&S requirements under our Supplier Code of Conduct, where suppliers must ensure that their workers have a safe and healthy work environment, subject to a robust health and safety management system that is compliant with all governing health and safety laws and regulations and is aligned with applicable international standards and industry best practice. To ensure the safety of contractors, we have implemented a third-party management programme. In 2024, a comprehensive third-party review of our Health & Safety practices was commissioned, enabling us to benchmark our performance against local and global peers.

Performance indicator	**2024**	2023	2022
Work-related fatalities rate	**0.00**	0.00	0.00
High-consequence work-related injury rate	**0.02**	0.02	n/a
Recordable work-related injury rate	**1.32**	1.41	1.48
Lost time injury rate	**0.84**	1.02	1.17

Note: The data underlined have been independently assured by PricewaterhouseCoopers.

Supply chain management

In 2024, we achieved 100% of DFI's Own Brand production facilities located in high-risk countries being audited against amfori BSCI or equivalent ethical standards, meeting our target of ensuring all Own Brand supplying factories meet DFI's ethical requirements by 2024, and we will ensure new factories of Own Brand products meet the same requirements.

DFI supply chain management is overseen by the Sustainability Committee and is the responsibility of DFI's Technical team. DFI implemented measures to set goals, monitor key indicators, and share best practices with our teams and suppliers. It is critical for DFI's team members to recognise social and environmental issues in the supply chain. DFI offers a range of social and sustainability related training for team members engaging in supplier assessment activities and provides assessment standard training on a regular basis to continuously raise the level of team members competencies in assessing suppliers.

Performance indicator	**2024**	2023	2022
Factories (in high-risk countries) supplying Own Brand products audited against amfori BSCI or equivalent standards (cumulative)	**100%**	94%	44%

Governance

Product safety and quality

In 2024, 85% of our Own Brand food factories were third-party audited against a globally recognised food safety approved schemes, under the Global Food Safety Initiative (GFSI). The remaining 15% of food factories, which do not hold a globally recognised certification, were audited by a nominated third-party according to DFI audit scheme. In addition to this, as a pre-requisite, all Own Brand production facilities must acknowledge that they comply with DFI's Supplier Technical Standard. From here, before the launch of any Own Brand product, each item undergoes internal assessment and validation by a third-party accredited laboratory to ensure quality, safety, and legal compliance. While the launch phase is critical for introducing a product to the market, ongoing post-launch surveillance is essential. Our post-launch surveillance programme includes monitoring manufacturing and product compliance, allowing DFI to continuously identify and address emerging issues and opportunities for improvement. In the event of a product recall or withdrawal, our procedures outline the necessary steps to minimise potential risks and swiftly remove the product from the market.

Performance indicator	**2024**	2023	2022
Factories of Own Brand food products with a globally recognised food safety audit certification	**85%**	81%	67%

Cybersecurity and data privacy

Cybersecurity

DFI reported no confirmed cases of cybersecurity breaches in 2024. This achievement could be attributed to our continuous investment in cybersecurity initiatives and the implementation of an effective cybersecurity program.

With robust cybersecurity measures, DFI safeguarded the personal information of employees, customers, and partners, thereby preserving stakeholder confidence and avoiding potential legal repercussions. Additionally, strong cybersecurity practices ensured business continuity by minimising disruptions from cyber threats and mitigating financial losses associated with breaches. For example, DFI has measures in place to monitor and respond promptly to data breaches and cyber-attacks, including incident response plans designed to minimise the impact of potential breaches. Details of our cybersecurity programme can be found in our Sustainability Report.

Data Privacy

DFI had no confirmed cases of data privacy breaches in 2024. This success can be attributed to our robust data privacy programmes and effective risk governance practices.

DFI recognises the importance of protecting personal data to maintain strong, trusting relationships with our customers as well as our team members, and we have data privacy programme in place to protect personal data. For example, DFI conducts regular risk assessment and internal audits to assess compliance with the technologies and practices that involves the handling of personal data. These audits evaluate the effectiveness of our privacy practices, ensuring that we adhere to established standards and regulations. Details of our data privacy programme can be found in our Sustainability Report.

Tax governance

Demonstrating strong tax governance practices and responsible tax behaviour aligns with the broader goals of sustainable and responsible business practices. Despite not being classified as a material topic as its impacts and risks are effectively managed, we are disclosing it because of its importance.

DFI total tax contribution remained stable in 2024. In addition to income tax contributions, DFI also plays a role in the development of countries through various other taxes. Activities across the Group generate a range of direct and indirect taxes, including corporate income taxes, property taxes, sales taxes, employer payroll taxes, and social security contributions. We consider compliance with relevant tax laws and regulations as essential to sustainable business practices and aligned with our responsibilities as a good corporate citizen. We ensure that all necessary tax returns are submitted on time and that the correct amounts are paid by the due dates.

Given the complexities of taxation and the rising obligations associated with global minimum taxation initiatives, increased transparency can lead to greater scrutiny and reputational risks. To manage these challenges, the Group operates a risk-based system of controls, processes, and training aimed at minimising tax-related errors. We maintain a low tolerance for tax uncertainty and engage with tax authorities in a timely and transparent manner.

The Group Finance team, composed of experienced tax professionals, oversees the Group Tax function and provides support to the Finance and People & Culture teams of our group companies. Together, they share the collective responsibility of ensuring that the Group adheres to appropriate tax accounting treatments and reporting standards.

Tax Contribution

Performance indicator	**2024**	2023	2022
Tax contribution (US$m)	**123**	118	127

Note: The data underlined have been independently assured by PricewaterhouseCoopers.

ESG performance table[1,2]

Environment

Data	Unit	2024	2023	2022
Climate Change				
Total Scope 1 & 2 (market-based)	**kt CO_2e**	**567**	**577**	**725**
Scope 1 & Scope 2 (market-based) intensity	kt CO_2e per US$m net sales	64	63	79
Total Scope 1 & 2 (location-based)	**kt CO_2e**	**567**	**577**	**725**
Scope 1 & Scope 2 (location-based) intensity	kt CO_2e per US$m net sales	64	63	79
Total Scope 1	**kt CO_2e**	**239**	**236**	**282**
Refrigerants	kt CO_2e	231	228	274
Fuel for own trucks	kt CO_2e	8	8	8
Total Scope 2 (location-based)	**kt CO_2e**	**328**	**341**	**443**
Electricity (location-based)	kt CO_2e	328	341	443
Total Scope 2 (market-based)	**kt CO_2e**	**328**	**341**	**443**
Electricity (market-based)	kt CO_2e	328	341	443
Total Scope 3	**kt CO_2e**	**3,277**	**3,438**	**3,619**
Category 1	kt CO_2e	2,174	2,307	2,387
Category 2	kt CO_2e	34	57	106
Category 3	kt CO_2e	127	130	163
Category 4	kt CO_2e	24	45	29
Category 5	kt CO_2e	18	20	31
Category 6	kt CO_2e	5	5	3
Category 7	kt CO_2e	34	30	35
Category 9	kt CO_2e	72	64	2
Category 11	kt CO_2e	53	51	59
Category 12	kt CO_2e	176	158	144
Category 14	kt CO_2e	72	78	79
Category 15	kt CO_2e	488	493	581
Total energy consumption	**million Gj**	**2.52**	**2.59**	**3.09**
Fuel	million Gj	0.11	0.11	0.11
Electricity	million Gj	2.41	2.48	2.98
Total energy intensity	**Gj per US$m net sales**	**284**	**282**	**337**

Note 1: The data underlined have been independently assured by PricewaterhouseCoopers.
Note 2: Certain data are restated according to restatement policy, please refer to Methodology section for details.

Data	Unit	2024	2023	2022
Waste				
Total waste	**tonnes**	**78,272**	**63,557**	**75,220**
Total disposed waste	**tonnes**	**30,110**	**27,758**	**38,451**
Product waste (food)	tonnes	17,599	14,450	20,776
Product waste (non-food)	tonnes	918	910	1,111
General waste	tonnes	6,524	5,654	9,248
Paper	tonnes	4,684	6,302	6,691
Plastic	tonnes	212	185	310
Polyfoam	tonnes	173	257	315
Total diverted waste	**%**	**61%**	**56%**	**48%**
Total diverted waste	**tonnes**	**48,162**	**35,799**	**36,769**
Product waste (food)	tonnes	2,084	1,895	566
Product waste (non-food)	tonnes	635	n/a	n/a
General waste	tonnes	3,585	5,200	5,484
Paper	tonnes	40,886	28,104	29,963
Plastic	tonnes	734	392	529
Polyfoam	tonnes	238	176	191
Electronic Waste[3]	tonnes	0	32	36
Diverted waste by method	**tonnes**	**48,162**	**35,799**	**36,769**
Recycled	tonnes	43,285	32,670	35,223
Reused	tonnes	2,793	1,234	980
Donated	tonnes	2,084	1,895	566
Sustainable Packaging				
Own Brand products with plastic packaging that is recyclable	% of SKUs	57%	57%	n/a
Sustainable Products				
Percentage of Own Brand products with sustainability certifications	% of SKUs	28%	24%	11%

Note 3: The data indicates a type of hazardous waste. The reported figure of 0 is resulted from rounding issue. The actual figure is 0.37 tonnes.

Methodology

Scope 1 & 2 emissions and energy consumption

DFI's GHG emissions and energy consumption are calculated and consolidated in accordance with GRI 305: Emissions and GRI 302: Energy standards respectively and are aligned with the GHG Protocol Corporate Accounting and Reporting Standard. Additionally, DFI considers guidance from IFRS S2 Climate-related Disclosures to ensure a robust and transparent quantification of its GHG emissions.

Scope 1 Emissions

Scope 1 GHG emissions arise from the burning of fuels and the leaking of cooling refrigerant. The amount of fuel burned is derived from the amount of fuel purchased, while refrigerant leakage is estimated based on the total weight (in kilograms) of refrigerant DFI purchased, aggregated by store, market and business, as documented in the invoices for all purchased refrigerant gas.

Scope 1 GHG emissions are calculated using emission factors published by the UK Department for Environment, Food and Rural Affairs (Defra). The Global Warming Potential (GWP) values over a 100-year time horizon published in the Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report (AR6) are applied to calculate the impact of each gas purchased relative to one unit of CO_2. During the reporting period, emissions from sources such as fugitive emissions from fire extinguishers are considered immaterial, and therefore are not reported.

Scope 2 Emissions

Scope 2 GHG emissions encompass those generated from the production of purchased or acquired electricity. During the reporting period, emissions from heating, cooling, or steam are considered immaterial, and therefore are not reported. Starting from this Reporting period, DFI reports both market-based and location-based Scope 2 emissions:

- When calculating Scope 2 GHG emissions using the location-based approach, emissions factors from regional/national sources such as the Energy Market Authority of Singapore and the Ministry of Ecology and Environment of the People's Republic of China, or the International Energy Agency (IEA) are applied.
- When calculating Scope 2 GHG emissions using the market-based approach, emission factors are conveyed through purposely purchased contractual instruments between DFI or it's subsidiaries and energy provider. Market-based emissions will be equivalent to location-based emissions, if no deliberate selection of electricity supplier is made and if no contractual arrangements have been made related to renewable energy attributes.

Energy Consumption

Energy consumption encompasses the total usage of stationary and mobile fuel, as well as electricity. This data is primarily gathered from actual electricity bills collected from the majority of markets. When purchase data is unavailable, energy consumption is estimated using an analytical approach based on electricity expenditure.

Energy consumption is calculated using conversion factors published by UK Defra.

Reporting Boundary and Tracking

GHG emissions are measured at the store level and reported monthly. Progress against annual targets is tracked, with these targets forming the pathway to achieving net-zero GHG emissions.

The reporting scope for Scope 1 and Scope 2 includes DFI and its subsidiaries, with the exception of franchised stores which are included in Scope 3 emissions. The accounting treatment of divestments and acquisitions is in line with the composition reflected in the group financial statements reporting. 2022 Scope 1 and Scope 2 emissions and energy consumption have been restated to align with this reporting boundary.

Emissions from divested businesses are not included in the Scope 1 and Scope 2 figures reported for target tracking purposes.

Scope 3 emissions
DFI acknowledges the inherent challenges in tracking and accurately calculating Scope 3 emissions, particularly given the complexity of working with a large network of vendors who source materials and ingredients from diverse suppliers across the globe.

Scope 3 emissions are calculated based on a wide range of activity data, assumptions, and emission factors. In general, the majority of the categories' emissions is calculated using the latest Environmentally Extended Input-Output (EEIO) emissions factors. The details of the specific methodology for calculating and consolidating emissions for each applicable Scope 3 category are detailed below:

- Category 1 Purchased Goods and Services: emissions are calculated based on the relevant emissions from 1) purchased food items, 2) purchased non-food items, including hardline products and 3) services purchased by DFI;
- Food items – Except for IKEA food products, DFI adopts an activity-based approach to calculate the Category 1 emissions of food products. The calculation incorporates both Forest, Land and Agriculture (FLAG) and non-FLAG emissions, which include the packaging, manufacturing/processing, and transportation of food items. FLAG emissions are those associated with land use change and land management activities, such as agricultural practices. The methodology for FLAG emissions multiplies the weight of food products by agricultural emission factors. Non-FLAG emissions are those related to the processing, packaging, and transportation of food products, calculated using non-FLAG emission factors;
- DFI uses emission factors extracted primarily from Agribalyse 3.1.1, which accounts for 95% of the products. The remaining 5% of the products use emission factors sourced from other databases and scientific research papers. Agribalyse, recognised by the GHG Protocol as one of the 'Land Sector Calculation Resources', is the most comprehensive food-related emissions database available;
- For food products sold at IKEA, where specific food data is unavailable, emissions are extrapolated based on 2021 emissions data, using sales as a proxy;
- Non-food (hard goods and purchased services): Emissions are calculated by multiplying the purchase values of hardline and non-food products, as well as the costs of purchased services, with EEIO cradle-to-gate emission factors;
- Category 2 Capital Goods: Emissions are calculated by multiplying capital-related spend (including new store development, store refurbishment, facilities management, distribution centre, processing and IT software) with EEIO emission factors;
- Category 3 Fuel- and energy-related activities: Emissions are calculated by multiplying the quantity of purchased electricity and fuel consumption with the upstream fuel- and energy-related emission factors provided by Defra. Regional emission factors for each relevant market are applied;
- Category 4 Upstream transportation: Emissions are determined by applying DFI's upstream and downstream logistics spending to relevant EEIO emission factors and supplementary factors based on comprehensive research. Where specific data is unavailable, emissions are estimated using sales data, referencing the most recent year's emission figures;
- Category 5 Waste generation: Emissions are calculated by multiplying the quantity of waste, categorised by type and disposal method, with the corresponding Defra's emission factors;
- Category 6 Business travel: Emissions are calculated by multiplying the relevant business travel spend with the applicable EEIO factors;
- Category 7 Employee commuting: Emissions are calculated using weighted average commute emission factors by region, considering the average commute distance and all travel modes used by employees;
- Category 9 Downstream transportation and distribution: Emissions are calculated by multiplying sales from external delivery platforms with the applicable EEIO factors;
- Category 11 Use of sold products and Category 12 End-of-life treatment of sold products: Disposal method by country is considered to apply different emission factors;
- Category 14 Franchises: Scope 1 and Scope 2 emissions from convenience franchises in The Chinese mainland, Hong Kong and Macau, and Singapore are included;
- Category 15 Investments: Calculation is based on the most recent available information for Yonghui, Robinsons Retail Holdings Inc., Maxim's, and Guardian Vietnam; where data is unavailable, sales-based proxies have been utilised.

Out-of-scope categories
Reporting of the following Scope 3 categories has been excluded:
- Category 8 Upstream leased assets – covered in Scope 1 and 2 emissions;
- Category 10 Processing of sold products – no intermediate products sold to customers;
- Category 13 Downstream leased assets – only few assets leased to others.

Note on 2022 scope 3 emissions
DFI calculated 2021, 2023 and 2024 Scope 3 emissions using actual spending and weight data, ensuring an accurate representation of emissions for those years. For 2022, the full-year inventory was estimated using an analytical approach based on the 2021 inventory, leveraging spend data to model emissions.

Reporting boundary
The reporting scope for Scope 3 emissions includes DFI and its subsidiaries for the entire reporting period. The accounting treatment of divestments and acquisitions is in line with the composition reflected in the group financial statements reporting. The 2022 and 2023 Scope 3 emissions were restated to ensure alignment with our updated ESG accounting policy.

Waste
DFI established a waste methodology to track both waste disposal and waste diversion, classifying waste into two main types: Product Waste (Food and Non-Food) and Non-Product Waste (General Waste, Paper, Plastics, Polyfoam and Hazardous). The key elements of the methodology include:

Total Waste
- The product waste (both food products and non-food products) includes the net weight, which is based on store shrinkage records and primary packaging waste, which is estimated using proxy data provided by an external waste consultant in Hong Kong. This proxy was updated in 2023 based on site visits (both store and distribution centres) and surveys with store managers. This data is then extrapolated to estimate primary packaging weight in other markets;
- For non-product waste, data at distribution centres is based on invoice data obtained directly from waste collectors. In stores, it is estimated by weighing specific sample products in the Chinese mainland, Hong Kong, and Singapore as a proxy supported by an external waste consultant, then extrapolating this data to other markets. In 2024, total paper (i.e. carton boxes) and polyfoam waste in Hong Kong is determined by the quantity dispatched from distribution centres to stores, assuming that all carton boxes and polyfoam sent are to be managed at the store level;
- For plastic, it is based on the weight of plastic wrap calculated using actual purchase records and actual recordings of plastic trays purchased in distribution centres.

Waste Diverted
- For product waste, DFI tracks the product waste diversion weight through the NGO or government actual receipts or equivalent supporting of donated or recycled waste;
- For non-product waste, diversion data at distribution centres is based on invoice data obtained directly from collectors. In stores, DFI relies on the proxy for the diversion rate of non-product waste based on site visits and survey with store managers. In 2024, the diversion data of paper and polyfoam in Hong Kong is based on direct reporting from store managers who deal with the waste on a day-to-day basis;
- For the plastic wrap diverted amount, DFI conducts sampling of the recycled waste types during site visits and surveys and extrapolates based on sales activity of selected stores. For the plastic trays diverted, it is based on actual receipts of plastic collected for diversion in distribution centres;
- Hazardous waste, which includes batteries and toner cartridges generated from our distribution centre, is tracked based on invoice data to determine the diverted amount.

Our waste figures in 2022 and 2023 have been restated to incorporate divestment figures to align with ISSB standards and reclassification of our waste types. Additionally, the 2022 and 2023 product waste (non-food) diverted were restated from zero to n/a to maintain data integrity, as limited data availability made accurate reporting unfeasible.

Sustainable packaging
For a packaging or packaging component to be reported recyclable, three conditions must be met. Firstly, its successful post-consumer collection, sorting, and recycling must be proven to work practically and at scale. Secondly, no materials or components should disrupt the recycling system. Thirdly, every part of the plastic packaging must be recyclable. The current data excludes all 7-Eleven and IKEA operations, and we aim to address the gap in 2025.

Sustainable product
We consider the number of Own Brand products (by SKU) that have received globally recognised sustainability certifications in the selected categories only, which include seafood, palm oil, eggs, coffee, cocoa, and paper. For paper SKUs, we consider SKUs with recycled paper in addition to sustainability certifications. The scope of these certifications covers a range of aspects such as protecting the environment, communities, human welfare and wildlife, and safeguarding animal welfare.

Social

Data	Unit	**2024**	2023	2022
Human Capital				
Talent Development and Training				
Team members average training hours	hours	**16.6**	13.6	13.7
Team Members Benefits and Retention				
Full-time team members turnover rate (voluntary)	%	**22%**	27%	30%
Total team members	number	**45,308**	47,465	48,110
Diversity				
Gender				
Male	%	**35%**	35%	36%
Female	%	**65%**	65%	64%
Age group				
Below 30s	%	**32%**	33%	34%
30s-50s	%	**47%**	47%	47%
Above 50s	%	**21%**	20%	19%
Work region				
Hong Kong	%	**44%**	43%	39%
Macau	%	**4%**	4%	4%
Chinese mainland	%	**13%**	14%	14%
Singapore	%	**13%**	13%	12%
Indonesia	%	**9%**	10%	10%
Others	%	**17%**	16%	21%
Job type				
Permanent	%	**88%**	86%	n/a
Temporary	%	**12%**	14%	n/a
Full-time	%	**63%**	62%	66%
Part-time	%	**37%**	38%	34%

Data	Unit	2024	2023	2022
Total new hires	number	**20,632**	26,622	26,704
Below 30s	%	**64%**	60%	62%
30s-50s	%	**28%**	30%	30%
Above 50s	%	**8%**	10%	8%
Senior leadership diversity				
Male	%	**63%**	62%	65%
Female	%	**37%**	38%	35%
Gender pay equity				
Management (median/average)	ratio	**0.98/0.95**	n/a	n/a
Non-management (median/average)	ratio	**0.98/0.97**	n/a	n/a
Total team members (median/average)	ratio	**0.98/0.97**	n/a	n/a
Health and Safety				
Number of hours worked	million hours	**89.1**	83.7	86.1
Fatalities	number	**0**	0	0
Fatalities rate	per 200,000 hours worked	**0.00**	0.00	0.00
High-consequence work-related injuries	number	**11**	7	n/a
High-consequence work-related injuries rate	per 200,000 hours worked	**0.02**	0.02	n/a
Recordable work-related injuries	number	**588**	592	636
Recordable work-related injuries rate	per 200,000 hours worked	**1.32**	1.41	1.48
Lost time injuries	number	**376**	426	504
Lost time injuries rate	per 200,000 hours worked	**0.84**	1.02	1.17
Supply Chain Management				
Factories (in high-risk countries) supplying Own Brand products audited against amfori BSCI or equivalent standards (cumulative)	%	**100**	94	44

Methodologies

Team members training

Training is defined as any type of knowledge-based and skills-based session, attended by team members on a compulsory or voluntary basis. The number of training hours include in-person sessions, and virtual sessions delivered on internal e-learning platforms. For fundamental topics, all team members are required to attend at the start of their employment contract, followed by periodic compulsory refresher training.

When calculating the average training hours per team member, part-time team members are counted as 0.5 of a full-time equivalent (FTE). The total number of team members used in the calculation is based on the year-end headcount. For divested businesses, the calculation uses the FTE count as of their final day before divestiture. The reporting scope for team members training includes DFI and its subsidiaries (excluding franchised stores) for the entire reporting period. The 2022 diversity data has been restated to ensure alignment with the updated ESG accounting policy.

Team members turnover

Turnover includes only full-time team members that have chosen to leave the company voluntarily. Turnover percentage refers to the number of leavers as a percentage of the average number of team members within the calendar year. The reporting scope for team members turnover includes DFI and its subsidiaries (excluding franchised stores) for the entire reporting period. The 2022 diversity data has been restated to ensure alignment with the updated ESG accounting policy.

Team members diversity

A thorough process is put in place to extract data from our People & Culture system, which automatically calculates the metrics disclosed. Senior leadership is defined as Grade 16 or above according to the Willis Towers Watson Global Grading System, which we have matched to the DFI grading system for direct comparison. Permanent team members are contracted for full time or part time work for an indeterminate period, while temporary team members are contracted for a defined duration. The reporting scope for team members diversity includes DFI and its subsidiaries (excluding franchised stores) as of year end 2024. The 2022 diversity data has been restated to ensure alignment with the updated ESG accounting policy.

Gender pay ratio

The gender pay gap is determined by the ratio of the median or average base salary of female team members to that of male team members. A figure below 1 indicates that male team members generally receive higher pay, and vice versa. Median and average calculations are headcount-weighted averages by job band and by market. This calculation includes all full-time team members but excludes franchisee' workers. The data is as of November 2024.

Health and safety

DFI follows a structured methodology to track and report Occupational Health and Safety (OHS) performance. The key elements of the methodology include:

- Work-related injuries are defined as negative impacts on health arising from exposure to hazards at work;
- Lost time injuries are defined as work-related injuries or illnesses that result in an employee being unable to perform their regular work duties for at least two scheduled workdays including the day of the incident;
- A fatality is defined as the death of a team member resulting from a work-related injury or occupational illness arising from exposure to hazards during employment occurring on company premises or while performing job-related duties;
- High consequence work-related injuries are defined as work-related injuries that result in injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 180 workdays;
- Recordable work-related injuries result in any of the following: days away from work, restricted work, medical treatment beyond first aid, loss of consciousness, or significant injury diagnosed by a physician or other licensed healthcare professional;
- All work-related injury rates and the fatalities rate are calculated based on 200,000 hours worked, which indicates the number of work-related injuries per 100 full-time team members over a one-year timeframe, assuming one full-time worker works 2,000 hours per year;
- Hours worked are calculated based on actual clock-in and clock-out records for most stores and distribution centres team members. For office-based team members, it is determined using standard hours minus leave, applying the average headcount per month by business unit. In 2024, enhancements in man-hours data quality led to an increase in recorded hours worked;
- We restated the 2023 fatality count from one to zero following the completion of Labour Department's investigation. Due to the restatement of one fatality case, we also restated the recordable work-related injuries rate accordingly. Additionally, the 2022 high-consequence work-related injuries were restated from zero to N/A to maintain data integrity, as limited data availability made accurate reporting unfeasible. The 2022 recordable injury rate and hours worked were also adjusted to align with the updated ESG accounting policy.

Supply chain management

Factories (in high-risk countries) supplying Own Brand products audited against amfori BSCI or equivalent standards consider the percentage of Own Brand factories in high-risk countries audited against amfori BSCI or equivalent standard cumulatively out of all Own Brand factories. Factories in countries are categorised as 'high-risk' according to the amfori BSCI Countries Risk Classification and other published country risk indexes on labour rights protection. The data is as of year end 2024.

Governance

Data	Unit	2024	2023	2022
Product Safety and Quality				
Factories of Own Brand products with a globally recognised food safety audit certification	%	85	81	67
Tax Governance				
Tax contribution	**US$m**	**123**	**118**	**127**
Hong Kong	US$m	53	47	n/a
Macau	US$m	2	3	n/a
Chinese mainland	US$m	11	15	n/a
Taiwan	US$m	18	19	n/a
Singapore	US$m	21	12	n/a
Malaysia	US$m	4	7	n/a
Indonesia	US$m	9	11	n/a
Cambodia, Brunei, and the Philippines	US$m	1	1	n/a
Non-operating countries	US$m	4	3	n/a

Methodologies

Product safety and quality

Factories of Own Brand products with a globally recognised food safety audit certification considers the percentage of Own Brand factories that hold certification from a globally recognised food safety program that is accredited under the Global Food Safety Initiative (GFSI) scheme out of all Own Brand factories. Facilities that do not possess GFSI certification must adhere to the food safety requirements outlined in DFI's Supplier Technical Standards, which are established by our Technical team and audited by a third-party partner appointed by DFI. The data is as of year end 2024.

Tax governance

Tax contribution includes corporate income taxes, property taxes for real property holdings or transactions, non-creditable VAT (GST) and other sales or similar taxes, employer's portion of payroll taxes, social securities and other taxes paid that constitute costs to the company (such as stamp duty, consumption tax, royalties, dividend, interest withholding tax).

GRI, SASB index

Please refer to our website www.DFIretailgroup.com for a full listing of GRI and SASB index.

Independent practitioner's limited assurance report on DFI Retail Group Holdings Limited's ESG data

To the board of directors of DFI Retail Group Holdings Limited

Limited assurance conclusion

We have conducted a limited assurance engagement on the selected ESG data of DFI Retail Group Holdings Limited (the 'Group') listed below and identified as the numbers underlined in the Group's Environmental, Social and Governance Disclosure (the 'ESG Disclosure') of the Annual Report 2024 (the 'ESG data') as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the ESG data is not prepared, in all material respects, in accordance with the criteria applied as explained in the 'Climate Change', 'Human Capital', 'Health and Safety', 'Tax Governance' and 'Sustainable Packaging' methodology sections of the ESG Disclosure 2024.

ESG data
The ESG data for the year ended 31 December 2024 is summarised below:

Climate Change
- Total Scope 1 & Scope 2 GHG emissions (market-based) [1]
- Total Scope 1 & Scope 2 GHG emissions (location-based) [2]
- Total energy consumption [3]

Human Capital
- Gender diversity in senior leadership [4]

Health and Safety
- Fatalities [5]
- Fatalities rate [6]
- High-consequence work-related injuries [7]
- High-consequence work-related injuries rate [8]
- Recordable work-related injuries [9]
- Recordable work-related injuries rate [10]
- Lost time injuries [11]
- Lost time injuries rate [12]
- Number of hours worked [13]

Tax Governance
- Tax contribution [14]

Sustainable Packaging
- Own Brand products with plastic packaging that is recyclable [15]

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ('ISAE 3000 (Revised)'), and, in respect of the greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance engagements on greenhouse gas statements ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board (the 'IAASB').

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under these standards are further described in the Practitioner's responsibilities section of our report.

Our independence and quality management
We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 issued by the IAASB, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities for the ESG data

Management of the Group is responsible for:

- The preparation of the ESG data in accordance with criteria applied as explained in the 'Climate Change', 'Human Capital', 'Health and Safety', 'Tax Governance' and 'Sustainable Packaging' methodology sections of the ESG Disclosure 2024;
- Designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of the ESG data, in accordance with criteria applied as explained in the 'Climate Change', 'Human Capital', 'Health and Safety', 'Tax Governance' and 'Sustainable Packaging' methodology sections of the ESG Disclosure 2024, that is free from material misstatement, whether due to fraud or error; and
- The selection and application of appropriate ESG reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group's ESG data reporting process.

Inherent limitations in preparing the ESG data
The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

Greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Practitioner's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the ESG data is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. We report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the ESG data.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) and ISAE 3410, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Determine the suitability in the circumstances of the Group's use of criteria applied as explained in the 'Climate Change', 'Human Capital', 'Health and Safety', 'Tax Governance' and 'Sustainable Packaging' methodology sections of the ESG Disclosure 2024 as the basis for the preparation of the ESG data.
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.
- Design and perform procedures responsive to where material misstatements are likely to arise in the ESG data. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the ESG data. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of where material misstatements are likely to arise in the ESG data, whether due to fraud or error.

In conducting our limited assurance engagement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its ESG data by inquiring of the persons responsible for the ESG data, and understanding the process for collecting and reporting the ESG data;
- Evaluated whether all information identified by the process to identify the information reported in the ESG data is included in the ESG data;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the ESG data;
- Performed substantive assurance procedures on selected information in the ESG data; and
- Compared selected information in the ESG data with the corresponding disclosures in the financial statements; and
- Evaluated the methods, assumptions and data for developing estimates.

Other matter

Our conclusion on the current period addresses the ESG data described in the 'Limited assurance conclusion' section of our report. The comparative ESG data presented as at 31 December 2023 and for the year then ended relating to ESG data set out below was not subject to assurance.

Pillar	2023
Climate Change	Data point 2
Health and Safety	Data points 6, 7, 9, 11, 12 and 13
Sustainable Packaging	Data point 15

The comparative ESG data of the Group as at 31 December 2022 and for the year then ended was not subject to an assurance engagement.

Our conclusion is not modified in respect of these matters.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong
10 March 2025

Task Force on Climate-Related Financial Disclosures

This disclosure sets out our climate-related financial disclosures which are consistent with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations and the additional guidance for all sectors published in October 2021.

Governance

Board oversight of climate-related risks and opportunities

DFI's climate risk governance framework is integrated into our ESG governance. For details of how the Board oversees climate-related risks and opportunities, please refer to ESG Governance section of the ESG Disclosure.

Management's role in assessing and managing climate-related risks and opportunities

For details of the management's role in assessing and managing climate-related risks and opportunities, please refer to ESG Governance section of the ESG Disclosure.

Strategy

Our climate strategy centres on our commitment to putting customers first. We understand that our customers expect affordable products delivered in the best possible way to support our planet. To meet these expectations, we will persistently invest in sustainability projects, strive to balance environmental responsibility with affordability, and ensure business resilience against the effects of climate change. More details of our transition plan can be found on pages 80-81.

Climate-related risks and opportunities the organisation has identified over the short-, medium-, and long-term

Understanding and assessing our climate risk involves examining two key dimensions: physical risks and transition risks. Physical risks pertain to the direct impacts of climate change on our operations, such as extreme weather events, rising sea levels, and temperature fluctuations, which can affect our assets, supply chains, and overall business continuity. On the other hand, transition risks relate to the financial and operational challenges associated with shifting towards a low-carbon economy. This includes policy changes, technological advancements, market shifts, and evolving consumer preferences that could impact our business model and financial performance.

We consider climate risks based on international standards such as the TCFD, applying those relevant to DFI's context. DFI uses a systematic approach to assess climate risks, employing the same criteria and thresholds as other risks in its risk register. This methodology evaluates the likelihood and scale of climate risks to ensure consistency and comprehensiveness in risk management. Scenario analyses are conducted to assess both physical and transition risks. To quantify these risks, DFI relies on input parameters from credible sources. For example, when evaluating risks related to carbon pricing mechanisms, we use price information from reputable organisations like the World Bank and the Network for Greening the Financial System (NFGS). The identified climate risks are integrated into the Group's risk register, prioritised relative to other risks, and continuously monitored.

We have adopted the following time horizon when evaluating climate specific risks, which is consistent with the time horizon used in our ESG double materiality assessment:

Time period	Years	Reason
Short	Now – 2027	Aligning with DFI 3-year planning cycle
Medium	2027-2030	Addressing more complex challenges and aligning with DFI climate target
Long	2030-2050	Targeting long-term risks and aligning with Paris Agreement in which emission must reach net zero by 2050

A summary of identified physical and transition risks that could have a significant impact on our business, along with management responses, affected value chains, and time horizons impacted, are outlined in the following table:

Physical risk

Typhoon and rainfall flooding – acute risk

Description	The severity of typhoon is increasing, with more frequent and destructive typhoons expected. The rainfall flooding severity and frequency are also expected to increase across Asia, with implications for low-lying and flood vulnerable locations.
Risks	• Reduced revenue due to disruption of services and business operations such as retail outlets caused by the severe weather conditions; • Increased expenses resulting from damage to equipment, facilities, and properties caused by floodwater; • Decreased revenue due to lower business demand as customers in flood-affected areas are affected; • Increased operating cost due to supply chain disruptions such as crop failure, where resources are needed to search for alternatives. • Commodity supply interrupted due to extreme weather events, which impact our product offering to customers.
Management response	• Developed business continuity plans for all locations to ensure operational resilience; • Standard operating procedures and evacuation plans to prioritise the safety of team members and protect assets during flood events; • Implementing security of supply initiatives and resilient sourcing practices to minimise disruptions to the availability of products and raw materials, such as educating rice farmers in Thailand to consume less resources when farming.
Value chain impacted	Upstream and own operation.
Time horizon	Short-, medium-, and long-term.

Temperature rise and extreme heat – chronic and acute risk

Description	Temperature rise, measured by the combined impact of temperature and humidity on the human body is forecasted to increase across Asia. Furthermore, periods of extreme heat will also increase.
Risks	• Increased operating cost from energy costs and consumption for cooling to maintain comfortable temperatures for customers and team members; • Increased expense from faster spoilage of perishable items such as food and pharmaceuticals due to hotter climate; • Reduced revenue from decreased productivity due to adverse effects on team members' health and safety because of heat-related illnesses.
Management response	• Energy and refrigeration efficiency initiatives to reduce energy consumption and optimise cooling system; • Invested and implemented digital temperature probes across stores and distribution centres to mitigate spoilage risks and costs by real-time tracking and automated alerts; • Maintaining and enforcing safety-at-work procedures for heat related illness; • Implementing security of supply initiatives and resilient sourcing practices to minimise disruptions to the availability of products and raw materials.
Value chain impacted	Upstream and own operation.
Time horizon	Short-, medium-, and long-term.

Transition risks

Climate-related regulations – policy and legal risk

Description	International and domestic carbon pricing mechanism could impose obligations that affect our operations (e.g. carbon tax). There could also be heightened scrutiny and enforcement from regulators regarding climate-related issues, including concerns about greenwashing. As global efforts toward climate change grow and consolidate, there could be growing volume and complexity of mandatory climate-related disclosure requirements.
Risks	• Increased operating cost from carbon pricing mechanisms such as direct and indirect carbon tax; • Increased operating cost to comply with evolving regulations related to climate change and sustainability; • Fines due to failure to accurately disclose climate-related information.
Management response	• Implement measures to reduce Scope 1 and 2 GHG emissions through energy efficiency and refrigeration gas improvements and switch to lower-carbon alternatives, ultimately reducing the potential impacts of carbon tax; • Incorporated carbon emission assessments into new store openings and renewals and consider potential carbon pricing impacts in decision-making; • Obtain assurance on emission data disclosed and improve climate-related data quality and accounting control; • Compliance programme to ensure adherence to evolving regulations, including regular monitoring, and updating of policies and procedures.
Value chain impacted	Own operation.
Time horizon	Short-, medium-, and long-term.

Low carbon technologies transition – technology risk

Description	Delaying the adoption or failure in innovation of low-carbon technology in the retail industry could result in worsening energy efficiency and carbon emission.
Risks	• Increased expense due to ineffective implementation of technologies or Research and Development fails to deliver the anticipated energy savings, resulting in higher operational costs and increased carbon emissions; • Increased operating cost and inefficiencies associated with outdated and carbon-intensive technologies.
Opportunities	• Reduced operating cost from successful investment in low carbon technologies which enhance energy efficiency in operations.
Management response	• Allocate US$15 to US$20 million annually to the investment in Scope 1 and 2 projects to ensure sufficient funding in reducing carbon footprints; • Continue to focus on developing low-carbon retail technologies, collaborating with academic institutions to ensure the successful implementation of these technologies through our own Research and Development centre in Hong Kong.
Value chain impacted	Own operation.
Time horizon	Short- and medium-term.

Increased production cost – market risk

Description	Input prices, such as commodity and energy prices, may rise due to resource scarcity (i.e. water and agricultural products) resulting from changing weather patterns that damage crops and the carbon pricing mechanism, respectively.
Risks	• Increased cost of goods sold due to increase in raw material price due to climate event disruption to supply chain and yield of sourcing origin countries; • Increased operating cost from increased energy price due to carbon pricing mechanisms.
Management response	• Planning of supplier diversification programme to diversify supply source from regions with more sustainable farming practice or less prone to climate impact.
Value chain impacted	Upstream.
Time horizon	Medium- and long-term.

Consumer preferences change to low carbon products – emerging market risk

Description	As awareness of climate change increases, individuals seek to make more environmentally conscious choices. Unable to offer sustainable products at a competitive price may cause customers to pivot to competitors that offer such products.
Risks	• Reduced revenue due to the unavailability of eco-conscious products to cater to the changes in consumer preferences towards more sustainable products.
Management response	• Innovate and develop new products or services that align with sustainability trends, such as sustainable packaging; • Expand low-carbon rice offering by launching 200 metric tons of Own Brand low-carbon rice in Hong Kong in 2025; • Develop a structured transition plan for Scope 3, concentrating on four priority categories (rice, dairy, beef, and coffee) for a collaborative decarbonisation effort with suppliers; • Transitioning to lower-emission sourcing regions for selected categories.
Value chain impacted	Upstream.
Time horizon	Medium- and long-term.

Increased investor and consumer concerns – reputation risk

Description	Investors and consumers increasingly expect businesses to address and mitigate climate risks, incorporating sustainable practices and demonstrating a commitment to decarbonisation.
Risks	• Reduced revenue and market capitalisation due to failure to meet investor and consumer expectations on climate risk which led to reputational damage, loss of trust, and diminished brand value.
Management response	• Score 49 (out of 100) in the 2024 S&P Global Corporate Sustainability Assessment, improving from 23 in 2023; • Incorporate shadow carbon pricing into major business decisions such as new stores; • Conduct comprehensive climate scenario analysis to identify vulnerabilities and opportunities, enabling informed decision-making to address the risks.
Value chain impacted	Upstream, own operation.
Time horizon	Medium- and long-term.

Impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning

Area	Impacts
Strategy	
GHG emissions	DFI aims to mitigate climate risks by aligning our emissions reduction efforts with the goals of the Paris Agreement and the latest climate science. By establishing a clear and measurable pathway for reducing Greenhouse Gas (GHG) emissions, we seek to proactively manage our carbon footprint, minimise emissions-related risks, and contribute to a more sustainable future.
Business	
Products	Climate change has increased the demand for products made from sustainable materials, as consumers actively seek alternatives to those that contribute to deforestation, habitat destruction, or excessive resource consumption. Many prefer products made from renewable resources, recycled materials, or those that utilise sustainable production practices. Expanding our range of sustainable products involves various initiatives within DFI, including partnering with suppliers and manufacturers that prioritise sustainable sourcing, production processes, and packaging.
Operations	Energy efficiency in our retail stores and distribution centre is crucial for mitigating climate risks by reducing Greenhouse Gas (GHG) emissions and minimising energy consumption. Implementing energy-efficient measures, such as installing LED lighting and water-loop fridges with reduced refrigerant gas charges, helps decrease our carbon footprint.
Supply Chain	Electric Vehicles (EVs) produce zero tailpipe emissions since they run on electricity rather than fossil fuels like diesel or gasoline. We introduced EV trucks for our transportation and delivery operations in Hong Kong and Taiwan in 2023, which lowers our GHG emissions. This shift not only helps mitigate climate risks but also contributes to the overall decarbonisation of the transportation sector. DFI has begun the adoption of EV trucks within our fleet, where commercially viable. DFI launched a pilot project to engage suppliers in reducing emissions through the Low Carbon Rice Pilot Programme in Thailand.
Financial planning	
Capital Expenditure	Since 2022, DFI has invested over US$30 million in climate initiatives to help achieve its targets. To further mitigate climate risk, DFI plans to allocate an annual investment of US$15 million to US$20 million from 2025 to 2027 to support its Scope 1 and 2 reduction goals. Allocating Capital Expenditure (CAPEX) toward energy-efficient technologies and equipment upgrades optimises resource consumption and reduces our operational carbon footprint. In 2024, DFI has included shadow carbon pricing into major capex investment. We evaluate the emissions impact associated with significant real estate transactions, such as new store openings or lease contract renewals, by implementing a shadow carbon tax. This assessment is subsequently reviewed by the Real Estate Committee to inform decisions regarding new store expansions and the continuation of existing locations.
Financing	DFI successfully closed a US$ 489.4 million and a US$ 231.8 million Sustainability-Linked Club Loan in 2023 and 2024 respectively, tying to performance in three key sustainability areas: emissions reductions, waste diversion, and plastic packaging. DFI continues to work towards achieving the sustainability KPIs outlined in the Sustainability-Linked Loan (SLL). In 2024, we integrated these targets into our operational strategies and monitoring our progress closely. We are actively engaged in initiatives that focus on reducing greenhouse gas emissions, enhancing waste diversion, and improving resource efficiency.

Scenario selection

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

When assessing the resilience of our climate strategy, DFI has selected two Representative Concentration Pathways (RCPs) established by the Intergovernmental Panel on Climate Change (IPCC) — RCP 2.6 and RCP 8.5 — for scenario analyses. The IPCC RCPs offer a widely recognised and standardised framework for evaluating future climate scenarios, outlining various potential temperature changes based on different levels of greenhouse gas emissions. These scenarios enable DFI to better understand the severity and frequency of climate-related events.

In previous year, only RCPs were used to evaluate the resilience of our strategy. This year, to enhance the evaluation of climate transition risk, DFI utilised scenarios developed by NGFS, which provide structured frameworks for assessing potential futures related to climate change.

Physical risks

Scenario	Assumption	Temperature changes (by 2100)	Risk assumption
RCP 2.6	This scenario reflects a pathway with lower GHG emissions, indicating a future where stringent mitigation measures are implemented, and global warming is limited to below 2°C.	1.7 °C	Low physical risk
RCP 8.5	This scenario outlines a higher GHG emissions pathway, indicating a future where no substantial mitigation actions are taken, resulting in significant global warming and climate impacts.	4.8 °C	High physical risk

Transition risks

Scenario	Assumption	Temperature changes (by 2100)	Risk assumption
Orderly	Orderly scenarios assume climate policies are introduced early and become gradually more stringent.	1.4 °C	High transition risk
Hot House World	Hot house world scenarios assume that some climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming.	3 °C	Low transition risk

Qualitative scenario analysis

Conducting qualitative climate scenario analysis using two different RCPs and two NGFS scenarios allow DFI to gain a comprehensive understanding of the potential impacts of physical and transition risks under various climate futures on our business. This analysis aids in prioritising mitigation and adaptation strategies, effectively allocating resources, and making informed decisions that align with our long-term sustainability objectives. It enables DFI to proactively manage climate-related risks and seize emerging opportunities, thereby ensuring resilience and competitiveness in an evolving business landscape.

For physical risks, the analysis examines the effects of each RCP on DFI's operations. RCP 2.6, which represents a low-emission scenario, suggests a reduced likelihood of extreme weather events and sea-level rise, resulting in a lower physical impact on business operation and supply chains. In contrast, RCP 8.5, indicative of a high-emission scenario, points to a greater likelihood of severe weather events and increased flood risks, prompting DFI to prioritise adaptation measures in vulnerable areas.

Transition risks are assessed by DFI through scenarios developed by the NGFS, focusing on two key pathways: the Orderly Scenario (Net Zero 2050) and the Hot House World Scenario (Current Policies). The Orderly Scenario envisions achieving net-zero global CO_2 emissions by 2050, necessitating a comprehensive transition across all sectors. Transition risks may arise from higher emissions costs and shifting business and consumer preferences. In contrast, the Hot House World Scenario acknowledges that, despite some countries implementing climate policies, these measures are insufficient to meet commitments.

When conducting physical climate risk quantitative analysis, DFI selects a sample of the most relevant operating locations, taking into account factors such as property type (store or distribution centre), ownership status (owned or leased), area, number of floors, asset value, construction cost, and operational revenue. DFI then assesses each location's exposure to extreme weather events by evaluating the likelihood of relevant events (e.g. drought, sea level rise) in the two climate scenarios considered (RCP 2.6 and RCP 8.5) over short-, medium-, and long-term timeframes. This likelihood is multiplied by the potential financial impact of each event, which includes damage to owned assets and disruptions to business operations and the supply chain.

In addition, DFI conducted a transition risk quantitative assessment in 2024. We have adopted the scenarios from the NGFS, specifically utilising the Orderly Transition and Hot House World scenarios. By leveraging these scenarios, we forecasted and simulated the financial implications of carbon tax on our operations. Our approach involves sourcing carbon price data from reputable sources such as the World Bank and NGFS, which offers comprehensive information on carbon trading prices worldwide. Through this analysis, we are able to estimate the financial repercussions in both scenarios, providing valuable insights into the potential effects of transitioning to a low-carbon economy on our DFI.

This quantitative analysis enables DFI to prioritise risk management efforts, allocate resources effectively, and make informed decisions to safeguard our assets and maintain business continuity. Our commitment to regularly updating the assessment and disclosing significant impacts highlights our dedication to transparent reporting and proactive management of climate-related risks.

The forward-looking scenario analysis conducted by DFI is based on our current knowledge and assumptions. DFI does not guarantee the accuracy of these assumptions. These forward-looking statements involve inherent risks, uncertainties, and assumptions that may result in material differences from actual results, performance, or achievements. Additionally, scenario analysis has its limitations, making it difficult to predict which scenarios, if any, will ultimately materialise.

Transition plan

With an ambition of achieving net-zero Greenhouse Gas (GHG) emissions by 2050, DFI is proactively addressing climate-related risks and seizing opportunities by investing in climate initiatives. We have invested over US$30 million since 2022 into climate initiatives, improving energy efficiency, managing refrigerants, and transitioning to electric vehicles. To continue the support on Scope 1 and 2 reduction, annual investment in the amount of US$15 million to US$20 million has been allocated in 2025-2027 towards the transition plan.

SHORT-TERM

Accelerate decarbonisation across operations

- Continue to retrofit stores with Water Loop technology fridges to reduce the need for base gas charges.
- Ongoing behavioural change education for store team members.
- Continue the transition from high Global Warming Potential (GWP) refrigerants to low-GWP alternatives.
- Continue to implement low-carbon equipment standards for new store expansion.
- Continue to invest in Research and Development Centre to advance low-carbon retail technologies.
- Continue to engage key Scope 3 suppliers to reduce emission, focusing on four priority categories, which are rice, dairy, beef, and coffee.
- Offer sustainable options, including the launch of 200 metric tons of Own Brand low carbon rice in the Hong Kong market.
- Continue to incorporate climate impact assessments for new store expansion to take climate impact into major investment decision.

Now – 2027

MEDIUM-TERM

Extend decarbonisation across value chain

- Continue the electrification of our fleet within our operations where commercially viable.
- Energy producers enhance the energy mix and decrease emissions in accordance with national climate commitments, consequently lowering DFI emissions.
- Change sourcing of key lever products to a lower emission alternative where available and feasible
- Collect supplier-specific data to enhance Scope 3 emission data accuracy.

2027-2030

LONG-TERM

Address decarbonisation in remaining gaps

- Consider purchasing Renewable Energy Certificates (RECs) or carbon offsets to close residual gaps and achieve net-zero targets.
- Anticipate technological advancements and adopt clean technologies to support net-zero solutions.

2030-2050

Resilience of climate strategy

Through quantitative and qualitative scenario analysis with different assumptions, DFI has identified a range of climate risks along with plans and strategies to address these risks.

DFI has determined that the residual financial impact of physical climate risk in each scenario is not expected to be significant, as we are an assets light company compared to, for example, a property developer. With the most recent scenario analysis, the maximum financial impact of climate risk to DFI is insignificant (less than US$250,000). For transition climate risk, given the high uncertainty and degree of assumption used during the assessment, the data is considered by management not to be useful for readers. However, DFI will use the information to inform climate-related strategy and be used as a reference. Should future impacts be reassessed as significant, they will be included in the annual TCFD disclosure to ensure transparency and accountability regarding climate-related risks.

DFI has the financial capacity to adjust and adapt to climate change over time and has begun by allocating Capital Expenditure (CAPEX) and financial resources to facilitate the transition to a low-carbon economy and achieve our climate targets. Identified climate risks will be prioritised and addressed, while opportunities related to climate action will be pursued where feasible.

Given the uncertainty surrounding future policy, climate change impacts, market responses to climate change, and the effectiveness of such responses during the scenario analysis, DFI may need to re-evaluate its decarbonisation strategy and transition plan toward climate ambitions, commitments, and targets. This may involve updating the methodologies used, altering our approach to climate analysis and strategy, and amending, recalculating, and enhancing our climate disclosures and assessments as market practices and data quality, accuracy, and availability evolve rapidly.

Risk Management

Processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management

DFI's existing risk management approach adopts the ISO 31000 and COSO principles. The DFI Risk Management team manages this approach, which consists of a bi-annual exercise, where DFI BUs are required to revisit their respective risk registers. This process entails the identification of new risks, the review of existing risks, and risk mitigation strategies. These risk registers then form the basis of our consolidated view of DFI Group's risk profile. Both physical and transition risk are integrated into this existing DFI risk management approach.

Organisation's processes for identifying and assessing climate-related risks

Transition and physical risk workshops were held with senior business leaders, with the objective of identifying risks, and then also aligning on both DFI's climate strategy and the planned mitigations to each risk. The results of these workshops have been incorporated into the risk management approach.

When identifying and assessing climate risk, DFI adheres to the guidelines set forth by the TCFD. In addition to following TCFD guidelines, DFI conducts scenario analysis as part of its climate risk assessment process. For physical risks, DFI utilises the IPCC RCP which help model potential future climate conditions based on varying levels of greenhouse gas emissions.

When assessing transition risks — those related to the shift towards a low-carbon economy — DFI adopts scenarios developed by the NGFS. These scenarios provide insights into how regulatory changes, market dynamics, and technological advancements might affect the institution's risk profile in the context of climate transition.

Organisation's processes for managing climate-related risks

After identifying and assessing climate risks, DFI has made investments and implemented specific plans to manage these risks effectively. The details of the management responses to each identified climate risk are outlined in the previous section.

DFI's climate risks and management responses are overseen by the Sustainability Committee, which is responsible for establishing the climate strategy and targets for the Group. The Climate Working Group then implements climate mitigation and adaptation measures to address the identified risks.

Metrics and Targets

DFI is managing climate risk by tracking key climate metrics, including Scope 1, 2, and 3 emissions, as well as energy consumption. We are also exploring additional metrics to monitor specific risks more closely. For performance data and further information about the basis of presentation, as well as our management approach, please refer to the Climate Change and Methodology section in our ESG Disclosure within this annual report.

TCFD recommendation	Recommended disclosures	Location
Governance Disclose the organisation's governance around climate-related risks and opportunities.	a. Describe the Board's oversight of climate-related risks and opportunities.	Page 42
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	pages 42-43
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organisation has identified over the short-, medium-, and long-term.	pages 73-77
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	page 77
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	pages 78-82
Risk Management Disclose how the organisation identifies, assesses, and manages climate-related risks.	a. Describe the organisation's processes for identifying and assessing climate-related risks.	page 83
	b. Describe the organisation's processes for managing climate-related risks.	page 83
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	page 83
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	pages 52-54
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.	pages 52-54
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	pages 52-54

Directors' Profiles

John Witt*
Chairman

John Witt joined the Board in 2016 and was appointed Chairman in July 2024. He has been with the Jardine Matheson group since 1993, holding a number of senior positions. He became chief financial officer of Mandarin Oriental in 2000 and transitioned to Hongkong Land as chief financial officer in 2010. From 2016 to 2020, he was group finance director of Jardine Matheson. He was also a director of Mandarin Oriental and chairman of Astra's Executive Committee until July 2024. John is chairman of Hongkong Land, Jardine Cycle & Carriage and Jardine Matheson Limited, and group managing director of Jardine Matheson. He is also a commissioner for Astra. He is a Chartered Accountant and has an MBA from INSEAD.

Scott Price*
Group Chief Executive

Scott Price joined the Board as Group Chief Executive effective on 1 August 2023. He has over 30 years of retail, logistics and consumer packaged goods sectors experience from around the world. Scott was previously the President, International at UPS, before which he was the executive vice president of global leverage at Walmart and was also the President & CEO of DHL Express in Europe. He started his career with the Coca Cola Company and held country business positions in various locations across Asia.

Tom van der Lee*
Group Chief Financial Officer

Tom van der Lee joined the Board as Group Chief Financial Officer in October 2024, having served in various senior financial roles within the Group since 2016. He is a Chartered Controller with extensive regional experience in the Asian retail and consumer goods markets. He previously held various finance director roles with FrieslandCampina.

Graham Baker

Graham Baker joined the Board in July 2024. He is a member of the Audit Committee and Finance Committee of the Company. He was previously an executive director and chief financial officer of Smith+Nephew PLC in the United Kingdom from 2017 to 2020. Prior to joining Smith+Nephew PLC, he worked for 20 years for AstraZeneca PLC in a range of senior roles in the United Kingdom and internationally, including in Japan and Singapore, and then as chief financial officer of Alvogen, generic pharmaceutical company. He is also the group finance director of Jardine Matheson.

* Executive Director

Elaine Chang

Elaine Chang joined the Board in February 2025. She has over 30 years of experience across multiple geographies and industries, including semiconductors, hardware devices, digital content, e-commerce, cloud computing, and AI. Elaine was the corporate vice president of Amazon, specialised in digital transformation, cloud computing, and generative AI/machine learning go-to market. Prior to Amazon, she held various leadership roles at Intel, including general manager of corporate marketing and channel sales for China.

Dave Cheesewright

Dave Cheesewright joined the Board in 2021. He is a member of the Audit Committee and Finance Committee of the Company. He is currently a non-executive director of Rapha Racing Ltd. He was the former president and chief executive officer of Walmart International.

Weiwei Chen

Weiwei Chen joined the Board in 2021. She is the Chair of the Audit Committee of the Company. She is currently an independent non-executive director and a member of the audit committee and the nomination committee of HBM Holdings Limited and a board senior adviser to Pharmplus. She was the former vice president and chief financial officer, China of Starbucks and chief financial officer, China Division of Yum! Brands. She was also an independent non-executive director of LianBio.

Christian Nothhaft

Christian Nothhaft joined the Board in 2021. He is a member of the Nominations Committee and Remuneration Committee of the Company. He is currently the chair of Active Capital Partners Limited. He was the former CEO of Watsons Personal Care Stores, China and managing director of Fortress.

Our Management Committee

Scott Price

Group Chief Executive

Scott Price is the Group Chief Executive of DFI Retail Group, bringing over 30 years of experience in retail, logistics and consumer packaged goods sectors globally. He began his career with The Coca-Cola Company in Japan where he continued through various leadership roles across Asia. In 2002, Scott joined DHL Express as President in Japan before advancing to Chief Executive Officer for Asia Pacific in 2005 and Chief Executive Officer for Europe in 2007.

From 2009, Scott led Walmart's Asia business from Hong Kong overseeing operations across the region. He relocated in 2014 to the United States to take on a global leadership role, managing Walmart's global sourcing as well as strategy, technology and real estate for the International Division.

In 2017, Scott joined UPS as Chief Strategy and Transformation Officer, responsible for strategic planning, Global Business Services and the company's Advanced Technology Group. He was appointed Executive Vice-President, UPS International in 2020, overseeing all 220 markets outside the U.S.

In August 2023, Scott joined DFI Retail Group to lead the business. He also serves on the boards of Coles Group in Australia, The Consumer Goods Forum (CGF) and the World Retail Congress. Additionally, Scott is a co-sponsor of CGF's Net Zero Coalition of Action, an initiative aimed at accelerating the reduction of greenhouse gas emissions within the retail and consumer goods industry.

Scott holds a bachelor's degree in business administration from the University of North Carolina and earned both an MBA and a master's degree in Asian studies from the University of Virginia.

Tom van der Lee

Group Chief Financial Officer

Tom van der Lee was appointed Group Chief Financial Officer in October 2024, responsible for driving financial performance and strategies across the organisation.

With more than 20 years of experience in Asia, Tom has lived and worked in Thailand, Vietnam, Indonesia, Singapore and Hong Kong, giving him a deep understanding of the diverse markets DFI operates in.

Tom first joined DFI in 2016 and held various senior finance positions, including Finance Director Singapore, Finance Director for Southeast Asia, Finance Director Health & Beauty and Group Finance Director. In his most recent role, he was responsible for Treasury, Tax, Internal Audit, ESG Reporting, Property Insights and Finance Shared Services.

Prior to joining DFI, Tom spent 14 years with Royal FrieslandCampina in financial leadership roles across Europe and Asia.

Tom holds master's degrees in financial management from Nyenrode University and in Finance and Control from Maastricht University. He also completed an MBA programme at the Kellogg School of Management in the United States.

Martin Lindström

Chief Executive Officer, DFI IKEA

Martin Lindström was appointed Chief Executive Officer of DFI IKEA in August 2021, overseeing the Group's IKEA operations in Taiwan, Hong Kong, Macau and Indonesia. He joined the Group in 2007 as General Manager of IKEA Taiwan, later serving as CEO of the Group's IKEA business in 2010 and Group Director, IKEA in 2013.

Martin brings 30 years of experience with the IKEA business, including 20 years in the Asia Pacific region, and has held senior positions in Europe and Eastern Europe.

Curtis Liu

Chief Executive Officer, Food

Curtis Liu was appointed Chief Executive Officer of Food in September 2024, overseeing DFI's Food businesses across Hong Kong, Macau, Singapore and Cambodia.

With more than 24 years of diverse retail experience in Chinese mainland and Taiwan, Curtis has a deep understanding of consumer preferences and effective merchandising strategies. From 2004 to 2013, he served as DFI's Merchandise and Marketing Director for Wellcome Taiwan, where he honed his skills in these areas.

In his recent role at JD.com, Curtis successfully integrated advanced technologies like big data and AI into the company's supply chain operations, generating deeper customer insights and translating them into actionable, data-driven strategies. Prior to that, he held senior positions at Meicai and Walmart China, further expanding his expertise in omnichannel retail strategies, merging online and offline customer experiences, and data-driven customer analysis.

Yoep Man

Chief Executive Officer, 7-Eleven

Yoep Man was appointed Chief Executive Officer of 7-Eleven in February 2025, overseeing a network of 3,400 stores across South China, Hong Kong, Macau and Singapore.

Previously, he served as Managing Director of Food in Singapore, driving growth for the supermarket trading under Cold Storage, CS Fresh, Giant and Jason's Deli as well as DFI's fast-growing e-commerce segment.

With over 20 years in the food retail and FMCG sectors across Asia Pacific, Yoep has a strong track record in guiding growth in emerging markets. Before joining DFI, he led the commercial strategy at Metro China while serving on its Executive Board. He successfully diversified the company from B2B to B2C channel and spearheaded its digital transformation.

Yoep also held key roles at Walmart China, including Chief Merchandising Officer and Chief Operations Officer for Sam's Club, where he supported the growth of Sam's Club through organic growth, new club expansion and e-commerce investments. He was also on Walmart China's Executive Committee and served as Global Officer.

Earlier in his career, Yoep spent over 12 years at SPAR, contributing to its expansion in China, Indonesia, Thailand and Mongolia, ultimately serving as Managing Director in China. His extensive international experience equips him with diverse business landscapes and a commitment to drive sustainable growth.

Andrew Wong

Chief Executive Officer, Health & Beauty

Andrew Wong was appointed Chief Executive Officer of Health & Beauty in November 2023, overseeing Guardian and Mannings' businesses across all DFI markets.

Andrew's career spans from start-ups and the public sector to the business sector. He found his passion for business and entrepreneurship early on and has since been dedicated to driving businesses towards excellence, innovation and sustainability.

Previously, Andrew had served as CEO of Health & Beauty North Asia since 2021, managing Mannings' businesses in Hong Kong, Macau and the Chinese mainland. Before that, he was Group Chief Executive of Jardine Restaurant Group, overseeing the operations across Asia from 2018. He joined SSP Group in 2013 and was later appointed Regional Managing Director, responsible for developing the group's multi-brand portfolio in Asia Pacific. Andrew also held various leadership roles at DFI and Pacific Coffee.

Beyond his corporate responsibilities, Andrew is the Chairman of MINDSET, a registered charity in Hong Kong founded by the Jardine Matheson group, dedicated to making a positive and sustainable impact on mental health. He also serves as the Vice Chairman of the Hong Kong Retail Management Association.

Crystal Chan

Group Chief Technology and Information Officer

Crystal Chan was appointed the Group Chief Technology and Information Officer in July 2024, leading the development and execution of the DFI Retail Group's technology strategy to enhance operational efficiencies and customer experiences across operations.

With more than 20 years of international experience in technology, digital, and data, Crystal has worked across Australia, New Zealand, Asia, the Middle East and Africa. Early in her career, she gained experience in multiple industries, including banking, utilities, consumer packaged goods and charity. In 2004, Crystal joined Asahi Premium Beverages to transform their technology landscape in New Zealand, later moving to Australia in 2008. She joined DFI Retail Group in 2012, achieving significant milestones in leading comprehensive technology strategies, such as launching multiple major technology programmes, IKEA's digital transformation and yuu Rewards.

In 2022, Crystal joined British American Tobacco and relocated to Singapore in 2023 as the Regional Chief Information Officer, where she was responsible for the enterprise and digital technology strategy and services for more than 70 markets and global travel retail.

Crystal holds a bachelor's degree in information systems and operations management, a master's degree in management science and information systems from the University of Auckland, and a master's degree in organisational leadership from Edinburgh Napier University.

Erica Chan

Group Chief Legal, Governance and Corporate Affairs Officer

Erica Chan was appointed Group Chief Legal, Governance and Corporate Affairs Officer in December 2023. She is the company secretary and/or director for a number of DFI Retail Group subsidiaries. In her role, Erica oversees the Legal, Communications and Corporate Affairs, Sustainability, Group Technical, Risk Management, Ethics and Compliance and Loss Prevention functions for DFI Group.

With more than 27 years of experience in retail, e-commerce, media, governance and regulatory compliance in the Asia Pacific region, Erica brings a wealth of knowledge to her role. Prior to joining DFI, she spent 12 years at Walmart, most recently as SVP, General Counsel and Chief Administrative Officer, Asia, where she oversaw all legal matters in Asia and managed the human resources and administrative functions for the Asia office. She was also a member of Walmart's Global President's Diversity and Inclusion Council. Before Walmart, Erica spent 13 years at Star TV Group as the General Counsel for Greater China and General Manager for Hong Kong.

Erica is a Hong Kong-qualified solicitor. She holds a Postgraduate Certificate in Laws from the University of Hong Kong, a Common Professional Examination certificate from the University of Sussex and Bachelor of Social Science in Government and Public Administration degree from the Chinese University of Hong Kong.

Shen Li

Group Corporate Strategy and yuu Rewards Director

Shen Li was appointed Group Strategy and yuu Rewards Director in September 2023. He joined the Group in September 2019 as Group Corporate Finance Director, where he was responsible for Group strategy, M&A and investor relations. In September 2023, his responsibilities were expanded to include overseeing yuu Rewards, the Group's coalition customer loyalty programme.

Before joining DFI, Shen spent more than a decade as an equities research analyst covering the consumer sector across both Australia and Asia. He began his career in M&A advisory in Australia.

Shen holds Bachelor of Commerce and Bachelor of Laws (Hons) degrees from the University of Melbourne and is a CFA Charterholder.

Wee Lee Loh

Group Chief Digital Officer

Wee Lee Loh was appointed Group Chief Digital Officer in September 2023, responsible for driving the growth of the Group's digital businesses.

Prior to joining DFI, Wee Lee held various senior management roles with Lazada Group, serving in both regional and country business roles across corporate development, innovation and general business management. As the CEO of Lazada Singapore, he led both the Lazada marketplace and Singapore's leading online grocery Redmart, transforming the business towards growth and sustainability.

Wee Lee also held leadership roles in two Singapore-listed engineering and technology companies, leading strategy, corporate development and business operation roles across multiple locations. He led and incubated the growth of emerging new businesses in energy, infrastructure, robotics, automotives and AI-linked domains. Wee Lee began his private sector career as a management consultant with McKinsey and Company across Asia Pacific and has lived and worked in more than 10 countries.

Wee Lee holds a Bachelor of Arts majoring in Economics (Summa Cum Laude) from Cornell University and graduated as a Merrill Presidential Scholar. He also holds a Master of Arts majoring in Statistics from Harvard University.

Wee Lee is a non-executive independent Director at QAF Limited and an advisory board member of the Singapore Management University College of Integrative Studies (CIS).

Joy Jinghui Xu

Group Chief People & Culture Officer

Joy Xu was appointed Group Chief People & Culture Officer in August 2023, responsible for leading DFI's People & Culture and operationalise its ambitious People & Culture Strategy across all functional areas, formats and banners in all markets.

Joy brings 30 years of international expertise in HR leadership roles across the globe, having worked in the US, China, UAE, Germany and Hong Kong. She previously held leadership roles at Procter & Gamble, PepsiCo, Sandoz (formerly a Novartis company) and Manulife.

Joy has received numerous international awards for her contributions to HR, including being named a Global Rising Star by Global Women Forum in 2007 and 2008. She was honoured with an HR Excellence award by World HRD Congress in 2010 and named one of the 501 Most Fabulous Global HR Leaders by the same organisation in 2020. In 2022, she received the Imergey Luminary Award and in 2024, she was named one of Asia's Most Inspirational Women in Leadership by House of Rose.

Joy served as a board director at LumiVoce Foundation Limited, a Hong Kong-based education charity supporting biodiversity learning through the arts.

Joy holds a bachelor's degree in applied English from the South China University of Technology and a postgraduate degree in organisational leadership from Saïd Business School, University of Oxford.

Consolidated Profit and Loss Account

for the year ended 31 December 2024

	Note	2024 Underlying business performance US$m	2024 Non-trading items US$m	2024 Total US$m	2023 Underlying business performance US$m	2023 Non-trading items US$m	2023 Total US$m
Revenue	2	**8,868.9**	**–**	**8,868.9**	9,169.9	–	9,169.9
Net operating costs	3	**(8,525.8)**	**(144.0)**	**(8,669.8)**	(8,876.1)	(131.2)	(9,007.3)
Operating profit	4	**343.1**	**(144.0)**	**199.1**	293.8	(131.2)	162.6
Impairment charge on interest in an associate	14	**–**	**(231.3)**	**(231.3)**	–	–	–
Loss relating to divestment of an associate	20	**–**	**(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	5	**(150.8)**	**–**	**(150.8)**	(143.9)	–	(143.9)
Share of results of associates and joint ventures	6	**42.5**	**42.1**	**84.6**	43.4	9.2	52.6
(Loss)/profit before tax		**234.8**	**(447.6)**	**(212.8)**	193.3	(122.0)	71.3
Tax	7	**(29.5)**	**2.9**	**(26.6)**	(41.9)	1.0	(40.9)
(Loss)/profit after tax		**205.3**	**(444.7)**	**(239.4)**	151.4	(121.0)	30.4
Attributable to:							
Shareholders of the Company		**200.6**	**(445.1)**	**(244.5)**	154.7	(122.5)	32.2
Non-controlling interests		**4.7**	**0.4**	**5.1**	(3.3)	1.5	(1.8)
		205.3	**(444.7)**	**(239.4)**	151.4	(121.0)	30.4
		US¢		**US¢**	US¢		US¢
(Loss)/earnings per share	8						
– basic		**14.91**		**(18.17)**	11.49		2.39
– diluted		**14.82**		**(18.17)**	11.43		2.38

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2024

	Note	2024 US$m	2023 US$m
(Loss)/profit for the year		**(239.4)**	30.4
Other comprehensive (expense)/income			
Items that will not be reclassified to profit or loss:			
Net exchange translation loss arising during the year		**(0.3)**	–
Remeasurements of defined benefit plans		**3.2**	(1.7)
Net revaluation surplus before transfer to investment properties			
– tangible assets	*11*	**–**	1.5
– right-of-use assets	*12*	**5.7**	63.2
Tax relating to items that will not be reclassified	*7*	**(0.3)**	0.3
		8.3	63.3
Share of other comprehensive (expense)/income of associates and joint ventures		**(0.8)**	2.4
		7.5	65.7
Items that may be reclassified subsequently to profit or loss:			
Net exchange translation differences			
– net loss arising during the year		**(40.4)**	(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	*7*	**(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

Consolidated Balance Sheet

at 31 December 2024

	Note	2024 US$m	2023 US$m
Net operating assets			
Intangible assets	*10*	**137.5**	289.6
Tangible assets	*11*	**618.4**	708.1
Right-of-use assets	*12*	**2,542.1**	2,662.3
Investment properties	*13*	**100.8**	122.2
Associates and joint ventures	*14*	**839.1**	1,793.7
Other investments	*15*	**20.3**	6.7
Non-current debtors	*16*	**97.9**	102.2
Deferred tax assets	*17*	**38.7**	35.8
Pension assets	*18*	**7.6**	4.4
Non-current assets		**4,402.4**	5,725.0
Stocks		**686.3**	763.5
Current debtors	*16*	**222.7**	256.3
Current tax assets		**13.3**	15.1
Cash and bank balances	*19*	**273.8**	303.4
		1,196.1	1,338.3
Assets held for sale	*20*	**1,673.5**	47.8
Current assets		**2,869.6**	1,386.1
Current creditors	*21*	**(2,949.8)**	(2,095.9)
Current borrowings	*22*	**(504.9)**	(771.1)
Current lease liabilities	*23*	**(560.4)**	(562.0)
Current tax liabilities		**(33.7)**	(39.7)
Current provisions	*24*	**(42.2)**	(38.9)
		(4,091.0)	(3,507.6)
Liabilities associated with assets held for sale	*20*	**–**	(19.8)
Current liabilities		**(4,091.0)**	(3,527.4)
Net current liabilities		**(1,221.4)**	(2,141.3)
Long-term borrowings	*22*	**(236.5)**	(153.0)
Non-current lease liabilities	*23*	**(2,202.6)**	(2,285.8)
Deferred tax liabilities	*17*	**(25.8)**	(41.2)
Pension liabilities	*18*	**(4.4)**	(6.2)
Non-current creditors	*21*	**(5.3)**	(3.7)
Non-current provisions	*24*	**(111.7)**	(105.7)
Non-current liabilities		**(2,586.3)**	(2,595.6)
		594.7	988.1

	Note	**2024 US$m**	2023 US$m
Total equity			
Share capital	*25*	**75.2**	75.2
Share premium and capital reserves	*27*	**75.6**	72.8
Revenue and other reserves		**430.6**	832.2
Shareholders' funds		**581.4**	980.2
Non-controlling interests		**13.3**	7.9
		594.7	988.1

Approved by the Board of Directors

Scott Price
Tom van der Lee
Directors

10 March 2025

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	Total equity US$m
2024							
At 1 January	75.2	39.6	33.2	832.2	980.2	7.9	**988.1**
Total comprehensive income	–	–	–	(292.4)	(292.4)	5.4	**(287.0)**
Dividends paid by the Company *(note 28)*	–	–	–	(114.3)	(114.3)	–	**(114.3)**
Unclaimed dividends forfeited	–	–	–	0.1	0.1	–	**0.1**
Share-based long-term incentive plans *(note 26)*	–	–	11.1	–	11.1	–	**11.1**
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	–	–	**–**
At 31 December	**75.2**	**39.6**	**36.0**	**430.6**	**581.4**	**13.3**	**594.7**
2023							
At 1 January	75.2	37.6	30.0	804.3	947.1	(5.7)	941.4
Total comprehensive income	–	–	–	96.8	96.8	3.4	100.2
Dividends paid by the Company *(note 28)*	–	–	–	(67.3)	(67.3)	–	(67.3)
Share-based long-term incentive plans *(note 26)*	–	–	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 30(f))*	–	–	–	–	–	10.2	10.2
Change in interests in associates and joint ventures	–	–	–	0.9	0.9	–	0.9
Transfer	–	2.0	(9.2)	7.2	–	–	–
At 31 December	75.2	39.6	33.2	832.2	980.2	7.9	988.1

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$98.8 million *(2023: US$98.5 million)* and exchange reserves of US$416.7 million loss *(2023: US$366.8 million loss)*.

Consolidated Cash Flow Statement

for the year ended 31 December 2024

	Note	**2024 US$m**	2023 US$m
Operating activities			
Operating profit	*4*	**199.1**	162.6
Depreciation and amortisation	*30(a)*	**837.4**	827.2
Other non-cash items	*30(b)*	**163.7**	148.1
(Increase)/decrease in working capital	*30(c)*	**(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)
		921.3	998.0
Dividends from associates and joint ventures		**51.6**	45.6
Cash flows from operating activities		**972.9**	1,043.6
Investing activities			
Purchase of associates and joint ventures	*30(d)*	**(6.4)**	(18.4)
Purchase of other investments	*30(e)*	**(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	*30(f)*	**94.1**	(23.8)
Sale of associates and joint ventures	*30(g)*	**40.2**	–
Sale of other investments		**0.2**	–
Sale of supermarkets in Indonesia	*30(h)*	**7.3**	–
Sale of properties	*30(i)*	**18.9**	142.0
Sale of other tangible assets		**1.6**	0.7
Cash flows from investing activities		**(63.6)**	(94.6)
Financing activities			
Purchase of shares for a share-based long-term incentive plan	*30(j)*	**(2.7)**	(9.7)
Drawdown of borrowings	*22*	**1,490.0**	1,268.9
Repayment of borrowings	*22*	**(1,617.1)**	(1,486.1)
Net (decrease)/increase in other short-term borrowings	*22*	**(44.6)**	51.3
Principal elements of lease payments	*30(k)*	**(641.7)**	(624.7)
Dividends paid by the Company	*28*	**(114.3)**	(67.3)
Cash flows from financing activities		**(930.4)**	(867.6)
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
Cash and cash equivalents at 31 December	*30(l)*	**273.8**	298.2

Notes to the Financial Statements

General Information

DFI Retail Group Holdings Limited (the Company) 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 address of the registered office is given on page 2.

1. Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards), including International Accounting Standards (IAS) and Interpretations as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared on a going concern basis and under the historical cost convention except as disclosed in the accounting policies.

Details of the Group's material accounting policies are included in note 38.

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 *(note 39)*.

The principal operating subsidiaries, associates and joint ventures have different functional currencies in line with the economic environments of the locations in which they operate. The functional currency of the Company is United States dollars. The consolidated financial statements are presented in United States dollars.

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	2023
	US$m	US$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	**701.2**	793.7
	8,667.9	8,965.3
Revenue from other sources	**201.0**	204.6
	8,868.9	9,169.9

The Group's revenue is further analysed as follows:

	2024	2023
	US$m	US$m
From contracts with customers		
Recognised at a point in time	**8,853.1**	9,156.5
Recognised over time	**12.6**	12.6
	8,865.7	9,169.1
Other		
Rental income from investment properties	**3.2**	0.8
	8,868.9	9,169.9
Analysis by geographical areas:		
North Asia	**6,489.8**	6,675.4
South East Asia	**2,379.1**	2,494.5
	8,868.9	9,169.9

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

3. Net Operating Costs

	2024			2023		
	Underlying business performance	**Non-trading items**	**Total**	Underlying business performance	Non-trading items	Total
	US$m	**US$m**	**US$m**	US$m	US$m	US$m
Cost of sales	(5,639.8)	–	**(5,639.8)**	(5,957.2)	–	(5,957.2)
Other operating income	5.8	57.5	**63.3**	10.5	61.0	71.5
Selling and distribution costs	(2,375.7)	–	**(2,375.7)**	(2,412.1)	–	(2,412.1)
Administration and other operating expenses	(516.1)	(201.5)	**(717.6)**	(517.3)	(192.2)	(709.5)
	(8,525.8)	**(144.0)**	**(8,669.8)**	(8,876.1)	(131.2)	(9,007.3)

3. Net Operating Costs continued

The following (charges)/credits are included in net operating costs:

	2024 US$m	2023 US$m
Cost of stocks recognised as expense	**(5,594.4)**	(5,893.0)
Amortisation of intangible assets *(note 10)*	**(28.6)**	(30.9)
Depreciation of tangible assets *(note 11)*	**(140.5)**	(149.1)
Amortisation/depreciation of right-of-use assets *(note 12)*	**(668.3)**	(647.2)
Impairment of intangible assets *(note 10)*		
– goodwill	**(133.4)**	(109.8)
– computer software	**(8.0)**	(2.0)
	(141.4)	(111.8)
Impairment of tangible assets *(note 11)*	**(2.0)**	(7.0)
Impairment of right-of-use assets *(note 12)*	**(4.6)**	(0.6)
Impairment of trade and other debtors	**(2.0)**	(3.7)
Write down of stocks	**(3.3)**	(6.1)
Reversal of write down of stocks	**5.3**	4.7
Operating expenses arising from investment properties	**(0.8)**	–
Employee benefit expense		
– salaries and benefits in kind	**(996.4)**	(995.2)
– share options and share awards *(note 26)*	**(11.1)**	(12.4)
– defined benefit pension plans *(note 18)*	**(13.8)**	(12.6)
– defined contribution pension plans	**(47.7)**	(46.2)
	(1,069.0)	(1,066.4)
Expenses relating to short-term leases	**(52.7)**	(82.7)
Expenses relating to variable lease payments not included in lease liabilities	**(48.4)**	(36.4)
Gain on lease modification and termination	**5.7**	0.3
Sublease income	**5.9**	6.5
Rental income from properties	**0.2**	7.9
Interest income from debt investments	**0.6**	0.6
Auditors' remuneration		
– audit	**(5.2)**	(5.0)
– non-audit services	**(0.5)**	(1.0)
	(5.7)	(6.0)
Net foreign exchange gains	**3.5**	0.5
Net profit on sale of properties *(note 9)*	**3.7**	64.3
Loss on disposals of other tangible and intangible assets	**(7.8)**	(6.8)

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
	387.0	364.0
Selling, general and administrative expenses	**(138.7)**	(151.9)
Underlying operating profit before IFRS 16*	**248.3**	212.1
IFRS 16 adjustment†	**94.8**	81.7
Underlying operating profit	**343.1**	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)
	199.1	162.6

* 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.

† 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.

4. Operating Profit continued

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
	387.0	364.0
Selling, general and administrative expenses	**(138.7)**	(151.9)
Underlying operating profit before IFRS 16*	**248.3**	212.1
IFRS 16 adjustment†	**94.8**	81.7
Underlying operating profit	**343.1**	293.8

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	**(5.5)**	(6.4)
Financing charges	**(155.5)**	(151.8)
Financing income	**4.7**	7.9
	(150.8)	(143.9)

6. Share of Results of Associates and Joint Ventures

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

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

	2024* **US$m**	2023* US$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	**1.6**	–
	42.1	9.2

* 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.

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.

7. Tax

	2024 US$m	2023 US$m
Tax charged to profit and loss is analysed as follows:		
Current tax	**(46.9)**	(45.8)
Deferred tax	**20.3**	4.9
	(26.6)	(40.9)
Reconciliation between tax expense and tax at the applicable tax rate†:		
Tax at applicable tax rate	**61.4**	(11.4)
Income not subject to tax	**11.1**	27.4
Expenses not deductible for tax purposes		
– change in fair value of investment properties	**(2.1)**	(0.1)
– change in fair value of equity and debt investments	**(5.4)**	–
– impairment charge on interest in an associate	**(57.8)**	–
– loss relating to divestment of an associate	**(18.8)**	–
– other items	**(27.0)**	(54.0)
Tax losses and temporary differences not recognised	**(8.7)**	(12.0)
Utilisation of previously unrecognised tax losses and temporary differences	**8.2**	10.5
Recognition of previously unrecognised tax losses and temporary differences	**3.4**	(1.4)
Overprovision in prior years	**2.4**	3.3
Withholding tax	**(6.5)**	(4.9)
Effect of changes in tax legislation	**13.9**	–
Other	**(0.7)**	1.7
	(26.6)	(40.9)
Tax relating to components of other comprehensive income is analysed as follows:		
Remeasurements of defined benefit plans	**(0.3)**	0.3
Cash flow hedges	**(0.2)**	1.2
	(0.5)	1.5

† The applicable tax rate for the year was 19.3% *(2023: 18.2%)* and represented the weighted average of the 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.

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.

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	**(8.4)**	(7.5)
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	**8.4***	7.5
Weighted average number of shares for diluted earnings per share calculation	**1,353.7**	1,353.6

* 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		
		Basic (loss)/ earnings per share	**Diluted (loss)/ earnings per share**		Basic earnings per share	Diluted earnings per share
	US$m	**US¢**	**US¢**	US$m	US¢	US¢
(Loss)/profit attributable to shareholders	**(244.5)**	**(18.17)**	**(18.17)**	32.2	2.39	2.38
Non-trading items *(note 9)*	**445.1**			122.5		
Underlying profit attributable to shareholders	**200.6**	**14.91**	**14.82**	154.7	11.49	11.43

9. Non-trading Items

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	2023	**2024**	2023
	US$m	US$m	**US$m**	US$m
Business restructuring costs	**(21.6)**	(12.4)	**(20.5)**	(11.4)
Net gain on sale of subsidiaries	**8.8**	–	**10.7**	–
Net gain on sale of joint ventures	**43.6**	–	**43.6**	–
Profit on sale of supermarkets in Indonesia	**1.4**	–	**1.2**	–
Net profit on sale of properties *(note 30(i))*	**3.7**	61.0	**3.3**	59.2
Impairment of intangible assets *(note 10)*	**(133.4)**	(109.8)	**(133.4)**	(109.8)
Impairment of properties	**(0.2)**	–	**(0.2)**	–
Change in fair value of investment properties	**(13.6)**	(0.6)	**(13.5)**	(0.6)
Change in fair value of equity and debt investments *(note 15)*	**(32.7)**	(15.0)	**(32.7)**	(15.0)
Divestment of Malaysia Grocery Retail business	**–**	(54.4)	**–**	(54.1)
Impairment charge on interest in an associate *(note 14)*	**–**	–	**(231.3)**	–
Loss relating to divestment of an associate *(note 20)*	**–**	–	**(114.4)**	–
Share of change in fair value of Maxim's investment property	**–**	–	**(1.7)**	(0.9)
Share of change in fair value of Yonghui's investment property	**–**	–	**(0.7)**	(0.2)
Share of change in fair value of Robinsons Retail's equity investments *(note 6)*	**–**	–	**34.4**	20.8
Share of change in fair value of Yonghui's equity investments	**–**	–	**(8.0)**	(0.9)
Share of impairment charge of Yonghui's investments	**–**	–	**–**	(9.8)
Share of gain from sale of an associate by Robinsons Retail *(note 6)*	**–**	–	**16.5**	–
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	**–**	–	**1.6**	–
	(144.0)	(131.2)	**(445.1)**	(122.5)

9. Non-trading Items continued

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.

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. (Jupiter Lagoon), 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. Intangible Assets

	Goodwill US$m	Computer software US$m	Other US$m	Total US$m
2024				
Cost	376.0	265.4	12.4	**653.8**
Amortisation and impairment	(174.3)	(179.0)	(10.9)	**(364.2)**
Net book value at 1 January	201.7	86.4	1.5	**289.6**
Exchange differences	(0.4)	(0.3)	–	**(0.7)**
Additions	–	19.0	–	**19.0**
Disposals	–	(0.3)	(0.1)	**(0.4)**
Amortisation	–	(28.4)	(0.2)	**(28.6)**
Impairment charge	(133.4)	(8.0)	–	**(141.4)**
Net book value at 31 December	**67.9**	**68.4**	**1.2**	**137.5**
Cost	373.2	243.3	7.5	**624.0**
Amortisation and impairment	(305.3)	(174.9)	(6.3)	**(486.5)**
	67.9	**68.4**	**1.2**	**137.5**

10. Intangible Assets *continued*

	Goodwill US$m	Computer software US$m	Other US$m	Total US$m
2023				
Cost	456.3	274.8	12.9	744.0
Amortisation and impairment	(144.6)	(176.4)	(11.1)	(332.1)
Net book value at 1 January	311.7	98.4	1.8	411.9
Exchange differences	(0.2)	–	–	(0.2)
Additions	–	22.9	–	22.9
Disposal of subsidiaries	–	(1.9)	–	(1.9)
Disposals	–	(0.4)	–	(0.4)
Amortisation	–	(30.6)	(0.3)	(30.9)
Impairment charge	(109.8)	(2.0)	–	(111.8)
Net book value at 31 December	201.7	86.4	1.5	289.6
Cost	376.0	265.4	12.4	653.8
Amortisation and impairment	(174.3)	(179.0)	(10.9)	(364.2)
	201.7	86.4	1.5	289.6

Goodwill is allocated to groups of cash-generating units (CGU) identified by banners or groups of stores acquired in each territory.

Management has assessed the recoverable amounts of each CGU based on value-in-use calculations using cash flow projections in the approved budgets which have forecasts covering a period of three years and projections for a further two years. Cash flows beyond the projection periods were extrapolated using the assumptions on average sales growth rates, average annual profit growth rates, pre-tax discount rates and long-term growth rates. The pre-tax discount rates reflected business-specific risks relating to the relevant industries, business life cycle and the risk related to the places of operation.

Following the impairment review, the Group had recognised impairment charges against goodwill relating to its San Miu business in Macau amounting to US$120.5 million *(2023: US$60.0 million)* and its Lucky business in Cambodia amounting to US$12.9 million *(2023: US$nil)* during the year. Goodwill relating to San Miu was fully impaired and goodwill relating to Lucky was reduced to US$12.3 million. At 31 December 2023, goodwill relating to San Miu was reduced to US$120.3 million.

10. Intangible Assets continued

The recoverable amount based on the value-in-use calculation under the impairment review was inherently sensitive to changes in assumptions. Summary of the significant assumptions used and sensitivities on how the recoverable amount would change if the assumptions changed by a reasonably possible amount relating to San Miu are listed below:

	2024 US$m	2023 US$m
Principal place of operation	**Macau**	Macau
Goodwill allocated after impairment	**–**	120.3
Assumptions used:		
Cash flow projection period	**5 years**	5 years
Average sales growth rate	**2.2%**	5.1%
Average gross profit growth rate	**0.8%**	6.3%
Pre-tax discount rate	**9.9%**	10.9%
Long-term growth rate	**2.2%**	2.5%
Sensitivities on recoverable amount:		
– average sales growth rate conforms to long-term growth rate of 2.5%	**n/a**	(33.7)
– average gross profit growth rate of 1.5% lower	**n/a**	(36.3)
– pre-tax discount rate 1.0% higher	**n/a**	(16.2)
– long-term growth rate 1.0% lower	**n/a**	(11.9)

The sensitivities on recoverable amount represented the amount of further impairment charge that would have been required if there were changes in management's assumptions.

The changes in the average sales growth rate and average gross profit growth rate between 2023 and 2024 reflected management's adjusted expectation due to the poor market recovery of the San Miu business. These unfavourable changes led to an additional impairment charge in 2024.

For Lucky in Cambodia, key assumptions used in the value-in-use calculation, included average sales growth rate of 3.0% and average gross profit growth rate of 7.0%. Cash flows beyond the five-year period were extrapolated using long-term growth rate of 3.0% and pre-tax discount rate of 14.1%.

In 2023, there were also impairment charges on goodwill relating to the Group's Giant business in Singapore and digital business in Hong Kong and Singapore amounting to US$42.9 million and US$6.9 million, respectively, after the impairment review. The related goodwill was fully impaired. Key assumptions for Giant used in the value-in-use calculation, included average sales growth rate of 1.0% and average gross profit growth rate of 0.3%. Cash flows beyond the five-year period were extrapolated using long-term growth rate of 1.0% and pre-tax discount rate of 9.6%.

Key assumptions used in value-in-use calculations for the remaining balances of goodwill in 2024 included budgeted gross margins between 37% and 64% *(2023: 27% and 36%)* and long-term sales growth rates between 2.0% and 2.2% *(2023: 1.0% and 4.5%)* to project cash flows, which varied across the Group's business segments and geographical locations, over a five-year period, and were based on management's expectation for the market development; and pre-tax discount rate of 9% *(2023: 12% and 13%)* applied to the cash flow projections. The discount rates used reflect specific risks relating to the relevant industry, business life cycle and geographical location. On the basis of this review, management concluded that no further impairment charge was required.

10. Intangible Assets continued

Other intangible assets comprise mainly trademarks.

The amortisation charges are recognised in arriving at operating profit and are included in selling and distribution costs, and administration expenses.

The remaining amortisation periods for intangible assets are as follows:

Computer software	up to 7 years
Trademarks	up to 7 years

11. Tangible Assets

	Freehold properties US$m	Buildings on leasehold land US$m	Leasehold improvements US$m	Plant & machinery US$m	Furniture, equipment & motor vehicles US$m	Total US$m
2024						
Cost	16.6	217.1	828.7	760.2	290.0	**2,112.6**
Depreciation and impairment	(3.7)	(62.4)	(595.7)	(524.3)	(218.4)	**(1,404.5)**
Net book value at 1 January	12.9	154.7	233.0	235.9	71.6	**708.1**
Exchange differences	–	(6.8)	(3.7)	(3.1)	(0.9)	**(14.5)**
Additions	–	0.3	46.3	60.4	19.0	**126.0**
Disposal of subsidiaries	(12.5)	(34.3)	–	–	–	**(46.8)**
Disposals	–	–	(3.8)	(3.9)	(1.2)	**(8.9)**
Transfer to investment properties *(note 13)*	–	(0.7)	–	–	–	**(0.7)**
Depreciation charge	(0.4)	(4.6)	(53.5)	(62.4)	(19.6)	**(140.5)**
Impairment charge	–	(0.2)	(1.2)	(0.6)	–	**(2.0)**
Reclassified to assets held for sale *(note 20)*	–	(2.3)	–	–	–	**(2.3)**
Net book value at 31 December	**–**	**106.1**	**217.1**	**226.3**	**68.9**	**618.4**
Cost	–	149.3	829.5	762.8	287.1	**2,028.7**
Depreciation and impairment	–	(43.2)	(612.4)	(536.5)	(218.2)	**(1,410.3)**
	–	**106.1**	**217.1**	**226.3**	**68.9**	**618.4**

11. Tangible Assets continued

	Freehold properties US$m	Buildings on leasehold land US$m	Leasehold improvements US$m	Plant & machinery US$m	Furniture, equipment & motor vehicles US$m	Total US$m
2023						
Cost	56.8	315.9	859.4	799.0	324.5	2,355.6
Depreciation and impairment	(14.7)	(103.8)	(615.2)	(566.9)	(252.1)	(1,552.7)
Net book value at 1 January	42.1	212.1	244.2	232.1	72.4	802.9
Exchange differences	(0.1)	1.4	–	0.4	0.1	1.8
Additions	–	–	51.7	81.6	25.9	159.2
Disposal of subsidiaries	–	(2.8)	(4.7)	(13.1)	(1.0)	(21.6)
Disposals	–	(3.1)	(1.9)	(1.6)	(2.0)	(8.6)
Revaluation surplus before transfer to investment properties	–	1.5	–	–	–	1.5
Transfer to investment properties *(note 13)*	–	(9.5)	–	–	–	(9.5)
Depreciation charge	(0.4)	(8.7)	(55.0)	(61.9)	(23.1)	(149.1)
Impairment charge	(1.3)	(2.1)	(1.3)	(1.6)	(0.7)	(7.0)
Reclassified from assets held for sale *(note 20)*	–	16.6	–	–	–	16.6
Reclassified to assets held for sale *(note 20)*	(27.4)	(50.7)	–	–	–	(78.1)
Net book value at 31 December	12.9	154.7	233.0	235.9	71.6	708.1
Cost	16.6	217.1	828.7	760.2	290.0	2,112.6
Depreciation and impairment	(3.7)	(62.4)	(595.7)	(524.3)	(218.4)	(1,404.5)
	12.9	154.7	233.0	235.9	71.6	708.1

Rental income from properties amounted to US$0.2 million *(2023: US$7.9 million)* with no contingent rents for both 2024 and 2023.

The maturity analysis of the undiscounted lease payments to be received after the balance sheet date is as follows:

	2024 US$m	2023 US$m
Within one year	**0.2**	1.2
Between one and two years	**0.2**	1.0
Between two and five years	**0.3**	0.7
Beyond five years	**–**	–
	0.7	2.9

There were no tangible assets pledged as security for borrowings at 31 December 2024 and 2023.

12. Right-of-use Assets

	Leasehold land US$m	Properties US$m	Furniture, equipment & other US$m	Total US$m
2024				
Net book value at 1 January	75.5	2,586.5	0.3	**2,662.3**
Exchange differences	(3.1)	(37.1)	–	**(40.2)**
Additions	–	217.7	1.3	**219.0**
Disposal of subsidiaries	–	(32.5)	–	**(32.5)**
Disposals	(2.8)	–	–	**(2.8)**
Revaluation surplus before transfer to investment properties	5.7	–	–	**5.7**
Transfer to investment properties *(note 13)*	(7.3)	–	–	**(7.3)**
Modifications to lease terms	–	414.4	0.1	**414.5**
Amortisation/depreciation charge	(2.2)	(665.8)	(0.3)	**(668.3)**
Impairment charge	–	(4.6)	–	**(4.6)**
Reclassified to assets held for sale *(note 20)*	(3.7)	–	–	**(3.7)**
Net book value at 31 December	**62.1**	**2,478.6**	**1.4**	**2,542.1**
2023				
Net book value at 1 January	106.5	2,563.0	0.6	2,670.1
Exchange differences	0.8	3.1	–	3.9
Additions	–	155.1	–	155.1
Disposal of subsidiaries	(1.3)	(73.2)	–	(74.5)
Disposals	(12.6)	–	–	(12.6)
Revaluation surplus before transfer to investment properties	63.2	–	–	63.2
Transfer to investment properties *(note 13)*	(73.7)	–	–	(73.7)
Modifications to lease terms	–	601.7	–	601.7
Amortisation/depreciation charge	(2.0)	(644.9)	(0.3)	(647.2)
Impairment charge	–	(0.6)	–	(0.6)
Reclassified from assets held for sale *(note 20)*	28.6	–	–	28.6
Reclassified to assets held for sale *(note 20)*	(34.0)	(17.7)	–	(51.7)
Net book value at 31 December	75.5	2,586.5	0.3	2,662.3

Furniture, equipment and other comprise furniture, equipment, plant and machinery, motor vehicles and other.

The typical lease terms associated with the right-of-use assets are as follows:

Leasehold land	25 to 999 years
Properties	1 to 40 years
Furniture, equipment & other	1 to 6 years

There was no leasehold land pledged as security for borrowings at 31 December 2024 and 2023.

13. Investment Properties

	Commercial properties US$m	Residential property US$m	Total US$m
2024			
At 1 January	83.2	39.0	**122.2**
Exchange differences	(2.5)	0.3	**(2.2)**
Additions	–	0.2	**0.2**
Disposals	(6.1)	–	**(6.1)**
Transfer from tangible assets *(note 11)*	0.7	–	**0.7**
Transfer from right-of-use assets *(note 12)*	7.3	–	**7.3**
Change in fair value	(5.0)	(8.6)	**(13.6)**
Reclassified to assets held for sale *(note 20)*	(7.7)	–	**(7.7)**
At 31 December	**69.9**	**30.9**	**100.8**
2023			
At 1 January	–	39.8	39.8
Exchange differences	–	(0.2)	(0.2)
Transfer from tangible assets *(note 11)*	9.5	–	9.5
Transfer from right-of-use assets *(note 12)*	73.7	–	73.7
Change in fair value	–	(0.6)	(0.6)
At 31 December	83.2	39.0	122.2

The future use of the Group's properties is reviewed by the Directors regularly. During the year, three properties in Hong Kong and Indonesia were transferred to investment properties. On the dates of the transfer, the properties were accounted for at their respective fair values, and US$5.7 million *(note 12)* was credited to the revaluation reserves and an impairment charge of US$0.2 million *(note 11)* was recorded.

At 31 December 2023, several properties in Hong Kong and Indonesia were transferred to investment properties. On the date of transfer, the properties were accounted for at their respective fair values and US$64.7 million was credited to the revaluation reserves *(note 11 and note 12)*.

During the year, an investment property in Indonesia was disposed of at a loss of US$2.0 million.

All investment properties are leasehold properties.

The Group measures its investment properties at fair value. The fair values of the Group's investment properties at 31 December 2024 and 2023 have been determined on the basis of valuations carried out by independent valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties being valued.

The Group engaged Jones Lang LaSalle and KJPP Wiseso dan Rekan to value its investment properties in Hong Kong and Indonesia, respectively. The valuations in Hong Kong conform to the International Valuation Standards issued by the International Valuation Standards Council and the HKIS Valuation Standards issued by the Hong Kong Institute of Surveyors, while the valuations in Indonesia conform to the local valuation standards. The valuations are comprehensively reviewed by the Group.

13. Investment Properties continued

Fair value measurements of residential property using no significant unobservable inputs

Fair value of the residential property in Hong Kong is derived using the direct comparison method. This valuation method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. Comparable premises are generally located in the surrounding areas or in other sub-markets which are comparable to the property. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

Fair value measurements of commercial properties using significant unobservable inputs

Fair values of commercial properties in Hong Kong are generally derived using the income capitalisation method. This valuation method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have referenced to valuers' views of recent lettings, within the subject properties and other comparable properties.

In Hong Kong, fair value of the residential property is also cross-referenced to income capitalisation method and the fair values of commercial properties are also cross-referenced to direct comparison method as supplementary measurements.

In Indonesia, fair values of the leasehold land portion of commercial properties are measured using direct comparison method and the fair values of the relevant building portion are determined using weighted average method between income capitalisation and the depreciated replacement cost method. The depreciated replacement cost method refers to the current costs of replacing an asset with its modern equivalent assets less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.

The table below analyses the Group's investment properties by the levels in the fair value measurement hierarchy:

	Commercial properties US$m	Residential property US$m	Total US$m
2024			
Fair value measurements			
– using no significant unobservable inputs	–	30.9	**30.9**
– using significant unobservable inputs	69.9	–	**69.9**
	69.9	**30.9**	**100.8**
2023			
Fair value measurements			
– using no significant unobservable inputs	–	39.0	39.0
– using significant unobservable inputs	83.2	–	83.2
	83.2	39.0	122.2

13. Investment Properties continued

Information about fair value measurements of the commercial properties using significant unobservable inputs at 31 December 2024:

		Range of significant unobservable inputs	
	Fair value	Prevailing market rent per month	Capitalisation rate
Locations	US$m	US$	%
Hong Kong	**20.0**	**3.7 to 8.4 per square foot**	**4.00 to 6.00**
Indonesia	**49.9**	**3.6 to 4.9 per square metre**	**8.38**
	69.9		

Prevailing market rents are estimated based on independent valuers' view of recent lettings, within the subject properties and other comparable properties. Capitalisation rates are estimated by independent valuers based on the risk profile of the properties being valued.

An increase/decrease to prevailing market rent will increase/decrease valuations, while an increase/decrease to capitalisation rate will decrease/increase valuations. Sensitivity analyses have been performed to assess the impact on the valuations of changes in the two significant unobservable inputs for prevailing market rents and capitalisation rates on the commercial properties in Hong Kong at 31 December 2024. The Group believes this captures the range of variations in these key valuation assumptions. The results are shown in the table below:

		Increase/(decrease) in valuations	
	Change in assumption	Increase in assumption	Decrease in assumption
	%	US$m	US$m
Prevailing market rent per month	**5.00**	**3.2**	**(2.5)**
Capitalisation rate	**0.10**	**(1.1)**	**1.2**

The maturity analysis of lease payments, showing the undiscounted lease payments to be received over the remainder of the contractual lease term after the balance sheet date are as follows:

	2024	2023
	US$m	US$m
Within one year	**2.2**	2.6
Between one and two years	**1.1**	2.0
Between two and five years	**0.6**	1.4
Beyond five years	**1.1**	1.2
	5.0	7.2

There were no investment properties pledged as security for borrowings at 31 December 2024 and 2023.

14. Associates and Joint Ventures

	2024 US$m	2023 US$m
Associates		
Listed associates	**247.7**	623.1
Unlisted associates	**588.4**	567.1
Share of attributable net assets	**836.1**	1,190.2
Goodwill on acquisition	**–**	601.7
	836.1	1,791.9
Unlisted joint ventures	**3.0**	1.8
	839.1	1,793.7

The fair values of the Group's listed associates, which were based on quoted prices in active markets, amounted to US$196.3 million and US$986.4 million at 31 December 2024 and 2023, respectively. The fair value at 31 December 2024 represented the fair value of Robinsons Retail while the fair value at 31 December 2023 represented the fair values of Robinsons Retail and Yonghui.

	Associates		**Joint ventures**	
	2024 US$m	2023 US$m	**2024 US$m**	2023 US$m
Movements during the year:				
At 1 January	**1,791.9**	1,782.3	**1.8**	(0.9)
Exchange differences	**(6.5)**	(14.9)	**(0.2)**	(0.1)
Share of results after tax and non-controlling interests	**88.6**	61.9	**(4.0)**	(9.3)
Share of other comprehensive income/(expense) after tax and non-controlling interests	**0.5**	(0.6)	**–**	–
Dividends received	**(51.6)**	(45.6)	**–**	–
Additions, capital injections and advances	**4.5**	7.9	**1.9**	12.1
Disposals	**–**	–	**3.0**	–
Impairment charge	**(231.3)**	–	**–**	–
Reclassified to assets held for sale *(note 20)*	**(758.9)**	–	**–**	–
Other movements in attributable interests	**(1.1)**	0.9	**0.5**	–
At 31 December	**836.1**	1,791.9	**3.0**	1.8

In September 2024, the Group signed a share transfer agreement with a third party to sell its entire interest in Yonghui. The interest in Yonghui was reclassified to assets held for sale, and accordingly, the equity basis of accounting was discontinued *(note 20)*.

The impairment charge in 2024 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. Management conducted an impairment review on the carrying value by determining the recoverable amount using a value-in-use calculation and concluded that an impairment charge of US$231.3 million was required. This was charged to profit and loss and reduced the amount of interest in Robinsons Retail to US$247.7 million, in addition to the US$170.8 million impairment charge recognised in 2022.

14. Associates and Joint Ventures continued

To calculate the value-in-use in 2024, management has estimated the discounted future cash inflows derived from holding the investment and from its ultimate disposal. For the disposal cash inflow, management has used Robinsons Retail's 12-month average share price and referred to industry benchmarks for retail mergers and acquisitions, specifically to determine the average premium applied to the prevailing share price for these transactions. A discount rate of 11.0% was applied in calculating the discounted future cash inflows. A 10% decrease in the disposal cash inflow would result in a US$24.0 million increase in the impairment charge recognised.

At 31 December 2023, the fair values of Robinsons Retail and Yonghui were below their respective carrying amounts. Impairment reviews were performed and concluded that the value-in-use calculations supported no impairment charges were required in 2023.

In 2023, the impairment reviews were performed by comparing the carrying amounts of the associates with the recoverable amounts. The recoverable amounts were determined based on value-in-use calculations using cash flow projections approved by management covering projection periods considered to be appropriate. Cash flows beyond the projection periods were extrapolated using the estimates. The growth rates did not exceed the long-term average industry growth rates in the places of operation, and the pre-tax discount rates reflected business-specific risks relating to the relevant industries and the risk related to the place of operation.

The changes in the basis of value-in-use calculations between 2023 and 2024 were to reflect the change in corporate strategy following management's review of the Group's businesses.

The recoverable amounts based on the value-in-use calculations under the impairment reviews were inherently sensitive to changes in assumptions. Summary of the significant assumptions used and sensitivities on recoverable amounts for the impairment reviews in 2023 are as follows:

	Robinsons Retail US$m	Yonghui US$m
Principal place of operation	The Philippines	Chinese mainland
Assumptions used:		
Cash flow projection period	5 years	5 years
Average revenue growth rate	4.0%	3.6%
Average annual profit before interest and tax growth rate	10.7%	1.6%
Pre-tax discount rate	13.7%	8.4%
Long-term growth rate	3.0%	2.0%
Sensitivities on recoverable amounts:		
– average revenue growth rate 1.0% lower	(29.0)	(322.2)
– profit before interest and tax margin 0.4% lower	n/a	(120.5)
– pre-tax discount rate 1.0% higher	n/a	(113.3)
– long-term growth rate 0.5% lower	n/a	(21.4)

The sensitivities on recoverable amounts represented the amount of impairment charge that would have been required if there were changes in management's assumptions.

14. Associates and Joint Ventures continued

(a) Investment in associates

The material associates of the Group are listed below. These associates have share capital consisting solely of ordinary shares, which are held directly by the Group. The place of incorporation is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Nature of investments in material associates in 2024 and 2023:

			% of ownership interest	
Name of entity	**Nature of business**	**Place of incorporation/listing**	**2024**	2023
Maxim's Caterers Limited (Maxim's)	Restaurants	Hong Kong/Unlisted	**50**	50
Robinsons Retail Holdings, Inc. (Robinsons Retail)	Health and beauty, food, department stores, specialty and DIY stores	The Philippines/ The Philippines	**21.98***	21.47*
Yonghui Superstores Co., Ltd (Yonghui)	Food	Chinese mainland/Shanghai	**n/a**†	21.44

* The interest in Robinsons Retail was 22.14% *(2023: 21.63%)* at 31 December 2024.

† The 21.44% interest in Yonghui was included in assets held for sale at 31 December 2024 *(note 20)*.

Following the continuous share buyback in Robinsons Retail, the Group's interest in Robinsons Retail increased from 21.47% to 21.98% at 30 September 2024.

14. Associates and Joint Ventures continued

(a) Investment in associates continued

Summarised financial information for material associates

Summarised balance sheets at 31 December (unless otherwise indicated):

	Maxim's		Robinsons Retail		Yonghui
	2024	2023	**2024***	2023†	2023†
	US$m	US$m	**US$m**	US$m	US$m
Non-current assets	**2,611.9**	2,663.0	**1,781.0**	2,024.0	5,321.0
Current assets					
Cash and cash equivalents	**194.9**	201.2	**160.6**	164.1	931.1
Other current assets	**263.8**	291.1	**633.0**	591.0	1,724.4
Total current assets	**458.7**	492.3	**793.6**	755.1	2,655.5
Non-current liabilities					
Financial liabilities‡	**(603.5)**	(932.7)	**(509.7)**	(631.6)	(2,980.0)
Other non-current liabilities	**(179.8)**	(169.2)	**(112.1)**	(104.0)	(32.1)
Total non-current liabilities	**(783.3)**	(1,101.9)	**(621.8)**	(735.6)	(3,012.1)
Current liabilities					
Financial liabilities‡	**(889.2)**	(708.2)	**(274.7)**	(178.9)	(999.0)
Other current liabilities	**(108.2)**	(107.4)	**(429.7)**	(382.0)	(2,627.7)
Total current liabilities	**(997.4)**	(815.6)	**(704.4)**	(560.9)	(3,626.7)
Non-controlling interests	**(141.1)**	(130.6)	**(85.5)**	(82.4)	(7.1)
Net assets	**1,148.8**	1,107.2	**1,162.9**	1,400.2	1,330.6

* Based on unaudited summarised balance sheet at 30 September 2024.

† Based on unaudited summarised balance sheet at 30 September 2023.

‡ Financial liabilities excluded trade and other payables and provisions, which are presented under other current and non-current liabilities.

14. Associates and Joint Ventures continued

(a) Investment in associates continued

Summarised financial information for material associates continued

Summarised statements of comprehensive income for the year ended 31 December (unless otherwise indicated):

	Maxim's		Robinsons Retail		Yonghui
	2024	2023	**2024**^	2023#	2023#
	US$m	US$m	**US$m**	US$m	US$m
Revenue	**3,070.1**	3,109.2	**3,460.6**	3,410.7	10,719.1
Depreciation and amortisation	**(435.0)**	(441.1)	**(129.4)**	(131.3)	(484.8)
Interest income	**3.5**	3.1	**3.0**	5.9	19.4
Interest expense	**(47.7)**	(45.7)	**(54.0)**	(51.1)	(191.7)
Profit/(loss) from underlying business performance	**169.4**	204.0	**117.1**	109.8	(193.5)
Income tax expense	**(28.7)**	(41.0)	**(25.1)**	(28.1)	(1.1)
Profit/(loss) after tax from underlying business performance	**140.7**	163.0	**92.0**	81.7	(194.6)
(Loss)/profit after tax from non-trading items	**(3.5)**	(1.8)	**237.3**	98.2	(51.7)
Profit/(loss) after tax	**137.2**	161.2	**329.3**	179.9	(246.3)
Non-controlling interests	**(9.4)**	(6.0)	**(10.0)**	(10.8)	23.9
Profit/(loss) after tax and non-controlling interests	**127.8**	155.2	**319.3**	169.1	(222.4)
Other comprehensive (expense)/income	**(11.4)**	3.5	**4.9**	(11.7)	–
Total comprehensive income	**116.4**	158.7	**324.2**	157.4	(222.4)
Dividends received from associates	**41.0**	34.5	**10.6**	11.1	–

^ Based on unaudited summarised statement of comprehensive income for the 12 months ended 30 September 2024.

Based on unaudited summarised statement of comprehensive income for the 12 months ended 30 September 2023.

The information contained in the summarised balance sheets and statements of comprehensive income reflect the amounts presented in the financial statements of the associates adjusted for differences in accounting policies between the Group and the associates, and fair value of the associates at the time of acquisitions.

14. Associates and Joint Ventures continued

(a) Investment in associates continued

Reconciliation of the summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interests in its material associates for the year ended 31 December:

	Maxim's		Robinsons Retail		Yonghui
	2024	2023	**2024**	2023	2023
	US$m	US$m	**US$m**	US$m	US$m
Net assets	**1,148.8**	1,107.2	**1,162.9***	1,400.2†	1,330.6†
Interests in associates (%)	***50***	*50*	***21.98***	*21.47*	*21.44*
Group's share of net assets in associates	**574.4**	553.6	**255.6**	300.6	285.3
Goodwill	**–**	–	**–**	124.9	476.8
Other reconciling items	**–**	–	**(7.9)**	7.1	30.1
Carrying value	**574.4**	553.6	**247.7**	432.6	792.2
Fair values‡	**n/a**	n/a	**196.3**	225.8	760.6

* Based on unaudited summarised balance sheet at 30 September 2024.

† Based on unaudited summarised balance sheet at 30 September 2023.

‡ Fair values of the listed associates were based on quoted prices in active markets at 31 December 2024 and 2023.

Contingent liabilities relating to the Group's interests in associates

There were no contingent liabilities relating to the Group's interests in associates at 31 December 2024 and 2023.

(b) Investment in joint ventures

In the opinion of the Directors, none of the Group's interests in unlisted joint ventures are considered material.

Commitments and contingent liabilities in respect of joint ventures

There were no commitments and contingent liabilities relating to the Group's interests in the joint ventures at 31 December 2024 and 2023.

15. Other Investments

	2024 **US$m**	2023 US$m
Equity investments measured at fair value through profit and loss		
– listed equity investments	**8.4**	–
– unlisted equity investments	**11.9**	6.7
	20.3	6.7
Debt investments measured at fair value through profit and loss		
– unlisted debt investments	**–**	–
	20.3	6.7

At 31 December 2024, the balance of listed equity investments amounting to US$8.4 million represented the Group's investment in the equity shares of Dmall Inc. (Dmall), a company listed on the Hong Kong Stock Exchange.

All equity and debt investments are non-current assets.

	2024 **US$m**	2023 US$m
Movements during the year:		
At 1 January	**6.7**	21.7
Additions *(note 30(e))*	**46.5**	–
Disposals	**(0.2)**	–
Change in fair value *(note 9)*	**(32.7)**	(15.0)
At 31 December	**20.3**	6.7

Movements of equity and debt investments which were valued based on unobservable inputs during the year ended 31 December 2024 and 2023 are disclosed in note 40.

At 31 December 2023, the Group had unlisted equity and debt investments in Pickupp Limited, a delivery platform founded in Hong Kong, amounted to US$15.0 million. Following the management's review in 2023, the Group determined the fair value of the investments to be US$nil. At 31 December 2024, the management review was performed and there was no change in the fair value of the investments.

16. Debtors

	2024 US$m	2023 US$m
Trade debtors		
Third parties	**83.8**	114.2
Less: provision for impairment	**(0.4)**	(0.5)
	83.4	113.7
Other debtors		
Third parties	**242.9**	249.3
Less: provision for impairment	**(5.7)**	(4.5)
	237.2	244.8
	320.6	358.5
Non-current		
– trade debtors	**–**	–
– other debtors	**97.9**	102.2
	97.9	102.2
Current		
– trade debtors	**83.4**	113.7
– other debtors	**139.3**	142.6
	222.7	256.3
	320.6	358.5

Trade and other debtors, other than derivative financial instruments, are stated at amortised cost. The fair values of these debtors approximate their carrying amounts. Derivative financial instruments are stated at fair value.

Sales of goods to customers are mainly made in cash or by major credit cards and other electronic payments. The average credit period on sales of goods and services varies among Group businesses and is normally not more than 30 days.

Other debtors net of provision for impairment are further analysed as follows:

	2024 US$m	2023 US$m
Derivative financial instruments *(note 31)*	**14.7**	14.2
Rental and other deposits	**135.4**	140.6
Other receivables	**21.8**	25.9
Financial assets	**171.9**	180.7
Prepayments	**50.6**	47.7
Other	**14.7**	16.4
	237.2	244.8

16. Debtors continued

Impairment of trade and other debtors

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payment are considered indicators that the debtor is impaired. An allowance for impairment of trade and other debtors is made based on the estimated irrecoverable amount. The maximum exposure to credit risk is represented by the carrying amount of trade and other debtors after deducting the impairment allowance.

At 31 December 2024, trade debtors of US$0.4 million *(2023: US$0.5 million)* were impaired, which have been fully provided for in both years. The ageing analysis of these debtors is as follows:

	Trade debtors	
	2024	2023
	US$m	US$m
Below 30 days	**–**	–
Between 31 and 60 days	**–**	–
Between 61 and 90 days	**–**	–
Over 90 days	**0.4**	0.5
	0.4	0.5

The Group has assessed the expected impairment of other debtors, including rental and other deposits, based on the likelihood of collection of the balances at the time they are due. At 31 December 2024 and 2023, provisions for the amounts deemed uncollectible were provided for.

Trade and other debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the Group.

Movements in the provisions for impairment are as follows:

	Trade debtors		**Other debtors**	
	2024	2023	**2024**	2023
	US$m	US$m	**US$m**	US$m
At 1 January	**(0.5)**	(1.1)	**(4.5)**	(3.2)
Exchange differences	**–**	–	**0.1**	(0.1)
Additional provisions	**–**	–	**(2.2)**	(3.8)
Disposal of subsidiaries	**–**	–	**–**	0.3
Unused amounts reversed	**–**	0.1	**0.3**	0.1
Amounts written off	**0.1**	0.5	**0.6**	2.2
At 31 December	**(0.4)**	(0.5)	**(5.7)**	(4.5)

There were no debtors pledged as security for borrowings at 31 December 2024 and 2023.

17. Deferred Tax Assets/(Liabilities)

	Accelerated tax depreciation US$m	Fair value gains/ losses US$m	Losses US$m	Employee benefits US$m	Lease liabilities and other temporary differences US$m	Total US$m
2024						
At 1 January	(267.5)	(1.1)	–	0.7	262.5	**(5.4)**
Exchange differences	7.4	(0.1)	–	–	(8.9)	**(1.6)**
(Charged)/credited to profit and loss	(9.3)	–	2.6	(0.2)	27.2	**20.3**
Charged to other comprehensive income	–	(0.2)	–	(0.3)	–	**(0.5)**
Disposal of subsidiaries	0.4	–	–	–	(0.3)	**0.1**
At 31 December	**(269.0)**	**(1.4)**	**2.6**	**0.2**	**280.5**	**12.9**
Deferred tax assets	(241.8)	(1.1)	2.6	0.9	278.1	**38.7**
Deferred tax liabilities	(27.2)	(0.3)	–	(0.7)	2.4	**(25.8)**
	(269.0)	**(1.4)**	**2.6**	**0.2**	**280.5**	**12.9**
2023						
At 1 January	(277.4)	(2.3)	–	0.2	266.8	(12.7)
Exchange differences	(1.1)	–	–	–	1.4	0.3
(Charged)/credited to profit and loss	(2.1)	–	–	0.2	6.8	4.9
Credited to other comprehensive income	–	1.2	–	0.3	–	1.5
Disposal of subsidiaries	1.6	–	–	–	–	1.6
Reclassified to assets held for sale *(note 20)*	11.5	–	–	–	(12.5)	(1.0)
At 31 December	(267.5)	(1.1)	–	0.7	262.5	(5.4)
Deferred tax assets	(239.4)	(0.1)	–	1.3	274.0	35.8
Deferred tax liabilities	(28.1)	(1.0)	–	(0.6)	(11.5)	(41.2)
	(267.5)	(1.1)	–	0.7	262.5	(5.4)

17. Deferred Tax Assets/(Liabilities) continued

Deferred tax balances predominantly comprise non-current items. Deferred tax assets and liabilities are netted when the taxes relate to the same taxation authority and where offsetting is allowed.

Deferred tax assets of US$62.9 million *(2023: US$63.2 million)* arising from unused tax losses of US$286.8 million *(2023: US$291.8 million)* have not been recognised in the financial statements. Included in the unused tax losses, US$68.7 million have no expiry date and the remaining balance of US$218.1 million will expire at various dates up to and including 2029.

At 31 December 2024 and 2023, no deferred tax liabilities arising on temporary differences associated with investments in subsidiaries had been recognised as there were no undistributed earnings of these subsidiaries. With respect to the investment in associates, deferred tax liabilities of US$15.0 million *(2023: US$15.0 million)* were recognised for the temporary differences of the unremitted earnings.

18. Pension Plans

The Group operates defined benefit pension plans in Hong Kong, Indonesia, Taiwan and the Philippines, with the major plans in Hong Kong. These plans are final salary defined benefits, calculated based on members' lengths of service and their salaries in the final years leading up to retirement. All pension benefits are paid in one lump sum. With the exception of certain plans in Hong Kong, other defined benefit plans are open to new members. In addition, all plans are impacted by the discount rate while liabilities are driven by salary growth.

The Group's defined benefit plans are both funded and unfunded, with the assets of the funded plans held independently of the Group's assets in separate trustee administered funds. Plan assets held in trusts are governed by local regulations and practices in each territory. Responsibility for governance of the plans, including investment decisions and contribution schedules, lies jointly with the company and the boards of trustees. The Group's plans are valued by independent actuaries annually using the projected unit credit method.

The amounts recognised in the consolidated balance sheet are as follows:

	2024	2023
	US$m	US$m
Fair value of plan assets	**197.1**	187.7
Present value of funded obligations	**(191.0)**	(185.6)
	6.1	2.1
Present value of unfunded obligations	**(2.9)**	(3.9)
Net pension assets/(liabilities)	**3.2**	(1.8)
Analysis of net pension assets/(liabilities):		
Pension assets	**7.6**	4.4
Pension liabilities	**(4.4)**	(6.2)
	3.2	(1.8)

18. Pension Plans continued

Movements in the net pension assets/(liabilities) are as follows:

	Fair value of plan assets US$m	Present value of obligations US$m	Total US$m
2024			
At 1 January	187.7	(189.5)	**(1.8)**
Exchange differences	0.9	(0.7)	**0.2**
Current service cost	–	(12.4)	**(12.4)**
Interest income/(expense)	7.8	(7.5)	**0.3**
Past service cost	–	(0.6)	**(0.6)**
Administration expenses	(1.1)	–	**(1.1)**
Total amount recognised in profit and loss	6.7	(20.5)	**(13.8)**
Remeasurements			
– return on plan assets, excluding amounts included in interest income	5.6	–	**5.6**
– change in financial assumptions	–	(2.5)	**(2.5)**
– experience gains	–	1.5	**1.5**
Total amount recognised in other comprehensive income	5.6	(1.0)	**4.6**
Contributions from employers	12.2	–	**12.2**
Contributions from plan participants	0.1	(0.1)	**–**
Benefit payments	(16.0)	16.1	**0.1**
Settlements	–	1.7	**1.7**
Transfer (to)/from other plans	(0.1)	0.1	**–**
At 31 December	**197.1**	**(193.9)**	**3.2**

18. Pension Plans continued

	Fair value of plan assets US$m	Present value of obligations US$m	Total US$m
2023			
At 1 January	173.9	(173.0)	0.9
Exchange differences	(0.3)	0.2	(0.1)
Current service cost	–	(12.5)	(12.5)
Interest income/(expense)	8.6	(8.2)	0.4
Past service cost	–	(0.2)	(0.2)
Administration expenses	(0.3)	–	(0.3)
Total amount recognised in profit and loss	8.3	(20.9)	(12.6)
Remeasurements			
– return on plan assets, excluding amounts included in interest income	8.0	–	8.0
– change in financial assumptions	–	(8.0)	(8.0)
– experience losses	–	(3.1)	(3.1)
Total amount recognised in other comprehensive income	8.0	(11.1)	(3.1)
Contributions from employers	12.5	–	12.5
Contributions from plan participants	0.1	(0.1)	–
Benefit payments	(14.6)	14.7	0.1
Settlements	–	0.5	0.5
Transfer (to)/from other plans	(0.2)	0.2	–
At 31 December	187.7	(189.5)	(1.8)

18. Pension Plans continued

The weighted average duration of the defined benefit obligations at 31 December 2024 was 5.5 years *(2023: 5.8 years)*. The expected maturity analysis of undiscounted pension benefits at 31 December is as follows:

	2024	2023
	US$m	US$m
Within one year	**39.5**	33.6
Between one and two years	**23.6**	21.6
Between two and five years	**60.1**	66.5
Between five and ten years	**111.0**	103.5
Between ten and fifteen years	**91.5**	93.7
Between fifteen and twenty years	**63.9**	61.4
Beyond twenty years	**55.2**	56.4
	444.8	436.7

The principal actuarial assumptions at 31 December are as follows:

	Hong Kong		**Indonesia**		**Taiwan**		**The Philippines**	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	%	%	**%**	%	**%**	%	**%**	%
Discount rate	**4.5**	4.3	**7.0**	6.8	**1.6**	1.5	**6.1**	6.1
Salary growth rate	**4.5**	4.0	**6.0**	6.1	**4.0**	3.5	**5.0**	4.5

The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is as follows:

		(Increase)/decrease on defined benefit obligations	
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
	%	**US$m**	**US$m**
Discount rate	**1**	**9.9**	**(11.1)**
Salary growth rate	**1**	**(10.6)**	**9.6**

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligations to significant actuarial assumptions, the same method (present value of the defined benefit obligations calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liabilities recognised within the balance sheet.

18. Pension Plans continued

The analysis of the fair value of plan assets at 31 December is as follows:

	2024 **US$m**	2023 US$m
Investment funds		
Asia Pacific	**35.8**	42.0
Europe	**37.8**	36.4
North America	**109.5**	95.1
Global	**20.8**	20.2
Total investments	**203.9**	193.7
Cash and cash equivalents	**8.5**	10.0
Benefits payable and other	**(15.3)**	(16.0)
	197.1	187.7

At 31 December 2024, 76% *(2023: 79%)* of investment funds were quoted on active markets.

The strategic asset allocation is derived from an asset-liability modelling (ALM) review, done triennially to ensure the plans can meet future funding and solvency requirements. The latest ALM review was completed in 2024. The next ALM review is scheduled for 2027.

At 31 December 2024, the Hong Kong plans had assets of US$192.4 million *(2023: US$183.6 million)*.

The Group maintains an active and regular contribution schedule in the plans. The contributions to the plans in 2024 were US$12.2 million and the estimated amounts of contributions expected to be paid to the plans in 2025 are US$11.8 million.

19. Cash and Bank Balances

	2024 **US$m**	2023 US$m
Deposits with banks	**31.9**	32.8
Bank balances	**119.3**	84.2
Cash balances	**122.6**	186.4
	273.8	303.4
Analysis by currencies:		
Chinese yuan	**38.3**	14.4
Hong Kong dollar	**105.8**	158.9
Indonesian rupiah	**7.6**	5.5
Macau pataca	**16.6**	20.7
Malaysian ringgit	**3.8**	11.7
New Taiwan dollar	**63.0**	31.1
Singapore dollar	**18.5**	28.9
United States dollar	**16.5**	29.1
Other	**3.7**	3.1
	273.8	303.4

The weighted average interest rate on deposits with banks at 31 December 2024 was 2.0% *(2023: 0.3%)* per annum.

20. 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 *(note 13)*	**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)
	1,673.5	28.0

20. Assets Held for Sale/(Liabilities Associated with Assets Held for Sale) continued

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.

Movements of tangible and right-of-use assets held for sale are as follows:

	2024	2023
	US$m	US$m
At 1 January	**6.5**	65.7
Exchange differences	**–**	(2.3)
Reclassified from tangible assets *(note 11)*	**2.3**	58.6
Reclassified from right-of-use assets *(note 12)*	**3.7**	34.0
Reclassified to tangible assets *(note 11)*	**–**	(16.6)
Reclassified to right-of-use assets *(note 12)*	**–**	(28.6)
Disposal of subsidiaries	**(2.4)**	(50.0)
Disposals	**(6.4)**	(54.3)
At 31 December	**3.7**	6.5
Tangible assets	**–**	–
Right-of-use assets	**3.7**	6.5
	3.7	6.5

In 2023, the disposal of subsidiaries mainly represented the distribution centres, previously held by Jupiter Lagoon, which were disposed of as part of the divestment of Malaysia Grocery Retail business *(note 9 and note 30(f))*.

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.

Movements in the interest in Yonghui are as follows:

	2024
	US$m
At 1 January	**–**
Reclassified from associates and joint ventures *(note 14)*	**758.9**
Impairment charge	**(149.3)**
Change in fair value	**1,081.8**
Exchange differences	**(29.3)**
At 31 December	**1,662.1**

20. Assets Held for Sale/(Liabilities Associated with Assets Held for Sale) continued

Interest in an associate continued

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 (price risk under note 40), 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 values 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 *(note 31)*	**(1,050.7)**
Fair value gain on forward foreign exchange contracts	**7.8**
Transaction costs provided	**(4.0)**
Loss relating to the divestment *(note 9)*	**(114.4)**

20. Assets Held for Sale/(Liabilities Associated with Assets Held for Sale) continued

Interest in an associate continued

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	**(1,053.4)**
Assets and liabilities relating to the divestment	**616.5**

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 *(note 11)*	19.5
Right-of-use assets *(note 12)*	17.7
Deferred tax assets *(note 17)*	1.0
Debtors	0.2
Cash and bank balances *(note 30(l))*	2.9
Assets held for sale	41.3
Creditors	(0.1)
Lease liabilities *(note 23)*	(19.5)
Tax liabilities	(0.2)
Liabilities associated with assets held for sale	(19.8)
	21.5

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.

21. Creditors

	2024 US$m	2023 US$m
Trade creditors		
– third parties	**1,114.1**	1,155.0
– associates	**6.7**	7.5
	1,120.8	1,162.5
Accruals	**423.6**	546.9
Rental and other refundable deposits	**19.8**	19.1
Derivative financial instruments *(note 31)*	**1,051.3**	1.0
Other creditors	**156.1**	162.6
Financial liabilities	**2,771.6**	1,892.1
Contract liabilities	**176.1**	200.6
Rental income received in advance	**0.9**	0.9
Other	**6.5**	6.0
	2,955.1	2,099.6
Non-current	**5.3**	3.7
Current	**2,949.8**	2,095.9
	2,955.1	2,099.6

Derivative financial instruments are stated at fair value. Other creditors are stated at amortised cost. The fair values of these creditors approximate their carrying amounts.

Contract liabilities are primarily composed of payments received from customers for gift vouchers and loyalty points that have not yet been redeemed.

During the year, revenue recognised relating to carried-forward contract liabilities amounted to US$139.2 million *(2023: US$208.0 million)*. Management expects that 62% of the contract liabilities at 31 December 2024 *(2023: 69%)* will be recognised as revenue during the next reporting period based on redemption history.

22. Borrowings

	2024 US$m	2023 US$m
Current		
– bank overdrafts	**–**	8.1
– other bank advances	**474.0**	552.4
	474.0	560.5
Current portion of long-term bank borrowings	**30.9**	210.6
	504.9	771.1
Long-term bank borrowings	**236.5**	153.0
	741.4	924.1

All borrowings are unsecured. The fair values of borrowings are not materially different from their carrying amounts.

The Group's borrowings are further summarised as follows:

	Fixed rate borrowings				
By currencies	**Weighted average interest rates %**	**Weighted average period outstanding Years**	**US$m**	**Floating rate borrowings US$m**	**Total US$m**
2024					
Hong Kong dollar	4.7	0.1	100.5	229.2	**329.7**
Indonesian rupiah	7.2	–	–	78.9	**78.9**
Malaysian ringgit	4.1	–	–	33.0	**33.0**
Singapore dollar	3.4	–	–	199.8	**199.8**
United States dollar	5.2	–	–	100.0	**100.0**
			100.5	**640.9**	**741.4**
2023					
Chinese yuan	4.0	–	–	27.8	27.8
Hong Kong dollar	3.0	0.1	189.4	128.0	317.4
Indonesian rupiah	8.3	–	–	112.1	112.1
Malaysian ringgit	4.3	–	–	15.9	15.9
Singapore dollar	3.4	–	–	246.5	246.5
United States dollar	0.8	0.1	199.8	4.6	204.4
			389.2	534.9	924.1

The weighted average interest rates and period of fixed rate borrowings were stated after taking into account hedging transactions.

22. Borrowings continued

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at 31 December after taking into account hedging transactions are as follows:

	2024 US$m	2023 US$m
Floating rate borrowings	**640.9**	534.9
Fixed rate borrowings		
– within one year	**–**	389.2
– between one and two years	**–**	–
– between two and three years	**100.5**	–
	741.4	924.1

Movements in borrowings are as follows:

	Bank overdrafts US$m	**Short-term borrowings** US$m	**Long-term borrowings** US$m	**Total** US$m
2024				
At 1 January	8.1	763.0	153.0	**924.1**
Exchange differences	(0.1)	(3.2)	0.3	**(3.0)**
Change in bank overdrafts	(8.0)	–	–	**(8.0)**
Drawdown of borrowings	–	984.4	505.6	**1,490.0**
Repayment of borrowings	–	(1,289.7)	(327.4)	**(1,617.1)**
Net decrease in other short-term borrowings	–	(44.6)	–	**(44.6)**
Transfer	–	95.0	(95.0)	**–**
At 31 December	**–**	**504.9**	**236.5**	**741.4**
2023				
At 1 January	17.0	820.5	258.7	1,096.2
Exchange differences	(0.3)	1.9	0.8	2.4
Change in bank overdrafts	(8.6)	–	–	(8.6)
Drawdown of borrowings	–	728.4	540.5	1,268.9
Repayment of borrowings	–	(1,177.2)	(308.9)	(1,486.1)
Net increase in other short-term borrowings	–	51.3	–	51.3
Transfer	–	338.1	(338.1)	–
At 31 December	8.1	763.0	153.0	924.1

Net change in other short-term borrowings represents the aggregated net drawdown and repayment under the Group's global liquidity cash pooling scheme, which is implemented for enhancing the daily cash flow management.

23. Lease Liabilities

	2024 **US$m**	2023 US$m
At 1 January	**2,847.8**	2,875.7
Exchange differences	**(41.4)**	2.4
Additions	**221.1**	151.0
Disposal of subsidiaries	**(35.2)**	(146.6)
Reclassified to liabilities associated with assets held for sale *(note 20)*	**–**	(19.5)
Modifications to lease terms	**411.8**	609.5
Lease payments	**(754.6)**	(720.6)
Interest expense	**113.5**	95.9
At 31 December	**2,763.0**	2,847.8
Non-current	**2,202.6**	2,285.8
Current	**560.4**	562.0
	2,763.0	2,847.8

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessors.

The Group was not exposed to any residual guarantees in respect of the leases entered into at 31 December 2024 and 2023.

The Group has not entered into any material lease contracts which have not commenced at 31 December 2024 and 2023.

24. Provisions

	Closure cost provisions US$m	Reinstatement and restoration costs US$m	Statutory employee entitlements US$m	Others US$m	Total US$m
2024					
At 1 January	8.4	132.0	4.2	–	**144.6**
Exchange differences	(0.3)	(0.4)	0.1	–	**(0.6)**
Additional provisions	7.7	6.5	0.7	9.0	**23.9**
Interest on discounted liability on provisions	–	1.0	–	–	**1.0**
Remeasurements of statutory employee entitlements	–	–	1.8	–	**1.8**
Unused amounts reversed	(2.7)	(2.0)	–	–	**(4.7)**
Utilised	(1.3)	(3.0)	–	(7.8)	**(12.1)**
At 31 December	**11.8**	**134.1**	**6.8**	**1.2**	**153.9**
Non-current	0.3	104.6	6.8	–	**111.7**
Current	11.5	29.5	–	1.2	**42.2**
	11.8	**134.1**	**6.8**	**1.2**	**153.9**
2023					
At 1 January	6.3	138.4	4.2	–	148.9
Exchange differences	0.1	0.1	–	–	0.2
Additional provisions	6.1	12.7	–	–	18.8
Disposal of subsidiaries	–	(12.0)	–	–	(12.0)
Unused amounts reversed	(2.7)	(6.3)	–	–	(9.0)
Utilised	(1.4)	(0.9)	–	–	(2.3)
At 31 December	8.4	132.0	4.2	–	144.6
Non-current	–	101.5	4.2	–	105.7
Current	8.4	30.5	–	–	38.9
	8.4	132.0	4.2	–	144.6

Closure cost provisions are established when legal or constructive obligations arise from store closure or disposal of businesses.

Provisions for reinstatement and restoration costs comprise the estimated costs, to be incurred by the Group as lessees, in dismantling and removing the underlying assets, restoring the sites on which they are located or restoring the underlying assets to the condition required by the terms and conditions of the leases.

Statutory employee entitlements are the long service payments for the employees.

Other provisions represent legal or constructive obligations arising from the Group's restructuring of its operation formats.

25. Share Capital

	2024 US$m	2023 US$m
Authorised:		
2,250,000,000 shares of US¢5 5/9 each	**125.0**	125.0
500,000 shares of US$800 each	**400.0**	400.0
	525.0	525.0

	Ordinary shares in millions			
	2024	2023	**2024** **US$m**	2023 US$m
Issued and fully paid:				
Ordinary shares of US¢5 5/9 each				
At 1 January	**1,353.7**	1,353.3	**75.2**	75.2
Issue under share-based long-term incentive plans	**–**	0.4	**–**	–
At 31 December	**1,353.7**	1,353.7	**75.2**	75.2

26. Share-based Long-term Incentive Plans

Share-based long-term incentive plans (LTIP) have been put in place to provide incentives for selected executives. Awards take the form of share options to purchase ordinary shares in the Company with exercise prices based on the then prevailing market prices, however, share awards which will vest free of payment may also be made. Awards normally vest on or after the first, second, third and fourth anniversary of the date of grant and may be subject to the achievement of performance conditions.

An LTIP was adopted by the Company on 5 March 2015. During 2024, conditional awards of 9,262,996 shares *(2023: 5,661,613 shares)* were awarded under the LTIP. The fair value of the share awards granted during the year was US$17.7 million *(2023: US$16.3 million)*. The inputs into the discounted cash flow valuation model were share prices ranged from US$1.74 to US$2.20 *(2023: US$2.32 to US$2.97)* per share at the grant dates, dividend yield ranged from 3.54% to 4.32% *(2023: 0.98% to 2.05%)* and annual risk-free interest rates ranged from 3.60% to 5.10% *(2023: 3.95% to 5.49%)*.

Under these awards, shares are granted to selected executives to align their long-term rewards with shareholders' interest. Conditions, if any, are at the discretion of the Directors.

Prior to the adoption of the LTIP, The Dairy Farm International Share Option Plan 2005 provided selected executives with options to purchase ordinary shares in the Company. The exercise prices of the options granted in prior years were, in general, based on the average market prices for the five trading days immediately preceding the dates of grant of the options. Options are normally vested over a period of up to three years, and are exercisable for up to ten years following the date of grant. No options were granted in 2024 and 2023.

Share options and share awards amounting to US$11.1 million *(2023: US$12.4 million)* were charged to profit and loss during the year.

26. Share-based Long-term Incentive Plans continued

Movements of the outstanding conditional awards during the year:

	Conditional awards in millions	
	2024	2023
At 1 January	**7.6**	5.1
Granted	**9.3**	5.7
Lapsed	**(1.4)**	(0.7)
Released	**(3.0)**	(2.5)
At 31 December	**12.5**	7.6

Outstanding conditional awards at 31 December:

	Conditional awards in millions	
Awards vesting date	**2024**	2023
2024	**–**	2.9
2025	**4.1**	3.0
2026	**3.2**	1.7
2027	**5.0**	–
2028	**0.2**	–
Total outstanding	**12.5**	7.6

Movements of the outstanding conditional awards in dollars during the year:

	Conditional awards in dollars	
	2024	2023
	US$m	US$m
At 1 January	**1.5**	2.0
Lapsed	**(1.5)**	–
Released	**–**	(0.5)
At 31 December	**–**	1.5

Outstanding conditional awards in dollars at 31 December:

	Conditional awards in dollars	
	2024	2023
Awards vesting date	**US$m**	US$m
2024	**–**	0.5
2025	**–**	0.5
2026	**–**	0.5
Total outstanding	**–**	1.5

26. Share-based Long-term Incentive Plans continued

Movements of the outstanding options during the year:

	2024		2023	
	Weighted average exercise price US$	**Options in millions**	Weighted average exercise price US$	Options in millions
At 1 January	**7.5065**	**0.9**	8.3925	1.1
Lapsed	**–**	**–**	12.1580	(0.2)
At 31 December	**7.5065**	**0.9**	7.5065	0.9

The average share price during the year was US$2.06 *(2023: US$2.73)* per share.

Outstanding options at 31 December:

	Exercise price	**Options in millions**	
Expiry date	**US$**	**2024**	2023
2026	5.9320	**0.4**	0.4
2027	8.9060	**0.5**	0.5
Total outstanding		**0.9**	0.9
of which exercisable		**0.9**	0.9

27. Share Premium and Capital Reserves

	Share premium US$m	**Capital reserves US$m**	**Total US$m**
2024			
At 1 January	39.6	33.2	**72.8**
Share-based long-term incentive plans			
– value of employee services	–	11.1	**11.1**
Transfer	–	(8.3)	**(8.3)**
At 31 December	**39.6**	**36.0**	**75.6**
2023			
At 1 January	37.6	30.0	67.6
Share-based long-term incentive plans			
– value of employee services	–	12.4	12.4
Transfer	2.0	(9.2)	(7.2)
At 31 December	39.6	33.2	72.8

Capital reserves comprise contributed surplus of US$20.1 million *(2023: US$20.1 million)* and other reserves of US$15.9 million *(2023: US$13.1 million)*, which represent the value of employee services under the Company's share-based long-term incentive plans. The contributed surplus principally arose from the conversion of convertible preference shares in 1989 and, under the Bye-laws of the Company, is distributable.

28. Dividends

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

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.

29. Geographical Analysis of Non-current Assets

Set out below is an analysis of the Group's non-current assets, excluding financial instruments, non-current debtors, deferred tax assets and pension assets, by geographical areas at 31 December:

	2024 **US$m**	2023 US$m
North Asia	**2,763.6**	3,501.4
South East Asia	**1,474.3**	2,074.5
	4,237.9	5,575.9

The geographical areas consist of North Asia and South East Asia. North Asia comprises the Chinese mainland, Hong Kong, Macau and Taiwan. South East Asia comprises Singapore, Cambodia, the Philippines, Thailand, Malaysia, Indonesia, Vietnam, Brunei and Laos.

30. Notes to Consolidated Cash Flow Statement

	2024 US$m	2023 US$m
(a) Depreciation and amortisation		
Analysis by reportable segments:		
Health and Beauty	**164.2**	150.5
Convenience	**243.9**	247.0
Food	**318.1**	320.3
Home Furnishings	**92.9**	89.7
Selling, general and administrative expenses	**18.3**	19.7
	837.4	827.2
(b) Other non-cash items		
Analysis by nature:		
Net (gain)/loss on sale of subsidiaries	**(8.8)**	49.1
Net gain on sale of joint ventures	**(43.6)**	–
Net profit on sale of properties	**(3.7)**	(64.3)
Loss on disposals of other tangible and intangible assets	**7.8**	6.8
Change in fair value of investment properties	**13.6**	0.6
Change in fair value of equity and debt investments	**32.7**	15.0
Impairment of tangible and intangible assets	**143.4**	118.8
Impairment of right-of-use assets	**4.6**	0.6
Write down of stocks	**3.3**	6.1
Reversal of write down of stocks	**(5.3)**	(4.7)
Change in provisions	**12.8**	4.2
Gain on lease modification and termination	**(5.7)**	(0.3)
Share-based payment	**11.1**	12.4
Impairment of trade and other debtors	**2.0**	3.7
Interest income from debt investments	**(0.6)**	–
Fair value loss on fair value hedges	**0.1**	0.1
	163.7	148.1
(c) (Increase)/decrease in working capital		
Decrease in stocks	**67.6**	47.5
Decrease/(increase) in debtors	**32.0**	(24.8)
(Decrease)/increase in creditors	**(178.7)**	22.7
	(79.1)	45.4

(d) 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.

(e) Purchase of other investments in 2024 related to the Group's subscription of 1.14% equity shares in Dmall, 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.

30. Notes to Consolidated Cash Flow Statement continued

(f) 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:		
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 30(i))*.

30. Notes to Consolidated Cash Flow Statement continued

(g) 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.

(h) 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)*.

(i) 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 30(f))*, and a profit of US$3.3 million *(note 9)* was recognised.

(j) 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.

(k) Cash outflows for leases

	2024 **US$m**	2023 US$m
Cash outflows for lease rentals paid are included in		
– operating activities	**(214.6)**	(215.0)
– investing activities	**–**	–
– financing activities	**(641.7)**	(624.7)
	(856.3)	(839.7)

(l) Analysis of balances of cash and cash equivalents

	2024 **US$m**	2023 US$m
Cash and bank balances *(note 19)*	**273.8**	303.4
Bank overdrafts *(note 22)*	**–**	(8.1)
Cash and bank balances included in assets held for sale *(note 20)*	**–**	2.9
Cash and cash equivalents	**273.8**	298.2

31. Derivative Financial Instruments

The fair values of derivative financial instruments at 31 December are as follows:

	2024		2023	
	Positive fair value US$m	**Negative fair value US$m**	Positive fair value US$m	Negative fair value US$m
Designated as cash flow hedges				
– forward foreign exchange contracts	**6.9**	**0.3**	1.8	0.9
– interest rate swaps	**–**	**0.1**	12.4	–
	6.9	**0.4**	14.2	0.9
Designated as fair value hedges				
– forward foreign exchange contracts	**–**	**0.2**	–	0.1
– a forward contract relating to the divestment of Yonghui *(note 20)*	**–**	**1,050.7**	–	–
	–	**1,050.9**	–	0.1
Non-qualifying as hedges				
– forward foreign exchange contracts	**7.8**	**–**	–	–
	7.8	**–**	–	–

Forward foreign exchange contracts

The contract amounts of the outstanding forward foreign exchange contracts at 31 December 2024 were US$1,143.1 million *(2023: US$493.6 million)*. Within the contract amounts at 31 December 2024, there were forward foreign exchange contracts of US$613.0 million relating to the divestment of Yonghui.

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts at 31 December 2024 were US$100.5 million *(2023: US$389.2 million)* and the fixed interest rates relating to interest rate swaps varied from 3.97% to 4.02% *(2023: 0.66% to 0.67%)* per annum.

The fair values of interest rate swaps at 31 December 2024 were based on the estimated cash flows discounted at market rate of 4.6% *(2023: 5.4%)* per annum.

32. Commitments

	2024 US$m	2023 US$m
Capital commitments:		
Authorised not contracted	**40.4**	67.0
Contracted not provided	**4.2**	5.3
	44.6	72.3

At 31 December 2024 and 2023, there were no short-term lease commitments which were significantly dissimilar to those relating to the portfolio of short-term leases for which expenses were recognised for the year ended 31 December 2024 and 2023.

Total future sublease payments receivable amounted to US$9.9 million at 31 December 2024 *(2023: US$3.0 million)*.

33. Contingent Liabilities

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.

34. 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	2023
	US$m	US$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.

Balances with group companies of JMH at 31 December 2024 and 2023 are immaterial, unsecured, and have no fixed terms of repayment.

Details of Directors' remuneration (being key management personnel compensation) are shown on page 207 under the heading of 'Remuneration Outcomes in 2024'.

35. Summarised Balance Sheet of the Company

Included below is certain summarised balance sheet information of the Company at 31 December disclosed in accordance with Bermuda law.

	2024 **US$m**	2023 US$m
Subsidiaries, at cost	**92.4**	92.4
Current assets*	**345.9**	503.0
Current liabilities*	**(10.4)**	(54.2)
Net operating assets	**427.9**	541.2
Share capital *(note 25)*	**75.2**	75.2
Share premium and capital reserves *(note 27)*	**75.6**	72.8
Revenue and other reserves	**277.1**	393.2
Shareholders' funds	**427.9**	541.2

* Included intercompany balances due from/(to) subsidiaries.

36. Post Balance Sheet Event

On 26 February 2025, the Group completed the divestment of its interest in Yonghui. Detailed information is stated in note 20.

37. Principal Subsidiaries

The Group's principal subsidiaries at 31 December 2024 are set out below:

			Attributable interests		Proportion of ordinary shares and voting powers at 31 December 2024 held by	
Name of entity	Place of incorporation	Nature of business	2024 %	2023 %	the Group %	non-controlling interests %
DFI Retail Group Management Limited*	Bermuda	Holding	**100**	100	**100**	**–**
DFI Retail Group Management Services Limited*	Bermuda	Group management	**100**	100	**100**	**–**
DFI (China) Commercial Investment Holding Company Limited	Chinese mainland	Investment holding	**100**	100	**100**	**–**
Guangdong Sai Yi Convenience Stores Limited	Chinese mainland	Convenience	**65**	65	**65**	**35**
Mannings Guangdong Retail Company Limited	Chinese mainland	Health and beauty	**100**	100	**100**	**–**
DFI Retail Group Treasury Limited	Hong Kong	Group treasury	**100**	100	**100**	**–**
The Dairy Farm Company, Limited	Hong Kong	Investment holding, health and beauty, convenience, food and home furnishings	**100**	100	**100**	**–**
Wellcome Company Limited	Hong Kong	Property and food processing	**100**	100	**100**	**–**
DFI Development (HK) Limited	Hong Kong	Customer loyalty programme	**100**	100	**100**	**–**
San Miu Supermarket Limited	Macau	Food	**100**	100	**100**	**–**
DFI Home Furnishings Taiwan Limited	Taiwan	Home furnishings	**100**	100	**100**	**–**
Guardian Health And Beauty Sdn. Bhd.	Malaysia	Health and beauty	**100**	100	**100**	**–**
PT DFI Retail Nusantara Tbk	Indonesia	Investment holding, and health and beauty	**89**	89	**89**	**11**
PT Rumah Mebel Nusantara	Indonesia	Home furnishings	**89**	89	**89**	**11**
Guardian Health And Beauty (B) Sdn. Bhd.	Brunei	Health and beauty	**100**	100	**100**	**–**
Cold Storage Singapore (1983) Pte Limited	Singapore	Health and beauty, convenience and food	**100**	100	**100**	**–**
DFI Lucky Private Limited	Cambodia	Food	**70**	70	**70**	**30**

All subsidiaries are included in the consolidation.

Attributable interests represent the proportional holdings of the Company, held directly or through its subsidiaries, in the issued share capital of the respective companies.

* Directly held by the Company.

38. Material Accounting Policies

Basis of consolidation

(i) The consolidated financial statements include the financial statements of the Company, its subsidiaries, and the Group's interests in associates and joint ventures.

(ii) A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition includes the fair value at the acquisition date of any contingent consideration. The Group recognises the non-controlling interest's proportionate share of the recognised identifiable net assets of the acquired subsidiary. In a business combination achieved in stages, the Group remeasures its previously held interest in the acquiree at its acquisition-date fair value and recognises the resulting gain or loss in profit and loss. Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for as equity transactions. When control over a previous subsidiary is lost, any remaining interest in the entity is remeasured at fair value and the resulting gain or loss is recognised in profit and loss.

All material intercompany transactions, balances and unrealised surpluses and deficits on transactions between Group companies have been eliminated.

(iii) An associate is an entity, not being a subsidiary or a joint venture, over which the Group exercises significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Associates and joint ventures are included on the equity basis of accounting.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates and joint ventures are recognised in the consolidated financial statements only to the extent of unrelated investor's interests in the associates and joint ventures.

(iv) Non-controlling interests represent the proportion of the results and net assets of subsidiaries and their associates and joint ventures not attributable to the Group.

(v) The results of subsidiaries, associates and joint ventures are included or excluded from their effective dates of acquisition or disposal, respectively. The Group discontinues using the equity basis of accounting from the date an investment ceases to be an associated company or a joint venture, that is the date on which the Group ceases to have significant influence over the associated company or joint control in a joint venture, or on the date when it is classified as held for sale. The results of entities other than subsidiaries, associates and joint ventures are included to the extent of dividends received when the right to receive such dividend is established.

38. Material Accounting Policies continued

Foreign currencies

Transactions in foreign currencies are accounted for at the exchange rates ruling at the transaction dates.

Assets and liabilities of subsidiaries, associates and joint ventures, together with all other monetary assets and liabilities expressed in foreign currencies, are translated into United States dollars at the rates of exchange ruling at the year end. Results expressed in foreign currencies are translated into United States dollars at the average rates of exchange ruling during the year, which approximate the exchange rates at the dates of the transactions.

Exchange differences arising from the retranslation of the net investment in foreign subsidiaries, associates and joint ventures, and of financial instruments which are designated as hedges of such investments, are recognised in other comprehensive income and accumulated in equity under exchange reserves. On the disposal of these investments, such exchange differences are recognised in profit and loss. Exchange differences on other investments measured at fair value through profit and loss are recognised in profit and loss as part of the gains and losses arising from changes in their fair values. All other exchange differences are recognised in profit and loss.

Goodwill and fair value adjustments arising on acquisition of a foreign entity after 1 January 2003 are treated as assets and liabilities of the foreign entity and translated into United States dollars at the rates of exchange ruling at the year end.

Impairment of non-financial assets

Goodwill is tested for impairment annually and whenever there is an indication that the assets may be impaired. Other assets, including associates and joint ventures, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of assessing impairment, assets are grouped at the lowest level for which there is a separately identifiable cash flow. Cash-generating units or groups of cash-generating units to which goodwill has been allocated are tested for impairment annually and whenever there is an indication that the units may be impaired. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's fair value less costs to sell and value-in-use. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment annually.

Intangible assets

(i) Goodwill represents the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the acquisition-date fair value of any previously held equity interest in the acquiree over the acquisition-date fair value of the Group's share of the net identifiable assets acquired. Non-controlling interests are measured at their proportionate share of the net identifiable assets at the acquisition date. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognised directly in profit and loss. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates and joint ventures is included in investment in associates and joint ventures. Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing and is carried at cost less accumulated impairment.

    The profit or loss on disposal of subsidiaries, associates and joint ventures is stated after deducting the carrying amount of goodwill relating to the entity sold.

(ii) Other intangible assets, consisting of trademarks and computer software, are stated at cost less accumulated amortisation and impairment. Amortisation is calculated on the straight-line basis to allocate the cost of intangible assets over their estimated useful lives.

38. Material Accounting Policies continued

Tangible assets and depreciation

Tangible assets, including buildings on freehold and leasehold land are stated at cost less any accumulated depreciation and impairment.

Depreciation of tangible assets is calculated on the straight-line basis to allocate the cost of each asset to its residual value over its estimated useful life. The residual values and useful lives are reviewed at each balance sheet date. The estimated useful lives are as follows:

Freehold buildings	40 years
Buildings on leasehold land	Shorter of the lease term or useful life
Leasehold improvements	Shorter of unexpired lease term or useful life
Plant and machinery	5 to 10 years
Furniture, equipment and motor vehicles	3 to 10 years

Where the carrying amount of a tangible asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

The profit or loss on disposal of tangible assets is recognised by reference to their carrying amounts.

Owner-occupied properties are remeasured at fair value at the date of change in use before transferring to investment properties. The deficit of net book value against the fair value of the properties is charged to profit and loss as impairment immediately while the excess of fair value against the net book value of the properties are recognised in other comprehensive income and accumulated in equity under revaluation reserves. On the disposal of the properties, such revaluation reserves are transferred to revenue reserves.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lease contracts may contain lease and non-lease components. The Group allocates the consideration in the contract to lease and non-lease component based on their relative stand-alone prices. For property leases where the Group is a lessee, it has elected not to separate lease and immaterial non-lease components and accounts for these items as a single lease component.

(i) As a lessee

The Group enters into property leases for use as retail stores, distribution centres and offices in its operations. The Group recognises right-of-use assets and lease liabilities at the lease commencement dates, that is the dates the underlying assets are available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment, and adjusted for any remeasurement of lease liabilities. The cost of the right-of-use assets includes amounts of the initial measurement of lease liabilities recognised, lease payments made at or before the commencement dates less any lease incentives received, initial direct costs incurred and restoration costs. In the case where right-of-use assets arise from a sale and leaseback transaction, the Group measures the related right-of-use assets at the proportion of the previous carrying amount of the assets that relate to the right of use retained by the Group and recognises the amount of gain or loss that relates to the right transferred to the buyer-lessor in the profit and loss. Right-of-use assets are depreciated using the straight-line method over the shorter of their estimated useful lives and the lease terms.

38. Material Accounting Policies continued

Leases continued

(i) As a lessee continued

The Group also has interests in leasehold land for use in its operations. Lump sum payments are made upfront to acquire these land interests from their previous registered owners or governments in the jurisdictions where the land is located. There are no ongoing payments to be made under the term of the land leases, other than insignificant lease renewal costs or payments based on rateable value set by the relevant government authorities. These payments are stated at cost and are amortised over the term of the lease which includes the renewal period if the lease can be renewed without significant cost.

When leasehold land meets the definition of investment properties, they are presented in investment properties. Leasehold land related to owner-occupied properties is remeasured at fair value at the date of change in use before transferring to investment properties. The deficit of the net book value against the fair value of the leasehold land is charged to profit and loss as impairment charge immediately while the excess of fair value against the net book value of the land lease is recognised in other comprehensive income and accumulated in equity under revaluation reserves. On the disposal of the properties, such revaluation reserves are transferred to revenue reserves.

Lease liabilities are measured at the present value of lease payments to be made over the lease terms. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In the case where a lease liability related to a sale and leaseback transaction, the variable lease payments that do not depend on an index or a rate are included in lease payments. The lease payments also include the exercise price of a purchase option which is reasonably certain to be exercised and payments of penalties for terminating a lease, if the lease term reflects the Group exercising that option. The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period on which the event or condition that triggers the payment occurs unless it relates to a sale and leaseback transaction.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. Lease liabilities are measured at amortised cost using the effective interest method. After the commencement date, the amount of lease liabilities is increased by the interest costs on the lease liabilities and decreased by lease payments made.

The carrying amount of lease liabilities is remeasured when there is a change in the lease term, or there is a change in future lease payments arising from a change in an index or a rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise an extension or a termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. Low-value assets comprise IT equipment and small items of office furniture. Short-term leases are leases with a lease term of 12 months or less. Lease payments associated with these leases are recognised on a straight-line basis as an expense in profit and loss over the lease term.

Lease liabilities are classified as non-current liabilities unless payments are due within 12 months from the balance sheet date.

38. Material Accounting Policies continued

Leases continued

(ii) As a lessor

The Group enters into contracts with lease components as a lessor primarily on its investment properties. These leases are operating leases as they do not transfer the risks and rewards incidental to the underlying investment properties. The Group recognises the lease payments received under these operating leases on a straight-line basis as part of revenue from other sources in profit and loss over the lease term.

Investment properties

Properties, including those under operating leases, which are held for long-term rental yields or capital gains are classified and accounted for as investment properties. Investment properties are carried at fair value, representing estimated open market value determined annually by independent qualified valuers who have recent experience in the location and category of the investment properties being valued. The market value of commercial properties are calculated on the discounted net rental income allowing for reversionary potential. The market value of residential properties are arrived at by reference to market evidence of transaction prices for similar properties. Changes in fair value are recognised in profit and loss.

Owner-occupied portions of multi-purpose properties are accounted for as tangible assets unless the portion is considered insignificant, in which case this portion is treated as part of investment properties.

Other investments

The Group's investments are measured at fair value through profit and loss. The classification is based on the management's business model and their contractual cash flow characteristics.

Equity and debt investments are measured at fair value with fair value gains and losses recognised in profit and loss. Dividends from equity investments are recognised in profit and loss when the right to receive payments is established. Transaction costs of investments carried at fair value through profit and loss are expensed in profit and loss.

All purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the investments.

Investments are classified as non-current assets, unless in the case of debt investments with maturities less than 12 months after the balance sheet date, are classified as current assets.

Stocks

Stocks, which principally comprise goods held for resale, are stated at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis and comprises purchase price less rebates. A stock provision is recognised when the net realisable value from sale of the stock is estimated to be lower than the carrying value.

Debtors

Trade and other debtors, excluding derivative financial instruments, are measured at amortised cost except where the effect of discounting would be immaterial. Provision for impairment is established by considering potential financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in arriving at operating profit. When a debtor is uncollectible, it is written off against the allowance account. Subsequent recoveries of amount previously written off are credited to profit and loss.

Debtors with maturities greater than 12 months after the balance sheet date are classified under non-current assets.

38. Material Accounting Policies continued

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise deposits with banks, and cash and bank balances, net of bank overdrafts. In the balance sheet, bank overdrafts are included in current borrowings.

Provisions

Provisions are recognised when the Group has present legal or constructive obligations as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and a reliable estimate of the amount of the obligations can be made. Obligations arising from restructuring plans are recognised when detailed formal plans have been established and when there is a valid expectation that such plans will be carried out by either starting to implement them or announcing their main features to those affected by it.

Provisions are determined by discounting the expected future cash flows that reflects current market assessments of the time value of money and the risks specific to the liability except where the effect of discounting would be immaterial. The unwinding of the discount is recognised as financing charges.

Borrowings and borrowing costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective interest method. All borrowing costs are expensed as incurred.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the balance sheet date.

Current and deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the territories where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Provision for deferred tax is made on the revaluation of certain non-current assets and, in relation to acquisitions, on the difference between the fair value of the net assets acquired and their tax bases. Deferred tax is provided on temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

38. Material Accounting Policies continued

Employee benefits

(i) Pension obligations

The Group operates a number of defined benefit and defined contribution plans, the assets of which are held in trustee administered funds.

Pension accounting costs for defined benefit plans are assessed using the projected unit credit method. Under this method, the costs of providing pensions are charged to profit and loss spreading the regular cost over the service lives of employees in accordance with the advice of qualified actuaries, who carry out a full valuation of major plans every year. The pension obligations are measured as the present value of the estimated future cash outflows by reference to market yields on high quality corporate bonds which have terms to maturity approximating the terms of the related liability. Plan assets are measured at fair value.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the year in which they occur.

Past service costs are recognised immediately in profit and loss.

The Group's total contributions relating to the defined contribution plans are charged to profit and loss in the year to which they relate.

(ii) Share-based compensation

The Company operates a number of equity-settled employee share option schemes. The fair value of the employee services received in exchange for the grant of the share options or the share awards in respect of options or awards granted after 7 November 2002 is recognised as an expense in profit and loss. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options or share awards granted as determined on the grant date. At each balance sheet date, the Company revises its estimates of the number of share options that are expected to become exercisable and the number of share awards which will be vested free of payment. The impact of the revision of original estimates, if any, is recognised in profit and loss.

Assets held for sale

Assets are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amounts are expected to be recovered principally through a sale transaction rather than through continuing use. Once classified as held for sale, non-current assets subjected to amortisation or depreciation are no longer amortised or depreciated, and associates and joint ventures cease application of the equity basis of accounting.

Derivative financial instruments

The Group only enters into derivative financial instruments in order to hedge underlying exposures and not as speculative investments. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair values. The method of recognising the resulting gain or loss is dependent on the nature of the item being hedged. The Group designates certain derivatives as a hedge of the fair value of a recognised asset or liability (fair value hedge), or a hedge of a forecasted transaction or of the foreign currency risk on a firm commitment (cash flow hedge).

38. Material Accounting Policies continued

Derivative financial instruments continued

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Changes in the fair value of derivatives that are designated and qualified as fair value hedges and that are highly effective, are recognised in profit and loss, along with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit and loss within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in profit and loss. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, the cumulative adjustment to the carrying amount of a hedged item for which the effective interest method is used, is amortised to profit and loss over the residual period to maturity.

Changes in the fair value of derivatives that are designated and qualified as cash flow hedges and that are highly effective, are recognised in other comprehensive income and accumulated in equity under hedging reserves. Changes in the fair value relating to the ineffective portion are recognised immediately in profit and loss. Where the hedged item results in the recognition of a non-financial asset or a non-financial liability, the deferred gains and losses are included in the initial measurement of the cost of the asset or liability. The deferred amounts are ultimately recognised in profit and loss as the hedged item affects profit and loss. Otherwise, amounts deferred in hedging reserves are transferred to profit and loss in the same periods during which the hedged firm commitment or forecasted transaction affects profit and loss. The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit and loss within finance costs at the same time as the interest expense on the hedged borrowings. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in hedging reserves at that time remains in the hedging reserves and is recognised in profit and loss when the committed or forecasted transaction occurs. When a committed or forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in hedging reserves is immediately transferred to profit and loss.

Certain derivative transactions, while providing effective economic hedges under the Group's risk management policies, do not qualify for hedge accounting under the specific rules in IFRS 9. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting under IFRS 9 are recognised immediately in profit and loss.

The fair value of derivatives which are designated and qualified as effective hedges are classified as non-current assets or liabilities if the remaining maturities of the hedged assets or liabilities are greater than 12 months after the balance sheet date.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

38. Material Accounting Policies continued

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.

Earnings per share

Basic earnings per share is calculated on profit attributable to shareholders and on the weighted average number of shares in issue during the year. The weighted average number excludes the Company's shares held by the Trustee under the share-based long-term incentive plans. For the purpose of calculating diluted earnings per share, profit attributable to shareholders is adjusted for the effects of the conversion of dilutive potential ordinary shares, and the weighted average number of shares is adjusted for the number of shares which are deemed to be issued or granted for no consideration under the share-based long-term incentive plans.

Dividends

Dividends proposed or declared after the balance sheet date are not recognised as a liability at the balance sheet date.

Revenue recognition

(i) Sales of goods

Sales consist of the fair value of goods sold to customers, net of returns, discounts and sales related taxes. Sales of goods is recognised when the control of the asset is transferred to customers which is at the point of sale or when the delivery of the goods is made to the customers, and is recorded at the net amount received from customers.

(ii) Revenue from other sources

Revenue from other sources comprises primarily delivery and assembly income, income from concessions, service income, income from the Group's customer loyalty programme, rental income from the investment properties and plastic bags income.

Delivery and assembly income and service income are recognised when the services are rendered to the customers. Concessions and service income are based on the Group's contractual commission.

Programme contribution mainly revenue share and subscription income, associated with the on-going provision of marketing service or loyalty point management service to participating merchants, is recognised over time when the service is being performed. Where separately identifiable performance obligation is associated with the programme contribution, revenue is recognised at a point in time when the performance obligation is deemed to have been met.

Loyalty point margin is recognised when loyalty points are redeemed by the customers of participating merchants.

Breakage, refers to the proportion of loyalty points that are expected to expire, which is recognised as revenue in proportion to the pattern of loyalty points redemption.

Rental income from investment properties is accounted for as earned.

Plastic bags income, represents a levy charged on plastic bags, is recognised at the point of sale.

38. Material Accounting Policies continued

Buying income

Supplier incentives, rebates and discounts are collectively referred to as buying income. Buying income is recognised when earned by the Group, which occurs when all obligations conditional for earning income have been discharged, and the income can be measured reliably based on the terms of the contract.

The income is recognised as a credit within cost of sales. Where the income earned relates to stocks which are held by the Group at period ends, the income is included within the cost of those stocks, and recognised in cost of sales upon sale of those stocks. The accrued value at the reporting date is included in trade debtors or trade creditors, depending on the right of offset.

The key types of buying income which the Group receives include:

- Discounts and incentives relate to individual unit sales.
- Sales volume-based incentives based on achieving certain purchases on promotion for an event or a period.
- Conditional incentives subject to satisfaction of certain conditions by the Group.
- Fixed amounts agreed with suppliers for supporting in-store activity.

39. Standards and Amendments Issued But Not Yet Effective

A number of amendments effective for accounting periods beginning after 2024 have been published and will be adopted by the Group from their respective effective dates. The Group is currently assessing the potential impact of these standards and amendments but expects their adoption will not have a significant impact on the Group's consolidated financial statements. The more important standard and amendments that are relevant to the Group are set out below.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 *(effective from 1 January 2026)*

These amendments clarify (i) the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; (ii) further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion; (iii) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and (iv) update the disclosures for equity instruments designated at fair value through other comprehensive income. The Group is assessing the impact on the Group's consolidated financial statements.

IFRS 18 'Presentation and Disclosure in Financial Statements' *(effective from 1 January 2027)*

The standard requires new presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit and loss. The key new concepts introduced in IFRS 18 relate to (i) the structure of the statement of profit and loss with defined subtotals; (ii) requirement to determine the most useful structure summary for presenting expenses in the statement of profit and loss; (iii) required disclosures in a single note within the financial statements for certain profit and loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and (iv) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. The Group is assessing the changes on presentation and disclosure required in the Group's consolidated financial statements.

40. Financial Risk Management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group's treasury function co-ordinates financial risk management policies and their implementation on a group-wide basis. The Group's treasury policies are designed to manage the financial impact of fluctuations in interest rates and foreign exchange rates and to minimise the Group's financial risks. The Group uses derivative financial instruments, principally interest rate swaps and forward foreign exchange contracts as appropriate for hedging transactions and managing the Group's assets and liabilities in accordance with the Group's financial risk management policies. Financial derivative contracts are executed between third-party banks and the Group's entity that is directly exposed to the risk being hedged. When considered appropriate, the Group also uses forward contracts as derivative financial instruments, to hedge against the price volatility of its assets and mitigate the potential fluctuations in earnings accordingly. Hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. The effective portion of the change in the fair value of the hedging instrument is deferred into the cash flow hedge reserve through other comprehensive income and will be recognised in profit and loss when the hedged item affects profit and loss. The ineffective portion will be recognised in the profit and loss immediately. In general, the volatility in profit or loss can be reduced by applying hedge accounting.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group assesses whether the derivative designated in each hedging relationship has been and expected to be effective in offsetting changes in cash flow of the hedged item using the hypothetical derivative method.

For hedges against the changes in fair value of assets, the Group ensures there is a direct correlation between the changes in the fair value of the hedged item and the changes in the fair value of the hedging instrument. The Group assesses the effectiveness of the hedging relationship at inception and continues to assess at each reporting date and upon a significant change in the circumstances affecting the hedge effectiveness requirements.

Ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated for hedges of foreign currency purchases, or if there are changes in the credit risk of the Group or the derivative counterparty.

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, effective economic relationship existed between the swaps and the loans.

Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchases. It may occur due to:

(i) The credit/debit value adjustment on the interest rate swaps which is not matched by the loan; and

(ii) Differences in critical terms between the interest rate swaps and loans.

The ineffectiveness during 2024 and 2023 in relation to interest rate swaps were not material.

40. Financial Risk Management continued

Financial risk factors continued

(i) Market risk

Foreign exchange risk

Entities within the Group are exposed to foreign exchange risk from future commercial transactions, net investments in foreign operations and net monetary assets and liabilities that are denominated in a currency that is not the entity's functional currency.

The Group uses forward foreign exchange contracts in a consistent manner to hedge firm and anticipated foreign exchange commitments and manage foreign exchange risk arising from future commercial transactions. The purpose of these hedges is to mitigate the impact of movements in foreign exchange rates on assets and liabilities and the profit and loss account of the Group.

Currency risks as defined by IFRS 7 arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency. There are no significant monetary balances held by Group companies at 31 December 2024 that are denominated in a non-functional currency. Differences resulting from the translation of financial statements into the Group's presentation currency are not taken into consideration.

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing assets and liabilities. These exposures are managed partly by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities, and partly through fixed rate borrowings and the use of derivative financial instruments including interest rate swaps. The Group monitors interest rate exposure on a regular basis by currency and business unit, taking into consideration proposed financing and hedging arrangements. The Group's guideline is to maintain 40% to 60% of its long-term non-working capital gross borrowings in fixed rate instruments. At 31 December 2024, the Group's fixed rate borrowings were 14% *(2023: 42%)* on the total borrowings, with an average tenor of 0.1 year *(2023: 0.1 year)*. The interest rate profile of the Group's borrowings after taking into account hedging transactions is set out in note 22.

Cash flow interest rate risk is the risk that changes in market interest rates will impact cash flows arising from variable rate financial instruments. Borrowings at floating rates therefore expose the Group to cash flow interest rate risk. The Group manages this risk by entering into interest rate swaps for a maturity of up to two years. Interest rate swaps have the economic effect of converting borrowings from floating rate to fixed rate. Details of interest rate swaps are set out in note 31.

Fair value interest rate risk is the risk that the value of a financial asset or liability and derivative financial instruments will fluctuate because of changes in market interest rates. The Group manages its fair value interest rate risk by entering into interest rate swaps which have the economic effect of converting borrowings from fixed rate to floating rate, to maintain the Group's fixed rate instruments within its guideline.

40. Financial Risk Management continued

Financial risk factors continued

(i) Market risk continued

Interest rate risk continued

At 31 December 2024, if interest rates had been 100 basis points higher/lower with all other variables held constant, the Group's loss after tax would have been US$4.7 million higher/lower *(2023: profit after tax would have been US$3.9 million lower/higher)*, and hedging reserves would have been US$1.1 million *(2023: US$2.6 million)* higher/lower, as a result of fair value changes to cash flow hedges. The sensitivity analysis has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. The 100 basis point increase/decrease represents management's assessment of a reasonably possible change in those interest rates which have the most impact on the Group, specifically the Hong Kong, Singaporean and United States rates, over the period until the next annual balance sheet date. In the case of effective fair value hedges, changes in the fair value of the hedged items caused by interest rate movements balance out in the profit and loss account against changes in the fair value of the hedging instruments. Changes in market interest rates affect the interest income or expense of non-derivative variable-interest financial instruments, the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks. As a consequence, they are included in the calculation of profit after tax sensitivities. Changes in the market interest rate of financial instruments that were designated as hedging instruments in a cash flow hedge to hedge payment fluctuations resulting from interest rate movements affect the hedging reserves and are therefore taken into consideration in the equity-related sensitivity calculations.

Price risk

The Group is exposed to securities price risk because of its listed equity investments which are measured at fair value through profit and loss. Gains and losses arising from changes in the fair value of these investments are recognised in profit and loss. The performance of these investments are monitored regularly, together with an assessment of their relevance to the Group's long-term strategic plans. Details of these investments are contained in note 15.

The Group's interest in these investments is unhedged. At 31 December 2024, if the price of these investments had been 25% higher/lower with all other variables held constant, the Group's loss after tax would have been US$2.1 million lower/higher *(2023: no impact)*. The sensitivity analysis has been determined based on a reasonable expectation of possible valuation volatility over the next 12 months.

The Group is also exposed to the securities price risk on its interest in Yonghui, a listed associate. To mitigate the changes in fair value of the shares associated with the interest in Yonghui, the Group entered into a fair value hedge in September 2024. A forward contract was designated as the hedge instrument *(note 31)* to offset the changes in fair value of its shares in Yonghui which was identified as the hedged asset. As a result, changes in the fair values of both the forward contract and the interest in Yonghui were recognised in profit and loss *(note 20)*. The divestment was completed in February 2025.

40. Financial Risk Management continued

Financial risk factors continued

(ii) Credit risk

The Group's credit risk is primarily attributable to deposits with banks and derivative financial instruments with a positive fair value. The Group has credit policies in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group manages its deposits with banks and transactions involving derivative financial instruments by monitoring credit ratings and capital adequacy ratios of counterparties, and limiting the aggregate risk to any individual counterparty. The utilisation of credit limits is regularly monitored. Similarly, transactions involving derivative financial instruments are with banks with sound credit ratings and capital adequacy ratios. In developing countries it may be necessary to deposit money with banks that have a lower credit rating, however, the Group only enters into derivative transactions with counterparties which have credit ratings of at least investment grade. Management does not expect any counterparty to fail to meet its obligations.

In respect of credit exposures to customers, the Group's sales of goods are made in cash or by major credit cards and other electronic payments.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance.

The Group's debt investments are monitored for credit deterioration. The maximum exposure to credit risk is represented by the carrying amount of the Group's debt investments in the balance sheet.

(iii) Liquidity risk

Prudent liquidity risk management includes managing the profile of debt maturities and funding sources, maintaining sufficient cash and ensuring the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. The Group's ability to fund its existing and prospective debt requirements is managed by maintaining diversified funding sources with adequate committed funding lines from high quality lenders, and by monitoring rolling short-term forecasts of the Group's cash and gross debt on the basis of expected cash flows. Long-term cash flows are projected to assist with the Group's long-term debt financing plans. In addition, the Group has implemented a global liquidity cash pooling scheme, which enables the Group to manage and optimise its working capital funding requirement on a daily basis.

At 31 December 2024, total available borrowing facilities amounted to US$2,505.8 million *(2023: US$2,483.4 million)*, of which US$1,290.9 million *(2023: US$1,487.0 million)* were committed facilities. A total of US$741.4 million *(2023: US$924.1 million)* from both committed and uncommitted facilities was drawn down. Undrawn committed facilities, in the form of revolving credit facilities, totalled US$985.8 million *(2023: US$1,066.5 million)*.

40. Financial Risk Management continued

Financial risk factors continued

(iii) Liquidity risk continued

The following table analyses the Group's non-derivative financial liabilities, net-settled derivative financial liabilities and gross-settled derivative financial instruments into relevant maturity groupings based on the remaining periods at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table below are the contractual undiscounted cash flows.

	Within one year US$m	Between one and two years US$m	Between two and three years US$m	Between three and four years US$m	Between four and five years US$m	Beyond five years US$m	Total undiscounted cash flows US$m
At 31 December 2024							
Creditors	1,715.2	2.1	1.6	0.7	0.6	0.1	**1,720.3**
Borrowings	521.5	12.9	239.1	–	–	–	**773.5**
Lease liabilities	668.0	534.0	411.5	326.7	250.8	991.9	**3,182.9**
Net-settled derivative financial instruments	–	–	–	–	–	–	**–**
Gross-settled derivative financial instruments							
– inflow	958.3	56.5	–	–	–	–	**1,014.8**
– outflow	949.0	56.2	–	–	–	–	**1,005.2**
At 31 December 2023							
Creditors	1,887.8	1.4	0.6	0.7	0.4	0.2	1,891.1
Borrowings	785.9	34.6	129.4	0.3	–	–	950.2
Lease liabilities	667.7	537.5	416.1	328.5	286.8	1,051.3	3,287.9
Net-settled derivative financial instruments	–	–	–	–	–	–	–
Gross-settled derivative financial instruments							
– inflow	351.2	–	–	–	–	–	351.2
– outflow	350.0	–	–	–	–	–	350.0

40. Financial Risk Management continued

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern whilst seeking to maximise benefits to shareholders and other stakeholders. Capital is equity as shown in the consolidated balance sheet plus net debt.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, by taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, repurchase Company shares, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the Group's consolidated gearing ratio and consolidated interest cover. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings less cash and bank balances. Interest cover is calculated as the sum of underlying operating profit, before the deduction of amortisation/depreciation and impairment charges of right-of-use assets, net of actual lease payments, and share of results of associates and joint ventures, divided by net financing charges excluding interest on lease liabilities. The Group does not have a defined gearing ratio or interest cover benchmark or range.

The ratios at 31 December 2024 and 2023 are as follows:

	2024	2023
Gearing ratio (%)	**79**	63
Interest cover (times)	**8**	6

Fair value estimation

(i) Financial instruments that are measured at fair value

For financial instruments that are measured at fair value in the balance sheet, the corresponding fair value measurements are disclosed by level of the following fair value measurement hierarchy:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (quoted prices in active markets/Level 1)
The fair values of listed securities are based on quoted prices in active markets at the balance sheet date.

(b) Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly (observable current market transactions/Level 2)
The fair values of derivative financial instruments, excluding the forward contract relating to the divestment of an associate, are determined using rates quoted by the Group's bankers at the balance sheet date. The rates for interest rate swaps and forward foreign exchange contracts are calculated by reference to market interest rates and foreign exchange rates.

The fair value of derivative financial instrument of the forward contract relating to the divestment of an associate is determined using the quoted price in active market at the balance sheet date, adjusted for the time value of money and other factors.

The fair values of unlisted investments mainly include club debentures, are determined using prices quoted by brokers at the balance sheet date.

40. Financial Risk Management continued

Fair value estimation continued

(i) Financial instruments that are measured at fair value continued

(c) Inputs for assets or liabilities that are not based on observable market data (unobservable inputs/Level 3)
The fair values of other unlisted equity and debt investments are determined using valuation techniques by reference to observable current market transactions or the market prices of the underlying investments with certain degree of entity specific estimates or discounted cash flow by projecting the cash inflows from these investments.

There were no changes in valuation techniques during the year.

The table below analyses financial instruments carried at fair value, by the levels in the fair value measurement hierarchy at 31 December 2024 and 2023:

	Quoted prices in active markets US$m	Observable current market transactions US$m	Unobservable inputs US$m	Total US$m
2024				
Assets				
Other investments *(note 15)*				
– equity investments	8.4	5.0	6.9	**20.3**
– debt investments	–	–	–	**–**
Derivative financial instruments *(note 31)*				
– through other comprehensive income	–	6.7	–	**6.7**
– through profit and loss	–	8.0	–	**8.0**
	8.4	**19.7**	**6.9**	**35.0**
Liabilities				
Derivative financial instruments *(note 31)*				
– through other comprehensive income	–	(0.1)	–	**(0.1)**
– through profit and loss	–	(1,051.2)	–	**(1,051.2)**
	–	**(1,051.3)**	**–**	**(1,051.3)**

40. Financial Risk Management continued

Fair value estimation continued

(i) Financial instruments that are measured at fair value continued

	Quoted prices in active markets US$m	Observable current market transactions US$m	Unobservable inputs US$m	Total US$m
2023				
Assets				
Other investments *(note 15)*				
– equity investments	–	6.7	–	6.7
– debt investments	–	–	–	–
Derivative financial instruments *(note 31)*				
– through other comprehensive income	–	13.7	–	13.7
– through profit and loss	–	0.5	–	0.5
	–	20.9	–	20.9
Liabilities				
Derivative financial instruments *(note 31)*				
– through other comprehensive income	–	(0.8)	–	(0.8)
– through profit and loss	–	(0.2)	–	(0.2)
	–	(1.0)	–	(1.0)

There were no transfers among the three categories during the year ended 31 December 2024 and 2023.

Movements of unlisted equity and debt investments which are valued based on unobservable inputs during the year ended 31 December are as follows:

	2024 US$m	2023 US$m
At 1 January	**–**	15.0
Additions	**6.9**	–
Change in fair value *(note 15)*	**–**	(15.0)
At 31 December	**6.9**	–

40. Financial Risk Management continued

Fair value estimation continued

(ii) Financial instruments that are not measured at fair value

The fair values of cash and bank balances, current debtors and creditors excluding derivative financial instruments, current borrowings and current lease liabilities are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

The fair values of long-term borrowings are based on market prices or are estimated using the expected future payments discounted at market interest rates. The fair values of non-current lease liabilities are estimated using the expected future payments discounted at market interest rates.

Financial instruments by category

The carrying amounts of financial assets and financial liabilities at 31 December 2024 and 2023 are as follows:

	Fair value of hedging instruments US$m	Fair value through profit and loss US$m	Financial assets at amortised cost US$m	Other financial liabilities US$m	Total carrying amounts US$m
2024					
Financial assets measured at fair value					
Other investments					
– equity investments	–	20.3	–	–	**20.3**
– debt investments	–	–	–	–	**–**
Derivative financial instruments	6.9	7.8	–	–	**14.7**
	6.9	**28.1**	**–**	**–**	**35.0**
Financial assets not measured at fair value					
Debtors	–	–	240.6	–	**240.6**
Cash and bank balances	–	–	273.8	–	**273.8**
	–	**–**	**514.4**	**–**	**514.4**
Financial liabilities measured at fair value					
Derivative financial instruments	(1,051.3)	–	–	–	**(1,051.3)**
	(1,051.3)	**–**	**–**	**–**	**(1,051.3)**
Financial liabilities not measured at fair value					
Borrowings	–	–	–	(741.4)	**(741.4)**
Lease liabilities	–	–	–	(2,763.0)	**(2,763.0)**
Trade and other payables excluding non-financial liabilities	–	–	–	(1,720.3)	**(1,720.3)**
	–	**–**	**–**	**(5,224.7)**	**(5,224.7)**

40. Financial Risk Management continued

Fair value estimation continued

Financial instruments by category continued

	Fair value of hedging instruments US$m	Fair value through profit and loss US$m	Financial assets at amortised cost US$m	Other financial liabilities US$m	Total carrying amounts US$m
2023					
Financial assets measured at fair value					
Other investments					
– equity investments	–	6.7	–	–	6.7
– debt investments	–	–	–	–	–
Derivative financial instruments	14.2	–	–	–	14.2
	14.2	6.7	–	–	20.9
Financial assets not measured at fair value					
Debtors	–	–	280.2	–	280.2
Cash and bank balances	–	–	306.3	–	306.3
	–	–	586.5	–	586.5
Financial liabilities measured at fair value					
Derivative financial instruments	(1.0)	–	–	–	(1.0)
	(1.0)	–	–	–	(1.0)
Financial liabilities not measured at fair value					
Borrowings	–	–	–	(924.1)	(924.1)
Lease liabilities	–	–	–	(2,847.8)	(2,847.8)
Trade and other payables excluding non-financial liabilities	–	–	–	(1,891.1)	(1,891.1)
	–	–	–	(5,663.0)	(5,663.0)

The fair values of financial assets and financial liabilities approximate their carrying amounts.

41. Critical Accounting Estimates and Judgements

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable according to circumstances and conditions available. The existing and potential impacts arising from climate change have been considered when applying estimates and assumptions in the preparation of the financial statements, including the Group's assessment of impairment of assets.

The estimates and assumptions that have a significant effect on the reported amounts of assets and liabilities, and income and expenses are discussed below.

Significant areas of estimation uncertainty

Investment properties

The fair values of investment properties are determined by independent valuers using direct comparison and income capitalisation method. The direct comparison method is made by reference to comparable market transactions and adjusted by property-specific qualitative factors. Capitalisation rates are being used under the income capitalisation method in the fair value determination.

In forming the valuations, the independent valuers have considered relevant external factors. Consideration has been given to assumptions that are mainly based on market conditions existing at the balance sheet date and appropriate capitalisation rates. These estimates are regularly compared to actual market data and transactions.

Impairment of assets

The Group tests annually whether goodwill and other assets that have indefinite useful lives suffered any impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is determined based on the higher of its fair value less costs to sell and its value-in-use, calculated on the basis of management's assumptions and estimates. Changing the key assumptions, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the value-in-use calculations.

Pension obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/income for pension assets and obligations include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligations.

Other key assumptions for pension obligations are based in part on current market conditions.

Buying income

The Group receives buying income, including supplier incentives, rebates and discounts, which are deducted from cost of sales on an accrual basis. Management is required to make estimates in determining the expected entitlement which has been earned up to the balance sheet date for each relevant supplier contract and the timing of recognition.

There is limited estimation involved in recognising income for fixed amounts agreed with suppliers.

41. Critical Accounting Estimates and Judgements continued

Significant areas of judgement

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Provision for deferred tax follows the way management expects to recover or settle the carrying amount of the related assets or liabilities, which the management may expect to recover through use, sale or combination of both. Accordingly, deferred tax will be calculated at income tax rate, capital gains tax rate or combination of both.

Recognition of deferred tax assets, which principally relate to tax losses, depends on the management's expectation of future taxable profit that will be available against which the tax losses can be utilised. The outcome of their actual utilisation may be different.

Leases

Liabilities and the corresponding right-of-use assets arising from leases are initially measured at the present value of the lease payments at the lease commencement date, discounted using the interest rates implicit in the leases, or if that rate cannot be readily determinable, the Group uses the incremental borrowing rate. The Group generally uses the incremental borrowing rate as the discount rate.

The Group applies the incremental borrowing rate with reference to the rate of interest that the Group's leasing entity would have to pay to borrow, over a similar term as that of the lease, the funds necessary to obtain an asset of a similar value to the right-of-use asset in the place where it is located.

Lease payments to be made during the lease term will be included in the measurement of a lease liability. In the case where a lease liability related to a sale and leaseback transaction, the variable lease payments that do not depend on an index or a rate are included in the lease payments. The Group estimates the variable lease payments based on the expected revenue determined based on the past experience and the management's expectation on the future revenue level, during the lease term. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any period covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

41. Critical Accounting Estimates and Judgements continued

Significant areas of judgement continued

Leases continued

The Group has the option, under some of its leases, to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, the Group considers all relevant factors that create an economic incentive for it to exercise the renewal. After the lease commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The assessment of whether the Group is reasonably certain to exercise the options impacts the lease terms, which significantly affects the amount of lease liabilities and right-of-use assets recognised, and the profit or loss on disposal under a sale and leaseback transaction. In the case where a sale and leaseback transaction involve variable lease payments that do not depend on an index or a rate, the determination of the variable lease payments to be included in the lease payments affects the recognition of right-of-use assets and lease liabilities, and the profit or loss on disposal under a sale and leaseback transaction.

Assets held for sale/liabilities associated with assets held for sale

Assets are classified as held for sale if their carrying amounts are expected to be recovered principally through a sale transaction rather than through continuing use. Liabilities directly associated with those assets and will be transferred in a single sale transaction are classified as liabilities associated with assets held for sale. These assets are measured at the lower of carrying amounts and fair values less costs to sell. The Group considers all relevant factors in determining how the carrying amounts of the assets and liabilities will be settled, and only reclassifies the assets and liabilities to held for sale when the sale is highly probable.

The assessment of whether an asset is classified to held for sale impacts the classification and the measurement of that asset while the assessment of whether a liability relates to assets held for sale and will be transferred in a single sale transaction impacts the classification of the liability.

Non-trading items

The Group uses underlying business performance in its internal financial reporting to distinguish between the underlying profit and non-trading items. The identification of non-trading items requires judgement by management, but follows the consistent methodology as set out in the Group's accounting policies.

Independent Auditor's Report

To the Members of DFI Retail Group Holdings Limited
(incorporated in Bermuda with limited liability)

Report on the Audit of the Consolidated Financial Statements

Opinion

What we have audited

The consolidated financial statements of DFI Retail Group Holdings Limited (the Company) and its subsidiaries (the Group) included within the Annual Report, which comprise:

- the Consolidated Balance Sheet at 31 December 2024;
- the Consolidated Profit and Loss Account for the year then ended;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended; and
- the Notes to the Financial Statements, comprising material accounting policy information and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the consolidated financial statements. These disclosures are cross-referenced from the consolidated financial statements and are identified as audited.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our Audit Approach

Overview

Materiality

- Overall Group materiality: US$22.1 million *(2023: US$22.9 million)*, based on 0.25% *(2023: 0.25%)* of the total revenue of the Group.

Audit scope

- A full scope audit was performed on five entities including three subsidiaries and two associates, Maxim's Caterers Limited (Maxim's) and Yonghui Superstores Co., Ltd (Yonghui).
- These entities, together with audit of specific balances and transactions performed on six other subsidiaries, and procedures performed on central functions and at the Group level, accounted for 90% of the Group's revenue, 87% of the Group's profit before tax, 72% of the Group's underlying profit before tax.

Key audit matters identified in our audit are summarised as follows:

- Recoverability of goodwill for San Miu Macau;
- Carrying value of investment in Robinsons Retail Holding, Inc. (Robinsons Retail); and
- Divestment of interest in Yonghui.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

Overall group materiality	US$22.1 million *(2023: US$22.9 million)*
How we determined it	0.25% of the total revenue of the Group *(2023: 0.25% of the total revenue of the Group)*
Rationale for the materiality benchmark applied	Total revenue is a primary measure used by the shareholders in assessing the performance of the Group when underlying profit before tax is relatively thin.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above US$1.10 million *(2023: US$1.14 million)*, other than classifications within the Consolidated Profit and Loss Account or Consolidated Balance Sheet, which were only reported above US$2.9 million *(2023: US$4.9 million)*. We would also report misstatements below these amounts that in our view, warranted reporting for qualitative reasons.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Recoverability of goodwill for San Miu Macau	
Refer to note 10 (Intangible Assets) and note 41 (Critical Accounting Estimates and Judgements) to the consolidated financial statements. Management undertook annual impairment assessments for all cash generating units (CGUs) containing goodwill, as required by accounting standards. Based on management's assessments, the recoverable amount for the San Miu Macau CGU was lower than the carrying value. An impairment charge of US$120.5 million was recognised as a non-trading item in the Consolidated Profit and Loss Account for the year ended 31 December 2024, representing full impairment of the goodwill.	We assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and judgement involved in determining the recoverable amounts of CGUs containing goodwill, including the assumptions applied. We performed the following procedures in relation to management's impairment assessments, focusing on the CGU containing the San Miu Macau goodwill. With the support of our valuation experts, we assessed key assumptions used in management's valuation assessment against relevant supporting evidence. This included whether the assumptions in respect of projected cash flows of the business, the discount rate, and the long-term growth rate were appropriate. We agreed the projected cash flows used in the assessment to management approved budgets. We also tested management's historical estimation accuracy by comparing historical budgeted performance with actual results.

Key Audit Matter	How our audit addressed the key audit matter
Recoverability of goodwill for San Miu Macau continued	
There is inherent estimation uncertainty and judgement in determining the recoverable amount of a CGU containing goodwill. Assumptions are applied by management in preparing the valuation assessments, particularly in respect of projected cash flows, the discount rates and the long-term growth rates. We focused on the San Miu Macau CGU as this contained the most significant goodwill balance held by the Group and had a higher risk of impairment	We compared the discount rate used by management with the range of discount rates used in similar businesses and considered whether management had incorporated relevant macro-economic and country-specific factors, as well as those specific to the business, based on available external market data. For the long-term growth rate we compared this with the long-term inflation rate for Macau. Based on the procedures performed, we found that the key assumptions made by management, including the projected cash flows, discount rate and long-term growth rate used in the valuation assessment, were reasonable. We assessed the adequacy of the disclosures related to the goodwill balance in the context of IFRS Accounting Standards, and considered the disclosures to be appropriate.

Key Audit Matter	How our audit addressed the key audit matter
Carrying value of investment in Robinsons Retail Holding, Inc. (Robinsons Retail)	
Refer to note 14 (Associates and Joint Ventures) and note 41 (Critical Accounting Estimates and Judgements) to the consolidated financial statements. As at 31 December 2024, the carrying value of the Group's investment in its associate, Robinsons Retail, was higher than its fair value based on its prevailing market share price. Management undertook an impairment assessment, as required by accounting standards, as there was an indicator of impairment identified. As part of this assessment, management revised its methodology used to determine the recoverable amount compared with previous years, using a value-in-use valuation based on future cash inflows derived from holding the investment and from its ultimate disposal. The estimated disposal cash inflow was determined by management using the 12-month average share price of Robinsons Retail for the year ended 31 December 2024, adjusted for an average premium based on recent merger and acquisition transactions for comparable companies. Based on management's assessment the recoverable amount was lower than the carrying value of the investment at 31 December 2024. An impairment charge of US$231.3 million was recognised as a non-trading item in the Consolidated Profit and Loss Account for the year.	We assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in determining the assumptions to be applied. We understood and reviewed what indicator of impairment had been identified. We performed the following procedures over management's impairment assessment. We evaluated the appropriateness of the valuation methodology used. We discussed the basis for the change with management, and corroborated management's explanations to supporting documents. With the support of our valuation experts, we benchmarked and challenged key assumptions in management's valuation model used to determine the recoverable amount against market data. This included whether the assumptions used to determine the estimated disposal cash inflow and the discount rate were appropriate. For the estimated disposal cash inflow, we evaluated the use of the 12-month average share price of Robinsons Retail by management, and validated the share price to supporting information. We challenged management on the selection of recent merger and acquisition transactions used to determine the average premium applied to understand how management determined which transactions were considered to be relevant and comparable. We performed our own independent research of premiums arising on recent merger and acquisition transactions for comparable companies and compared these with management's results. We compared the discount rate used with the range of typical discount rates used in similar businesses and considered whether management had incorporated relevant macroeconomic and country-specific factors, as well as those specific to Robinsons Retail.

Key Audit Matter	How our audit addressed the key audit matter
Carrying value of investment in Robinsons Retail Holding, Inc. (Robinsons Retail) continued	
There is inherent estimation uncertainty and judgement in determining the recoverable amount of the carrying value of the investment. Assumptions are made by management in preparing the valuation used in the impairment assessment, particularly in respect the estimated disposal cash inflow and the discount rate. We focused on the carrying value of the Group's investment in Robinsons Retail due to the significant judgements and estimates involved in the impairment assessment.	We evaluated the sensitivity analysis performed by management and performed our own independent sensitivity analysis on the key assumptions and considered a range of alternative outcomes to determine the sensitivity of the valuation model to changes in these assumptions. Based on the procedures performed, we found that the key assumptions made by management, including the estimated disposal cash inflows and discount rate used in the impairment assessment, were reasonable. We assessed the adequacy of the disclosures related to the carrying value of the investment in Robinsons Retail in the context of IFRS disclosure requirements, and considered the disclosures to be appropriate.

Key Audit Matter	How our audit addressed the key audit matter
Divestment of interest in Yonghui	
Refer to note 20 (Assets Held for Sale/(Liabilities Associated with Assets Held for Sale)), note 40 (Financial Risk Management) and note 41 (Critical Accounting Estimates and Judgements) to the consolidated financial statements. On 23 September 2024, the Group entered into a share transfer agreement with a third-party for the disposal of the Group's entire associate interest in Yonghui, for a consideration of CNY4,495.9 million (approximately US$622.7 million). On entering the share transfer agreement, management considered the completion of the transaction to be highly probable within 12 months and reclassified the Group's interest in Yonghui as held for sale at that date. Management designated the share transfer agreement, which is a forward contract, as a hedging instrument to offset the changes in fair value of the shares associated with the Group's interest in Yonghui, and applied fair value hedge accounting from the date of the share transfer agreement. As at 31 December 2024, the Group had an interest in associate held for sale of US$1,662.1 million, and a derivative liability in respect of the share transfer agreement of US$1,050.7 million on the Consolidated Balance Sheet. A net loss of US$114.4 million in respect of the divestment was recognised as a non-trading item in the Consolidated Profit and Loss Account for the year ended 31 December 2024. We focused on the divestment of interest in Yonghui given the significance of the amounts recognised in the consolidated financial statements, and significant judgements made by management in applying held for sale and fair value hedge accounting.	We assessed the inherent risk of material misstatement by considering the degree of judgement involved in applying held for sale and fair value hedge accounting. We obtained and reviewed the share transfer agreement and assessed the key terms including the shares disposal, consideration, and the conditions precedent set out therein. We assessed the appropriateness of the classification of the Group's investment in associate to held for sale as at 23 September 2024 and 31 December 2024, including the likelihood of the conditions precedent being fulfilled and the transaction completing within 12 months. We discussed with management and reviewed management's hedging documentation and evaluated whether the criteria for fair value hedge accounting had been met, and that the hedge effectiveness had been appropriately determined. With the support of our valuation experts, we assessed management's valuations for the derivative liability and held for sale asset at 23 September 2024 and 31 December 2024, with reference to the Yonghui share price as at those dates. We evaluated the assumptions used in respect of the derivative valuation, including the time value of money and other factors. Based on the procedures performed, we found that judgements made by management in applying the held for sale and fair value hedge accounting were supportable. We assessed the adequacy of the disclosures related to the divestment of interests in Yonghui in the context of IFRS Accounting Standards, and considered the disclosures to be appropriate.

How We Tailored Our Group Audit Scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industries in which the Group operates.

The Group's accounting processes are structured around finance functions, which are responsible for their own accounting records and controls, which in turn, report financial information to the Group's finance function in Hong Kong to enable them to prepare consolidated financial statements.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by members of the Group engagement team or by component auditors from member firms within the PwC Network and other auditors operating under our instruction. Where the work was performed by component auditors, we determined the level of involvement necessary for us to have in the audit work at those components to be able to conclude whether sufficient, appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole. The Group engagement team was involved in the significant reporting entities in scope for Group reporting during the audit cycle through a combination of meetings, visits and conference calls. Senior members of the Group engagement team undertook visits to the Chinese mainland, Indonesia and Singapore during the year to direct and oversee the audit, along with regular communication through conference calls and either remote or on site review of the work of component teams in those locations.

A full scope audit was performed on five entities including three subsidiaries and two associates, Maxim's and Yonghui. These entities, together with the audit of specific balances and transactions performed on six other subsidiaries, and procedures performed on central functions and at the Group level (on the consolidation and other areas involving significant judgement), accounted for 90% of the Group's revenue, 87% of the Group's profit before tax and 72% of the Group's underlying profit before tax.

This gave us the evidence we needed for our opinion on the consolidated financial statements as a whole.

Other Information

The Directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

As explained more fully in the Responsibility Statements and the Corporate Governance section in the Annual Report, the Directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee assists the Directors in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of this report

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 90 of the Companies Act 1981 (Bermuda) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the Company, save where expressly agreed by our prior consent in writing.

The engagement partner on the audit resulting in this independent auditor's report is Sean William Tuckfield.

Other Matter

The Company is required by the United Kingdom Financial Conduct Authority Disclosure Guidance and Transparency Rule to include these consolidated financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R – 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditor's report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong
10 March 2025

Five Year Summary

	2024	2023	2022	2021	2020
	US$m	US$m	US$m	US$m	US$m
Profit and Loss					
Revenue*	**8,868.9**	9,169.9	9,174.2	9,188.2	10,443.4
(Loss)/profit attributable to shareholders	**(244.5)**	32.2	(114.6)	102.9	271.0
Underlying profit attributable to shareholders	**200.6**	154.7	28.8	104.6	275.7
Underlying earnings per share *(US¢)*	**14.91**	11.49	2.14	7.73	20.38
(Loss)/earnings per share *(US¢)*	**(18.17)**	2.39	(8.51)	7.61	20.03
Dividends per share *(US¢)*	**10.50**	8.00	3.00	9.50	16.50
Balance Sheet					
Total assets	**7,272.0**	7,111.1	7,326.3	7,604.8	7,900.5
Total liabilities	**(6,677.3)**	(6,123.0)	(6,384.9)	(6,337.6)	(6,564.6)
Net operating assets	**594.7**	988.1	941.4	1,267.2	1,335.9
Shareholders' funds	**581.4**	980.2	947.1	1,267.2	1,322.3
Non-controlling interests	**13.3**	7.9	(5.7)	–	13.6
Total equity	**594.7**	988.1	941.4	1,267.2	1,335.9
Net debt	**(467.6)**	(617.8)	(865.5)	(843.9)	(816.7)
Net asset value per share *(US¢)*	**42.95**	72.41	69.98	93.67	97.75
Cash Flow					
Cash flows from operating activities	**972.9**	1,043.6	939.8	942.3	1,067.2
Cash flows from investing activities	**(63.6)**	(94.6)	(201.0)	(124.7)	(86.4)
Cash flows before financing activities	**909.3**	949.0	738.8	817.6	980.8
Cash flow per share from operating activities *(US¢)*	**71.87**	77.10	69.45	69.65	78.89

* Figures in 2020 and 2021 have been restated to include revenue from other sources.

Responsibility Statements

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 this 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

10 March 2025

Corporate Governance

Overview of the Group's Governance Approach

DFI Retail Group (the Group), comprising DFI Retail Group Holdings Limited (the Company) and its subsidiaries, understands the value of good corporate governance in driving the long-term sustainable success of its business and attaches importance to the corporate stability that strong governance brings, as well as the opportunities that result from it being part of the Jardine Matheson Holdings Limited (Jardine Matheson) group.

The Group is committed to high standards of governance. The system of governance it has adopted has been developed, over many years, by the members of the Jardine Matheson group, and both the Group and its stakeholders regard as appropriate to the nature of its business and the long-term strategy it pursues in its markets across the Chinese mainland and South East Asia. The Group's governance framework is tailored to its size, ownership structure, the complexity and breadth of business. It enables the Company to benefit from Jardine Matheson's professional expertise while at the same time ensuring that the independence of the Board is respected and clear operational accountability rests with the Company's executive management.

The Company also ensures that the Group continues to demonstrate the characteristics and values that have enabled the Group to prosper over the long-term:

- **A long-term perspective** – the Group takes a long-term view in its decision-making and investments, drawing on the expertise and experience of our Directors, and does not focus on short-term profits. This leads to long-term, sustainable growth for our shareholders and benefits the communities where we operate.

- **Credibility, stability and trust** – the credibility, stability and trust built up by the Group over many generations are highly valued by our partners and other stakeholders, especially in developing markets.

- **Deep knowledge of our markets** – the extensive experience and long track record of the Group have led to a deep understanding of how to drive successful growth across our markets, giving the Group a competitive advantage.

The Group believes that its stakeholders gain significant value from the long-term approach it takes. It is also important, however, to adapt to changing circumstances in our markets and, where appropriate, to the developing expectations of stakeholders and changes in best practice. In this context, over the past year the Group has strengthened the Company's Board and leadership team, bringing in expertise to support our businesses in highly dynamic and competitive markets. In parallel, we have continued to enhance our approach to governance to be more focused and to drive better decision-making and results.

In order to ensure clear allocation of accountability, the Company's strengthened leadership team is responsible for developing and executing the Group's business strategies and delivering on performance. The leadership team is directly accountable to the Board, which provides robust challenge, support and guidance, bolstered by extensive industry-specific expertise and experience from independent non-executive directors (the INEDs).

INEDs with a broad and diverse range of backgrounds are a valuable source of external perspectives and are a key element of good governance and decision-making. The Company has taken further steps over the past year to increase the independence and diversity of its Board.

Overview of the Group's Governance Approach continued

During the year and subsequent to the end of the year under review, the Company underwent several changes in its governance. Anthony Nightingale retired from the Board and the Audit Committee on 31 January 2024. Weiwei Chen succeeded Anthony Nightingale as the Chair of the Audit Committee on 31 January 2024. On 22 July 2024, John Witt was appointed as Chairman, the Chair of the Remuneration and Nominations Committees, succeeding Ben Keswick. On the same day, Graham Baker joined the Board as a Non-Executive Director and resigned as a member of the Remuneration Committee; Adam Keswick stepped down from the Board and resigned as a member of the Nominations Committee. In addition, Christian Nothhaft and Raymond Co were appointed as members of the Remuneration and Nominations Committees. The Company further appointed Tom van der Lee as the Group Chief Financial Officer and Executive Director in place of Clem Constantine on 1 October 2024. On 17 February 2025, the Company appointed Elaine Chang as an additional INED to the Board and Ben Keswick stepped down from the Board. As a result of these changes, the Board comprised eight Directors, of whom 50% are considered independent, taking into account the independence considerations under the UK Corporate Governance Code (the Code), and 25% are female.

Having an effective corporate governance framework supports the Board in delivering the Group's strategy and supports long-term sustainable growth, and ensuring it operates transparently and in accordance with the best practice.

Group Structure

Jardine Matheson is the ultimate holding company of the Group. The structural relationship between the Jardine Matheson group and the Group is considered a key element of the Group's success. By establishing common values and standards, and sharing experience, contacts and business relationships, the Jardine Matheson portfolio companies, including the Group, aim to optimise their opportunities across the Asian countries in which they operate.

Governance and Legal Framework

The Company is incorporated in Bermuda with most of its retailing business interests held entirely in Asia. The primary listing of the Company's equity shares is in the Equity Shares (Transition) Category (the Transition Category) of the Main Market of the London Stock Exchange (LSE). The Company also has secondary listings in Singapore and Bermuda. As the Company has only secondary listings on these exchanges, many of the listing rules of such exchanges are not applicable. Instead, the Company must release the same information in Singapore and Bermuda as it is required to release under the rules which apply to it as a result of being listed in the Transition Category on the LSE.

As a company incorporated in Bermuda, the Company is governed by:

- The Bermuda Companies Act 1981 (the Bermuda Companies Act);
- The Bermuda Dairy Farm International Holdings Limited Consolidation and Amendment Act 1988 (as amended), pursuant to which the Company was incorporated, and the Bermuda Dairy Farm International Holdings Limited Regulations 1993 (as amended, the Regulations) were implemented; and
- The Company's Memorandum of Association and Bye-Laws.

The Bermuda Takeover Code for the Company is set out in the Regulations and is based on the UK City Code on Takeovers and Mergers. It provides an orderly framework within which takeover offers can be conducted and the interests of shareholders protected.

Other acquisition mechanisms available under the Bermuda Companies Act include schemes of arrangement and amalgamation and mergers. The Bermuda Companies Act provides a framework within which such procedures can be conducted and the interests of shareholders protected.

The shareholders can amend the Company's Bye-Laws by way of a special resolution at a general meeting of the Company. The Company will modernise the provisions in the Bye-Laws and seek shareholders' approval at the 2025 Annual General Meeting (AGM) for the adoption of the new Bye-Laws.

Governance and Legal Framework continued

The Company's listing in the Transition Category of the LSE means that it is bound by many, but not all, of the same rules as companies which fall within the Equity Shares (Commercial Companies) categories (the Commercial Companies Category) of the LSE, under the UK Listing Rules, the Disclosure Guidance and Transparency Rules (DTRs) issued by the Financial Conduct Authority in the United Kingdom (FCA), the UK Market Abuse Regulation (MAR) and the Prospectus Regulation Rules. This includes rules relating to continuous disclosure, periodic financial reporting, disclosure of interests in shares, market abuse and the publication and content of prospectuses in connection with admission to trading or the offering of securities to the public. In addition, the Company is subject to regulatory oversight from the FCA, as the Company's principal securities regulator, and is required to comply with the Admission and Disclosure Standards of the Main Market of the LSE.

The Company and its Directors are also subject to legislation and regulations in Singapore relating, among other things, to insider dealing.

When the shareholders approved the Company's move to a standard listing from a premium listing in 2014, the Company stated that it intended to maintain certain governance principles, which were applicable to it at that time by virtue of its UK premium listing. As a result, the Company adopted a number of governance principles (the Governance Principles) based on the applicable requirements for a UK premium listing in 2014, which went further than the standard listing requirements at the time.

Following the FCA's recent reform of the UK listing regime, including the introduction of new UK Listing Rules which came into effect on 29 July 2024 (the 2024 UK Listing Rules), the replacement of the previous UK premium and standard segments of the Official List of the FCA with the UK commercial companies category and the transfer of the listing of the Company's equity shares to the Transition Category, the Company has undertaken a review of the Governance Principles to ensure they remain appropriate and take into account market practice.

Following such review, the Board considers that certain amendments to the Governance Principles are appropriate to align more closely with, and have regard to, the 2024 UK Listing Rules that other UK listed companies are subject to and to reflect the modernisation of the governance of the Company. With immediate effect, the Company intends to have regard to the 2024 UK Listing Rules (as in effect on 29 July 2024) applicable to the UK commercial companies category, when applying the Governance Principles in relation to significant transactions and related party transactions.

This means that the key elements of the Governance Principles are now updated as follows:

- If the Company carries out a related party transaction which, if its shares were listed on the UK commercial companies category would require a sponsor to provide a fair and reasonable opinion under the provisions of the 2024 UK Listing Rules, it will engage an independent financial adviser to confirm that the terms of the transaction are fair and reasonable as far as the shareholders of the Company are concerned.
- If the Company carries out such a related party transaction or a significant transaction (one that would be classified as a significant transaction under the provisions of the 2024 UK Listing Rules), as soon as reasonably practical after the terms are agreed, the Company will issue an announcement, providing such details of the transaction as are necessary for investors to evaluate the effect of the transaction on the Company.
- At each AGM, the Company will seek shareholders' approval to issue new shares on a non-pre-emptive basis for up to 33% of the Company's issued share capital, of which new shares representing up to 5% of the Company's issued share capital can be issued for cash consideration.
- The Company adheres to a set of Securities Dealing Rules which follow the provisions of MAR with respect to market abuse and disclosure of interests in shares.

The Company is not required to comply with the Code, which applies to all UK commercial companies category issuers and sets out the governance principles and provisions expected to be followed by companies subject to the Code. However, the Company does have regard to the Code in developing and implementing its approach to corporate governance and disclosure.

The Management of the Group

The Board

The Board is responsible for ensuring that the Group is appropriately managed and achieves its strategic objectives in a way that is supported by the right culture, values and behaviours. The Group's culture provides the foundation for the delivery of our strategy and our long-term, sustainable success. Our workforce policies and practices are consistent with and support our culture. Periodic team members surveys - Your Voice Counts are conducted to assess the culture, team member engagement and other key organisation health dimensions and enable management to identify actions that could be taken to further improve our culture.

The Board is also responsible for ensuring that appropriate systems and controls are in place to enable efficient management and well-informed decision-making. Our business processes incorporate efficient internal reporting, robust internal controls, and supervision of current and emerging risk themes, all of which form a vital part of our governance framework. As a key part of this, the Company Secretary has set up processes and systems to ensure that all Directors receive information in a timely, accurate and clear manner. We use a board paper distribution portal to disseminate board and committee papers securely to Directors.

The Chairman facilitates discussions at Board meetings, by ensuring all Directors have an opportunity to make comments and ask questions. In addition, the Chairman discusses matters with Directors individually and collectively outside of Board meetings. The Chairman also uses other gatherings of the Directors, such as Board dinners, to facilitate discussions in a less formal environment.

The Board has full power to manage the Company's business affairs, except matters reserved to be exercised by the Company in a general meeting under Bermuda legislation or the Company's Bye-Laws. Key matters for which the Board is responsible include:

- The overall strategic aims and objectives of the Group;
- Establishing the Company's purpose and values;
- Approval of the Group's strategy and risk appetite to align with the Group's purpose and values;
- Approval and oversight of the Group policy framework and approval of appropriate Group policies;
- Approval of the Annual Budget and monitoring of performance against it;
- Oversight of the Group's activities;
- Approval of major changes to the Group's corporate or capital structure;
- Approval of major capital expenditure and significant transactions in terms of size or reputational impact;
- Approval of interim and annual financial statements, Annual Report and Accounts, and interim management statement, upon recommendation from the Audit Committee;
- Approval of dividend policy and the amount and form of interim and final dividend payments, for approval by shareholders as required;
- Ensuring relevant sustainability and ESG matters are incorporated into purpose, governance, strategy, decision-making and risk management;
- Overseeing the management of risk within the Group;
- Any significant changes to the Company's accounting policies or practices, upon recommendation from the Audit Committee;
- Appointment, re-appointment or removal of the external auditor, subject to shareholders' approval, upon recommendation from the Audit Committee;
- Approval of matters relating to AGM resolutions and shareholder documentation;
- Approval of all shareholder circulars, prospectuses and listing particulars issued by the Company; and
- Approval of material public announcements concerning matters decided by the Board.

Responsibility for certain matters, including the approval of borrowing facilities and capital expenditure (other than major capital expenditure required to be approved by the Board), has been delegated by the Board to the Finance Committee and the Jardine Matheson group finance director with specific written terms of reference outlining its role and authorities.

The Company sees the value of regularly reviewing the effectiveness of its processes and making improvements where appropriate.

The Board continued

Board activities

Set out below is a summary of the key areas of activity of the Board:

1. Strategy

To facilitate oversight and provide opportunities for the Board to challenge and measure progress against the Group's strategic priorities, at each Board meeting the Group Chief Executive and Group Chief Financial Officer provide updates on the operational and financial performance of the Group.

2. Operational Performance

Our businesses operate in highly dynamic markets and constantly need to innovate and adapt to remain relevant and achieve long-term, sustainable success. In the past years, Asia has seen a large influx of new capital, the rapid rise of digital companies and an increasing desire among consumers for convenient digital services. In response, we have put innovation, operational excellence and an entrepreneurial spirit at the heart of everything we do.

At each Board meeting, an update is provided on the operational performance of each business segment, which offers important insights into the opportunities and challenges faced. In addition, Directors are provided with a deeper understanding of how our varied markets function and the implications for stakeholder-related issues in order to equip the Board with the necessary perspective to enhance strategic decision-making.

3. Supporting Leadership Team and Team Members

The Group attaches great importance to attracting, developing and retaining leadership talent. We strive to develop leaders who are entrepreneurial in how they develop their businesses.

The Group is focused on enhancing performance management structures to recognise, reward and retain talent, with incentives aligned to drive shareholder value by building better, stronger businesses.

The Company is also committed to creating an inclusive workplace which reflects the diversity of the customer we serve across all the markets.

The Board is provided with regular people updates to enable it to support talent attraction, development and retention, and the progress of Diversity, Equity and Inclusion (DE&I) and team member engagement initiatives.

Board activities continued

4. Financial Performance and Risk

The Board oversees the actions the Company takes to deliver superior, long-term returns for our shareholders from our market-leading businesses. We aim for decisive management built on a disciplined, long-term approach to capital allocation and investment expertise, to maximise financial performance, maintain our financial strength and manage risks. Over time, and in addition to be being part of the Jardine Matheson group of businesses, we have developed deep relationships with a wide range of well-capitalised, leading banks and corporate partners, which support the Group's financial strength.

The Group Chief Financial Officer presents a detailed overview of the financial performance of the Group at each Board meeting, to ensure that Directors are provided with sufficient information to enable them to provide appropriate financial oversight, and have the opportunity to challenge management as appropriate. The information provided includes details of the financial performance of each business unit.

The Board also reviews the Group's capital allocation approach, dividend policy and shareholder returns, as well as the management of Group debt levels, interest cover and capital markets activities.

The Board has overall responsibility for risk management and is actively engaged in regular discussions about the principal risks faced by the Group. The Audit Committee, on behalf of the Board, undertakes an annual assessment of the effectiveness of the management of the principal risks facing the Group and actions taken to mitigate them, validating the key risks and approving any necessary actions arising from the risk assessments. This process takes into account the key risks faced, and the risk management approach taken, by the Group.

Maintaining and enhancing the risk and internal control environment is fundamental to the Group's governance framework and the Board's stewardship of the Company.

5. Governance and Stakeholder Engagement

A range of governance matters are discussed at Board meetings, including directors' and officers' insurance, litigation, regulatory changes, review and approval of statutory reporting and shareholder documentation and governance-related matters.

The Group Chief Financial Officer provides Directors with regular updates on stakeholder engagements, including engagement with shareholders, governments, civil society and other relevant third-parties, and relevant regulatory developments. Increasing the Directors' understanding of stakeholder views and priorities, and the actions being taken by the Group to address them, supports the Board's decision-making.

Updates from the Group Chief Financial Officer provide the Board with feedback on investor views and expectations, visibility of market conditions, share price performance, shareholder returns and the future outlook.

The Group Chief Executive and relevant Management Committee members provide the Board with Sustainability updates twice a year, which include the progress being made by the Group in progressing sustainability priorities, including achieving climate action objectives, particularly in relation to decarbonisation, as well as updates on responsible consumption and social inclusion initiatives.

The Committee Chairs provide updates on the activities of the Committees at the Board meeting following each Committee meeting.

Board Composition and Operational Management

The Board's composition and the way it operates provide stability, allowing the Company to take a long-term view as it seeks to grow its businesses and pursue investment opportunities.

The Chairman has been appointed in accordance with the provisions of the Bye-Laws of the Company, which provide that the chairman of Jardine Matheson, or any Director nominated by him, shall be the Chairman of the Company.

The presence of Jardine Matheson representatives on the Board and its Committees of the Company provides an added element of stability to the Company's financial planning and supervision, enhancing its ability to raise finance and take a long-term view of business development. It also strengthens the ability of management to work effectively together in exploiting the full range of the Jardine Matheson group's commercial and organisation strengths.

As at 10 March 2025, the Company comprises eight Directors, four of whom (50%) – Dave Cheesewright, Weiwei Chen, Christian Nothhaft and Elaine Chang, are considered as independent, taking into account the relevant considerations under the Code.

There were a number of Board changes during and subsequent to the year under review: Anthony Nightingale retired from the Board on 31 January 2024. On 22 July 2024, Graham Baker joined the Board as Non-Executive Director and Adam Keswick stepped down from the Board. The Company further appointed Tom van der Lee as the Group Chief Financial Officer and Executive Director in place of Clem Constantine on 1 October 2024. On 17 February 2025, Elaine Chang joined the Board as an INED and Ben Keswick stepped down from the Board. There are detailed plans in place to ensure orderly succession for the Board.

The names of all the Directors and brief biographies appear on pages 85 and 86 of this Annual Report.

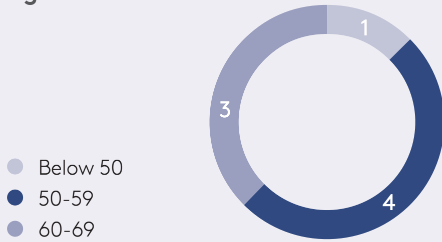
John Witt has held the role of Chairman since 22 July 2024. Scott Price has been Group Chief Executive since 1 August 2023.

The Board has considered that there is a clear division of responsibilities among the Chairman and the Group Chief Executive to ensure an appropriate balance of power and authority is maintained at all times.

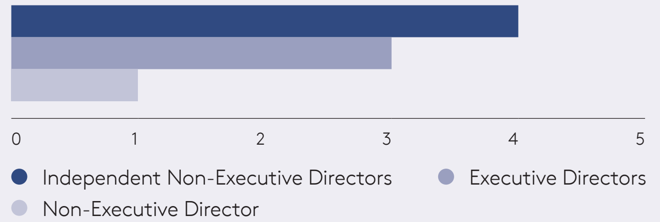
Board Composition and Operational Management continued

Board composition as at 10 March 2025:

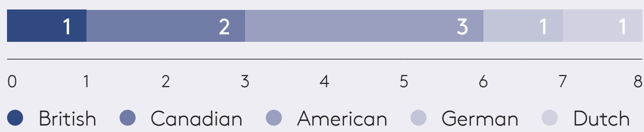
Age of Directors



Capacity of Directors



Nationality of Directors



Tenure of Directors

Directors' Experience

Board Composition and Operational Management continued

The Board has considered the diversity of the Company's Board and executive management in the context of the requirements under the UK Listing Rules that UK listed companies should publish information on the gender and ethnic representation of their Board and executive management. As at 31 December 2024, being the reference date for the purposes of 22.2.30R(1)(a) of the UK Listing Rules which require the disclosure of certain diversity statistics, and as shown below:

- The Board met its target of having one Director from a minority ethnic background;
- The Company does not currently meet the target of the Board comprising at least 40% female directors, but will continue to take DE&I considerations into account for future Board appointments; and
- The Board does not currently meet the target to have a female director occupying one of the senior Board positions (Chairman, Group Chief Executive or Group Chief Financial Officer). The Directors who hold these roles were appointed following formal, rigorous and transparent nomination procedures and are the most suitable and experienced individuals for their roles and the Group's needs. The Board will continue to take DE&I considerations into account for future appointments for these roles.

The Company did not meet the targets under the UK Listing Rules of the Board comprising at least 40% female directors, and having one of the senior Board positions occupied by a female director, due to the significant change to the composition of the Board and executive management which would be required to meet these requirements. The Company has taken substantive steps to increase the diversity of the Board. A second female INED was appointed in February 2025, bringing the position of female directors on Board to 25%. The Company will continue to take DE&I considerations into account with respect to future appointments of directors and executive management positions.

The table below, which follows the format and categories prescribed by the UK Listing Rules, illustrates the ethnic background and gender diversity of the Board and executive management – which includes the Company Secretary – but excludes administrative or support team members pursuant to 22.2.30R(2) of the UK Listing Rules, as at 31 December 2024, which is our chosen reference date in accordance with the UK Listing Rules[1].

As at 31 December 2024	Number of Board members[2]	Percentage of the Board[2]	Number of senior positions on the Board (Chairman, Group Chief Executive and Group Chief Financial Officer)	Number in executive management (Management Committee and Company Secretary)[3]	Percentage of executive management (Management Committee and Company Secretary)[3]
Gender diversity					
Men	7	87%	3	8	67%
Women	1	13%	–	4	33%
Not specified/prefer not to say	–	–	–	–	–
Ethnic diversity					
White British or other White (including minority-white groups)	7	87%	3	4	33%
Mixed/Multiple Ethnic Groups	–	–	–	1	8%
Asian/Asian British	1	13%	–	7	59%
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/ prefer not to say	–	–	–	–	–

[1] Data relating to the gender and ethnic diversity of the Board and executive management was gathered by the Company Secretary via the collection of each individual's identification documents, which are held within the Company's secure filing system.

[2] Number of board members and board gender and ethnic diversity percentages have changed following the appointment of Elaine Chang and stepping down of Ben Keswick on 17 February 2025.

[3] Number of executive management and executive management's gender and ethnic diversity percentages have changed following the stepping down of Danni Peirce on 18 January 2025 and appointment of Yoep Man on 10 February 2025.

Board Composition and Operational Management continued

The Company has a Board Diversity Policy that guides appointments to the Board and its Committees. There is no separate Diversity Policy for the Committees. DE&I considerations are, and will be, taken into account for these appointments where relevant.

Chairman

The Chairman's role is to lead the Board, ensuring its effectiveness while taking account of the interests of the Company's various stakeholders, and promoting high standards of corporate governance.

The Chairman's principal responsibilities are in the areas of strategy, external relationships, governance and people. The Chairman leads the Board in overseeing the long-term strategic direction of the Group and approving its key business priorities. His key responsibilities also include:

- Leading, with the Group Chief Executive, the development of the culture and values of the Group;
- Supporting the development and maintenance of relationships with existing and new key business partners, governments and shareholders;
- Ensuring, together with the Group Chief Executive, an appropriate focus on attracting and retaining the right people and carrying out succession planning for executive management positions;
- Creating a culture of openness and transparency at Board meetings;
- Building an effective Board supported by a strong governance framework;
- Leading the succession planning for the Group Chief Executive;
- Ensuring all Directors effectively contribute to discussions and feel comfortable in engaging in healthy debate and constructive challenge;
- Ensuring all Directors receive accurate, timely and clear information; and
- Promoting effective communication between Executive Directors and Non-Executive Directors, including INEDs.

Group Chief Executive

The responsibility for running the Group's business and all the executive matters affecting the Group rests with the Group Chief Executive. The implementation of the Group's strategy is delegated to the Company's executive management, with decision-making authority within designated financial parameters delegated to the Finance Committee. In addition, the Group Chief Executive has day-to-day operational responsibility for:

- Effective management of the Company;
- Leading the development of the Company's strategic direction and implementing the strategy approved by the Board;
- Identifying and executing new business opportunities;
- Managing the Group's risk profile and implementing and maintaining an effective framework of internal controls;
- Developing targets and goals for his executive team;
- Ensuring effective communication with shareholders and key stakeholders and regularly updating institutional investors on the business strategy and performance;
- Providing regular updates to the Board on the Group's performance;
- Overseeing the Group's approach to capital allocation, business planning and performance;
- Ensuring, together with the Chairman, an appropriate focus on attracting and retaining the right people and carrying out succession planning for executive management positions; and
- Fostering innovation and entrepreneurialism to support the growth of the Group's businesses.

Non-Executive Directors

The Non-Executive Directors bring insight and relevant experience to the Board. They have responsibility for constructively challenging the strategies proposed by the Executive Directors scrutinising the performance of management in achieving agreed goals and objectives. In addition, Non-Executive Directors work on individual initiatives as appropriate.

Board Meetings

The Board usually holds four scheduled meetings each year, and ad hoc meetings when appropriate to deal with urgent matters that arise between scheduled meetings. Board meetings are usually held in different locations around the Group's markets.

The Board receives high-quality, up-to-date information in advance of each meeting, which is provided to Directors via a secure online board information portal. The Company reviews the information provided to the Board regularly to ensure that it remains relevant to the needs of the Board in carrying out its duties.

The Directors of the Company, who are based outside Asia, visit the region regularly to review and discuss the Group's business and inspect the Group's assets and various banners. The knowledge these Directors have of the Group's affairs, as well as their experience of the wider Group, provides significant value to the ongoing review by the Company of the Group's performance and reinforces the Board oversight process.

Board Attendance

Directors are expected to attend all Board meetings. The table below shows the attendance at the scheduled 2024 Board meetings:

	Meetings eligible to attend	% Attended
Current Directors		
Executive Directors		
John Witt	4/4	100%
Scott Price	4/4	100%
Tom van der Lee[1]	1/1	100%
Non-Executive Directors		
Dave Cheesewright	4/4	100%
Weiwei Chen	4/4	100%
Christian Nothhaft	4/4	100%
Graham Baker[2]	2/2	100%
Elaine Chang[3]	n/a	n/a
Former Directors		
Anthony Nightingale[4]	–/–	n/a
Adam Keswick[5]	2/2	100%
Clem Constantine[6]	3/3	100%
Ben Keswick[7]	4/4	100%

[1] Tom van der Lee joined the Board on 1 October 2024. In 2024, only one Board meeting was held on or after 1 October 2024.

[2] Graham Baker joined the Board on 22 July 2024. In 2024, two Board meetings were held on or after 22 July 2024.

[3] Elaine Chang joined the Board on 17 February 2025.

[4] Anthony Nightingale stepped down from the Board on 31 January 2024.

[5] Adam Keswick stepped down from the Board on 22 July 2024. In 2024, two Board meetings were held before 22 July 2024.

[6] Clem Constantine stepped down from the Board on 1 October 2024. In 2024, three Board meetings were held before 1 October 2024.

[7] Ben Keswick stepped down from the Board on 17 February 2025.

Appointment and Retirement of Directors

There are detailed plans in place to ensure orderly succession for the Board. The Board is focused on development and succession plans at both Board and executive level, to strengthen the management pipeline. The Chairman, in conjunction with other Directors, reviews the size, composition, tenure and skills of the Board. The Chairman leads the process for new appointments, monitors Board succession planning, and considers independence, diversity, inclusion and Group governance matters, as well as relevant expertise and experience, when recommending appointments to the Board. Non-Executive Directors are appointed on merit, against objective criteria, and are initially appointed for a three-year term.

Prior to appointment, the Chairman assesses the commitments of a proposed candidate, including other directorships, to ensure they have sufficient time to devote to the role. The Chairman also regularly assesses the time commitments of Directors, to ensure that they each continue to have sufficient time for their role. He also considers the potential additional time required in the event of urgent corporate events. Any Director's external appointments, which may affect existing time commitments relevant to the Board, must be agreed with the Chairman in advance.

Upon appointment, all new Directors receive a comprehensive induction programme over several months. This is designed to facilitate their understanding of the business and is tailored to their individual needs. The Group Chief Financial Officer and the Company Secretary are responsible for providing a briefing covering the Company's core purpose and values, strategy, key areas of the business and corporate governance.

The Board appoints each new Director, and the Nominations Committee has been established to assist the Board in such matters. In accordance with the Company's Bye-Laws, each new Director is subject to retirement and re-election at the first AGM after their appointment. Directors are then subject to retirement by rotation requirements under the Bye-Laws, whereby one-third of the Directors retire at the AGM each year. These provisions apply to both Executive Directors and Non-Executive Directors, but the requirement to retire by rotation does not extend to the Chairman of the Company. The Company has determined that it is appropriate for the Chairman to be exempted from the retirement by rotation requirements. This is because an important part of the Group's strong governance is corporate stability, which is provided by the stewardship over the long-term of the business by family, as well as related and like-minded shareholders, who hold a significant proportion of the shares of the Company. The Group believes that its stakeholders gain significant value from the long-standing governance approach the Group has taken.

In accordance with Bye-Law 85, Weiwei Chen will retire by rotation at the forthcoming AGM and, being eligible, offer herself for re-election. In accordance with Bye-Law 92, Tom van der Lee, Graham Baker and Elaine Chang will also retire and, being eligible, offer themselves for re-election. Tom van der Lee has a service contract with a subsidiary of the Company with a notice period of six months. Weiwei Chen, Graham Baker and Elaine Chang do not have a service contract with the Company or its subsidiaries.

Company Secretary

All Directors have access to advice and support from the Company Secretary, who is responsible for advising the Board on all governance matters.

Insurance and Indemnification

The Company purchases insurance to cover its Directors against their costs in defending themselves in civil proceedings taken against them in that capacity, as well as in respect of damages resulting from the unsuccessful defence of any proceedings. To the extent permitted by applicable law, every Director shall be indemnified and secured harmless out of the assets of the Company against all liability and loss suffered and expenses reasonably incurred. However, neither insurance nor indemnity arrangements provide cover where the Director has acted fraudulently or dishonestly.

Delegations of Authority

The Group has an organisational structure with defined lines of responsibility and appropriate delegations of authority in place.

The Group's 50% associate, Maxim's Caterers Limited (MCL), has a separate board, audit committee, risk management and internal audit structure. The Group is represented on the board of MCL, at which reviews of strategy, operations, budgets and significant investments are undertaken. The MCL board has delegated to the MCL group's audit and risk management committees and its audit department responsible for reviewing major risk areas and the effectiveness of the internal control procedures.

The Group's delegation of authority framework establishes a clear pathway for decision-making. This ensures that judgements are made at the correct business level by those team members most equipped to do so. Every decision made aligns with the Group's culture and values, taking into account the advantages, risks, financial consequences, and effects on all stakeholders. The Board, supported by the Audit Committee, places significant emphasis on maintaining high governance standards throughout the Group. This focus assists the Board in accomplishing its strategic goals and fulfilling key performance objectives.

Directors' Responsibilities in respect of the Financial Statements

Under the Bermuda Companies Act, the Directors are required to prepare financial statements for each financial year and present them annually to the Company's shareholders at the AGM. The financial statements are required to present fairly, in accordance with International Financial Reporting Standards (IFRS), the financial position of the Group at the end of the year, and the results of its operations and its cash flows for the year then ended. The Directors consider that applicable accounting policies under IFRS, applied on a consistent basis and supported by prudent and reasonable judgements and estimates, have been followed in preparing the financial statements. The financial statements have been prepared on a going concern basis.

Substantial Shareholders

As a non-UK issuer, the Company is subject to the provisions of the DTRs, which require that a person must, in certain circumstances, notify the Company of the percentage of voting rights attaching to the share capital of the Company that person holds. The obligation to notify arises if that person acquires or disposes of shares in the Company and that results in the percentage of voting rights which the person holds reaching, exceeding, or falling below, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75%.

The Company has been informed of the holding of voting rights of 5% or more attaching to the Company's issued ordinary share capital by Jardine Strategic Limited (Jardine Strategic), which is directly interested in 1,049,589,171 ordinary shares carrying 77.54% of the voting rights. By virtue of its interest in Jardine Strategic, Jardine Matheson is also interested in the same ordinary shares. Apart from this shareholding, the Company is not aware of any holders of voting rights of 5% or more attaching to the Company's issued ordinary share capital as of 10 March 2025.

There were no contracts of significance with substantial corporate shareholders during the year under review.

Related Party Transactions

Details of transactions with related parties entered into by the Company during the course of the year are included in note 34 to the financial statements on page 149.

Engagement with Shareholders, Other Stakeholders and Team Members

We engage regularly with our stakeholders, including our team members, investors, creditors, partners and government and this enables the Company to understand their perspectives and ensures we address their expectations and shape our actions accordingly.

The Group regularly engages with its shareholders. For the full year 2024, two results briefings and 35 analyst and institutional shareholder meetings have been held, to enable shareholders to ask questions of executive management, discuss concerns and hear feedback on areas where improvements could be made.

The Group has also engaged with several Sustainability Non-Governmental Organisations and government agencies to listen, learn and understand how we can improve. The engagements provide an opportunity for us to explore and discuss key social, environmental and economic issues facing society and where our businesses operate. These engagements occur across all stages of the project cycle, and provide an important touch point to sense-check the issues that matter most to society and help us better understand evolving expectations. The meetings with shareholders and stakeholders are attended by executive management, who are ultimately responsible.

Securities Purchase Arrangements

The Directors have the power, under the Bermuda Companies Act and the Company's Memorandum of Association, to approve the Company to purchase its own shares. Any shares so purchased are required to be treated as cancelled and, therefore, reduce the Company's issued share capital. The Board regularly considers the possibility of share repurchases. When doing so, it considers the potential for enhancing earnings or asset values per share. When purchasing such shares, the Company is subject to the provisions of MAR.

Workforce Engagement

The Group strives to support the growth of the next generation of leaders within our businesses, ensuring our leaders can develop the necessary skills, capabilities and experiences they need to succeed.

We also aim to create a high performance culture among our team members and support this by linking our incentive structures to focus on group, format and banner financial performance and value-creation for shareholders over a longer-term horizon.

The Group also conducts an annual Your Voice Counts survey. In 2024, 91% of total number of team members took part in the survey sharing feedback. Follow-up actions include listening sessions ensuring engagement strategies are focused and effective.

Annual General Meeting

The Company's 2025 AGM will be held on 2 May 2025. The full text of the resolutions and explanatory notes in respect of the meeting are contained in the Notice of AGM that is published at the same time as this Annual Report and can be found at www.DFIretailgroup.com/investors/financials.

Corporate Website

The Company ' s corporate website, which contains a wide range of additional information of interest to investors, can be found at www.DFIretailgroup.com.

Group Policies

Code of Conduct

The Group conducts business in a professional, ethical and even-handed manner. Its ethical standards are clearly set out in its Code of Conduct, a set of guidelines to which every team member must adhere and which is reinforced and monitored by regular training and compliance certification process. The Code of Conduct requires that all Group companies and team members comply with all laws of general application, all rules and regulations that are industry-specific and proper standards of business conduct. In addition, the Code of Conduct prohibits the giving or receiving of illicit payments. It requires that all Directors and team members must be fully aware of their obligations under the Code of Conduct and establish procedures to ensure compliance at all levels within their businesses.

Data Privacy

The Group is committed to being a responsible custodian of the data entrusted to it by customers, team members, business partners and other stakeholders keeping the data secure and processing it in accordance with legal requirements and stakeholder expectations as they continue to evolve. Appropriate protections are in place to prevent misuse and unauthorised disclosure of personal data.

In addition, the Group's Personal Data Protection Policy and Security Incident Response Plan underline the Group's commitment to being a responsible data custodian.

Speak-Up Policy

The Group has a Speak-Up policy covering how individuals can report matters of serious concern on a named or anonymous basis. The Audit Committee is responsible for overseeing the effectiveness of the formal procedures to raise such matters and is required to review any reports made under those procedures referred to by the internal audit function. In addition, the Group has a speak-up service managed by an independent third-party service provider, which supplement existing channels in the business units to assist in raising matters of concern and report cases of suspected illegal or unethical behaviour. This service, which aims to help foster an inclusive, safe and respectful workplace, is available 24 hours a day in multiple local languages and is accessible through several channels. Reports may be lodged by one of three channels: email, website or telephone hotline. Each report is allocated a unique case number which enables follow-up with the reporter, if appropriate. Once a report is lodged, it is sent to certain authorised persons at the relevant business units. These include senior representatives from legal, compliance and human resource teams who have experience in dealing with such matters. The authorised persons will follow up on the report and investigate where necessary. The reporter, if they choose to, will be notified of the outcome.

All reports are treated confidentially, and no retaliation against a person reporting a matter of concern in good faith will be tolerated.

Diversity, Equity and Inclusion

We understand that our greatest asset is our people. The Group strives to create an inclusive work environment where every individual has an equal opportunity to grow and thrive. We recognise the value of diverse perspectives and experiences in driving innovation and fostering a positive workplace culture.

The Group applies the principle that team members should always treat others in a way they would expect others to treat them. Bullying, intimidation, discrimination, and harassment of others have no place in the Group and will not be tolerated.

As a multinational Group with a broad range of businesses operating across Asia, the Group believes in promoting equal opportunities in recruiting, developing and all team members, regardless of ethnicity, gender, age, sexual orientation, disability, background or religion, who should be treated fairly and with dignity, and be valued for the contributions they make in their role. The scale and breadth of the Group's businesses necessitate that they hire the best people from the communities in which they operate most suited to their needs.

All team members are encouraged and supported to develop their full potential and contribute to the sustainable growth of the Group. Team members' views and ideas are essential, and they are encouraged to express them respectfully with team members at all levels within the organisation.

To build an inclusive workplace which helps progress our ambitions across the Group, we incorporate DE&I principles:

- Ongoing collaboration to ensure a set of inclusive working arrangements and policies to support DE&I;
- Keeping our recruitment, promotion, and retention systems fair and based on aptitude, merit, and ability, including ongoing reviews of remuneration to ensure appropriateness of pay levels;
- Active talent management and career support for our talent pools to provide equitable opportunities that will enable a diverse future pipeline of leaders; and
- Cultivating the right set of leadership behaviours through learning campaigns to ensure our people behave in a way consistent with the principles we have put in place.

The Company keeps the composition of its Board and executive management under ongoing review to ensure that it adapts to the changing business landscape. The Company is actively focused on increasing gender diversity in leaderships in the organisation.

Committees

The Board is supported by the activities of its Committees (Nominations, Remuneration, Audit and Finance Committees), which ensure the right level of attention and consideration are given to specific matters. Matters considered by each of the Committees are set out in their respective terms of reference. Copies of these documents can be obtained from the Company's website at www.DFIretailgroup.com.

Nominations Committee

The Board has established a Nominations Committee in March 2021. The role of the Nominations Committee is governed by its terms of reference. The key responsibilities of the Nominations Committee are to:

- Review the composition, structure and size of the Board and its committees and make recommendations to the Board on any changes to enhance Board effectiveness;
- Support the Chairman to lead the process for appointments of Non-Executive Directors and nominate suitable candidates to the Board;
- Assess suitable candidates based on their knowledge, experience, diversity, skills, merit and other relevant objective criteria, taking into account their ability to meet the required time commitments;
- Oversee the development of succession pipelines for members of the executive management to ensure talent is identified and nurtured to meet the challenges and opportunities facing the Group;
- Review the overall talent metrics for the Company, including for example diversity and retention metrics; and
- Oversee an annual evaluation of the effectiveness of the Board and Committees, if and to the extent appropriate, and the implementation of measures identified by previous Board effectiveness evaluations.

The Nominations Committee consists of a minimum of three members, selected by the Chairman of the Board. The Chairman of the Board is the chairman of the Nominations Committee. The current members of the Nominations Committee are John Witt, Christian Nothhaft and Raymond Co (Jardine Matheson's Group Head of People & Culture). The Nominations Committee meets at least annually, or by the circulation of Committee circulars and recommendations to the Board for approval as it deems appropriate. It plays a key role in the process of recruiting Board and executive management. Candidates for appointment as Executive Directors of the Company or other executive management positions may be sourced internally or externally, including by using the services of specialist executive search or recruitment firms. The aim is to appoint individuals who combine international business knowledge and experience, industry knowledge and experience, if possible, and familiarity with, or adaptability to, Asian markets. When appointing Non-Executive Directors, the Nominations Committee pays particular attention to the Asian business experience and relationships that they can bring. The Group Chief Executive and the Group Chief People & Culture Officer will generally attend meetings of the Nominations Committee pertaining to the Group's talent strategy, metrics, skill & experience assessment and succession planning of the executive management.

Remuneration Committee Report

Chair's Introduction

On behalf of the Remuneration Committee, I am pleased to present shareholders with the Remuneration Committee Report for the year ended 31 December 2024. This report sets out the Group's approach to remuneration for our team members and, in particular, the link between the Group's strategy and its remuneration framework, the link between performance and reward, and the Directors' fees paid in 2024.

The Group's remuneration policy aims to align remuneration with performance and foster a high-performance culture. During the year, we undertook a comprehensive review of the remuneration outcomes for 2024. We revamped the Short-term Incentive Plan (STIP) to emphasis a balanced 50/50 performance measurement of both business performance and individual performance, consistent for all STIP eligible team members. In 2024, we also redesigned the Long-term Incentive Plan (LTIP) by adopting a dual-metric approach in measuring performance share units through return on capital employed and relative total shareholder return ranking against relevant retail peers. The redesign ensures that both short-term and long-term incentives and awards align with long-term company performance and shareholder interests. Executive compensation is benchmarked against market standards to retain top talent. The implementation of these changes underscores the Group's commitment to rewarding performance, and maintaining competitive remuneration, ultimately contributing to a high-performance culture.

We recognise the importance of aligning performance with remuneration outcomes in creating long-term value for the Group and delivering total shareholder return. This report demonstrates our commitment to ensuring that the remuneration philosophy and framework support the Group's strategy, promote sustainable success, and align executives' interests with those of our shareholders.

Details of the Remuneration Committee's key responsibilities and the Group's remuneration policy are set out in below sections. The full terms of reference are available on the Company's website at www.DFIretailgroup.com.

John Witt
Chair of the Remuneration Committee

The Group's Remuneration Philosophy and Framework for Rewarding Senior Leaders

At the heart of the Group's remuneration framework is our commitment to delivering competitive remuneration for strong performance. This framework serves to attract, motivate, and retain team members at all levels, while aligning the interests of senior leaders and shareholders.

Our rewards programmes are designed to support our overall business strategy and objectives, promoting a fair and well-governed long-term approach to compensation. We ensure that our pay practices are aligned with our purpose and values, closely tying pay to performance at the group, business, and individual levels. This balance encompasses both short-term and multi-year performance, rewarding behaviours that maintain strong governance and sustained value for the Group.

The Group's approach ensures fair compensation, free from considerations of gender, race, ethnicity, age, disability, and other non-performance-related factors. It also considers risks, control, conduct, and sustainability development goals in setting performance targets, ensuring that both 'what' is achieved and 'how' the results are achieved are considered.

The pay mix and structure of remuneration vary from senior leaders to more junior team members and are reviewed annually against market benchmarks. However, the link between remuneration and strategic goals is consistent across all levels of the organisation. The nature of goals used for remuneration varies depending on the team member's level, but the Company ensures that goals are specific, relevant, measurable, and time bound.

Accordingly, at senior leaders levels, a greater portion of remuneration is considered as variable pay that is 'at risk', depending on performance levels against goals and long-term shareholder return performance. At more junior levels, a greater portion of remuneration is directed toward fixed pay. The Group strives to provide an appropriate amount of remuneration 'at risk' for senior leaders to achieve both short- and long-term goals.

Directors' Remuneration

Shareholders decide in general meetings the Directors' fees which are payable to all Directors other than the Group Chief Executive and the Group Chief Financial Officer, as provided for by the Company's Bye-Laws.

The remuneration of the Company's Non-Executive Directors is not linked to performance. This is consistent with Non-Executive Directors being responsible for objective and independent oversight of the Group. The total amount provided to all Directors (exclusive of salaried Executive Directors of the Company who are not entitled to such fees) must not exceed the sum agreed by shareholders at a general meeting. The maximum aggregate remuneration of US$1.0 million per annum was approved by shareholders at the 2022 AGM, and this total sum will be kept under review over time. Executive Directors are paid a basic fixed salary as well as discretionary annual incentive bonuses and receive certain team member benefits from the Group. Non-Executive Directors do not receive bonuses or any other incentive payments or retirement benefits.

The level of fees paid to the Company's Non-Executive Directors is kept under regular review. Fees are benchmarked against a peer group of similar companies and a report is reviewed by the Board every two years.

Directors' Remuneration continued

The Non-Executive Directors are reimbursed for expenses properly incurred in performing their duties as a Director of the Company. The schedule of fees paid to Directors in respect of the financial year 2024 is set out in the table below. Fees are annual fees, unless otherwise stated:

US$ (per annum)	
Chairman fee:	110,000
Base Director fee:	100,000
Audit Committee fee (Chair):	45,000
Audit Committee fee (Member):	35,000
Remuneration Committee fee (Chair):	25,000
Remuneration Committee fee (Member):	20,000
Nominations Committee fee (Chair and Member):	15,000

Directors	Director Fee US$	Audit Committee Fee US$	Remuneration Committee Fee US$	Nominations Committee Fee US$	Total Fees US$
Current Directors					
1 John Witt (Chairman)[1]	110,000	–	11,134	15,000	136,134*
2 Scott Price	–	–	–	–	–
3 Tom van der Lee[2]	–	–	–	–	–
4 Dave Cheesewright	100,000	35,000	–	–	135,000
5 Weiwei Chen[3]	100,000	44,180	–	–	144,180
6 Christian Nothhaft[4]	100,000	–	8,907	6,680	115,587
7 Graham Baker[5]	44,536	35,000	–	–	79,536*
8 Elaine Chang[6]	–	–	–	–	–
Former Directors					
9 Anthony Nightingale[3]	8,197	3,689	–	–	11,886
10 Adam Keswick[7]	55,464	–	–	8,320	63,784
11 Clem Constantine[2]	–	–	–	–	–
12 Ben Keswick[1]	105,546	–	–	8,320	113,866*
TOTAL	**623,743**	**117,869**	**20,041**	**38,320**	**799,973**

* Fees surrendered to Jardine Matheson.

[1] John Witt appointed as Chairman, and the Chair of the Remuneration and Nominations Committees on 22 July 2024, succeeding Ben Keswick who stepped down from the Board on 17 February 2025.

[2] Tom van der Lee was appointed as the Group Chief Financial Officer and Executive Director in place of Clem Constantine on 1 October 2024.

[3] Weiwei Chen was appointed as the Chair of the Audit Committee on 31 January 2024, succeeding Anthony Nightingale who stepped down from the Board.

[4] Christian Nothhaft was appointed as a member of the Remuneration and Nominations Committees on 22 July 2024.

[5] Graham Baker joined the Board as a Non-Executive Director and resigned as a member of the Remuneration Committee on 22 July 2024.

[6] Elaine Chang joined the Board as an INED on 17 February 2025 and she did not receive any Director's fees in 2024.

[7] Adam Keswick stepped down from the Board and resigned as a member of the Nominations Committee on 22 July 2024.

Remuneration Committee

The Board has overall responsibility for setting remuneration across the Group, ensuring it is appropriate and supports the Group's strategy, creating value for stakeholders. The Remuneration Committee has been established to assist the Board in these remuneration matters.

The Board has established a Remuneration Committee in November 2021. The role of the Remuneration Committee is governed by its terms of reference. The key responsibilities of the Remuneration Committee are to:

- Oversee the formulation of a Group-wide reward strategy and ensure the business implements the reward strategy in alignment with its industry-specific needs;
- Review and approve the Company's overall rewards strategy and remuneration framework;
- Review the terms of and design of performance-related incentives (both short- and long-term), including the review and approval of any changes to plan design, targets and metrics;
- Review and approve the overall compensation costs, including salary and bonus budgets, of the business; and
- Remain abreast of trends and developments in executive compensation and corporate governance related to the Group's industry and countries of operation.

The Remuneration Committee consists of a minimum of three members, selected by the Chairman of the Board. The Chairman of the Board is the chairman of the Remuneration Committee. The current members of the Remuneration Committee are John Witt, Christian Nothhaft and Raymond Co (Jardine Matheson's Group Head of People & Culture). The Group Chief Executive and the Group Chief People & Culture Officer will generally attend meetings of the Remuneration Committee. The Remuneration Committee shall meet at least twice a year and as required, or by circulation of Committee circulars which make recommendations to the Board for approval as it deems appropriate.

How Remuneration Framework is linked to the business strategy

The Group's remuneration strategy is designed to support and reinforce its business and sustainability strategies, both short- and long-term. Incentive compensation is evaluated based on the business performance of the Group, business unit, and individual contributions in executing to the Group's strategic framework of 'Customer First, People Led, Shareholder Driven'. The incentive plan for senior leaders is structured to align with shareholder interests, based on total shareholder return and key business performance targets.

Remuneration Outcomes in 2024

For the year ended 31 December 2024, the Directors received from the Group US$8.9 million *(2023: US$19.3 million)* in Directors' fees and team member benefits, being:

	2024	2023
	US$m	US$m
Directors' fees	**0.8**	0.9
Short-term team member benefits including salary, bonuses, accommodation and deemed benefits in kind	**6.5**	17.3
Post-employment benefits	**0.1**	0.1
Share-based payments	**1.5**	1.0

The information set out in the section above headed 'Remuneration Outcomes in 2024' forms part of the audited financial statements.

Share Schemes

Share-based long-term incentive plans have also been established to provide incentives for eligible team members (including Executive Directors and executive management). The scheme trustee grants share options after consultation between the Chairman and the Group Chief Executive and other Directors as they consider appropriate. Share options are not granted to Non-Executive Directors.

Directors' Share Interests

The Directors of the Company in office on 10 March 2025 had interests* as set out below in the ordinary share capital of the Company. These interests include those notified to the Company regarding the Directors' closely associated persons*.

Scott Price	175,531
Tom van der Lee	98,404

* Within the meaning of MAR

In addition, Scott Price and Tom van der Lee held deferred share awards regarding 1,145,858 and 247,378 ordinary shares, respectively, issued pursuant to the Company's share-based long-term incentive plans.

Audit Committee Report

Chair's Introduction

I am delighted to present the Audit Committee's report for the year ended 31 December 2024. In alignment with the Group's commitment to robust governance, the Audit Committee convened three times during the year, including an additional meeting in December. This extra session was dedicated to identifying potential challenges that could affect the year-end results, providing the Group with proactive insights.

Throughout 2024, the Audit Committee has concentrated on navigating a complex macroeconomic landscape, focusing particularly on enhancing controls to counter payment fraud and cash theft, goodwill impairments for San Miu in Macau, Lucky in Cambodia, Robinsons Retail Holdings Inc in the Philippines, and the Yonghui divestment and resolving key issues with the Group's IT and Cybersecurity as part of ensuring the Group's financial integrity.

We have diligently reviewed significant accounting judgements and estimates made by management, ensuring the transparency and accuracy of the Company's financial reports. More details on these assessments can be found on pages 172 to 174.

In addition, the Audit Committee has overseen the development of the Group's non-financial reporting framework, taking into account the latest trends in environmental, social, and governance (ESG) reporting. We have received consistent updates on the overarching control environment, particularly the mechanisms supporting financial reporting. Any identified deficiencies have been addressed with input from DFI Internal Audit, and our external auditor, PwC.

The Committee has also engaged in a thorough review of the Company's principal risks, utilising business reviews, focused engagements, and continual feedback from management, DFI Internal Audit, and PwC. With the Group unveiling a new business strategy in May 2024, centred on expanding digital retail capabilities, we have revisited the risk register bi-annually to align with these strategic objectives and current market dynamics. The updated risk register reflects these adjustments. Further information is set out in the principal risks and uncertainties on pages 214 to 222.

Our role extends to evaluating the effectiveness of the Group's financial reporting processes, including ESG and climate-related disclosures, along with the systems of internal control and risk management. We also oversee the integrity of both external and internal audit processes.

Details of the Audit Committee's key responsibilities are set out in below sections. The full terms of reference are available on the Company's website at www.DFIretailgroup.com.

Weiwei Chen
Chair of the Audit Committee

Audit Committee

The Board has established an Audit Committee in November 2021. The Audit Committee consists of a minimum of three members, the current members of which are Weiwei Chen (Chair of the Audit Committee and INED), Graham Baker (Financial Expert) and Dave Cheesewright (INED). None of them is directly involved in operational management.

The Company considers that the Audit Committee has a majority of independent members. Weiwei Chen and Graham Baker are members of the Audit Committee with recent financial experience and expertise. Graham Baker and Dave Cheesewright also have a deep understanding of risk management.

The Group Chief Executive and Group Chief Financial Officer, together with representatives of the internal and external auditors, also attend the Audit Committee meetings by invitation. Other individuals may attend part of a meeting for specific agenda items as appropriate. The Committee meets on a scheduled basis three times a year (the number of annual meetings was increased from two to three in 2024 as part of the Group's focus on improving its governance approach further and strengthening the oversight of the Committee).

The role of the Audit Committee is governed by its terms of reference. The Audit Committee's remit includes:

- Independent oversight and assessment of financial reporting processes including related internal controls;
- Independent oversight of risk management and compliance;
- Independent oversight for cybersecurity;
- Monitoring and reviewing the effectiveness of the internal audit function and the Group's external auditor;
- Considering the independence and objectivity of the external auditor; and
- Reviewing and approving the level and nature of non-audit work performed by the external auditor.

Before completion and announcement of the Company's half-year and full-year results, a review is undertaken by the Audit Committee, with the executive management, of the Company's financial information and any issues raised in connection with the preparation of the results, including the adoption of new accounting policies. A report is also received by the Committee from the external auditor. The external auditor also have access to the entire Board when necessary, in addition to the Group Chief Executive, Group Chief Financial Officer and other executive management. The Audit Committee confirms, to the best of its knowledge, the consolidated financial statements prepared in accordance with IFRS, 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.

The matters considered by the Audit Committee during 2024 included:

- Reviewing the 2023 annual financial statements, 2024 half-year financial statements, interim management statement, financial statements as at 31 October 2024 and full year forecast;
- Reviewing significant actions and judgements of management in relation to changes in accounting policies and practices to ensure clarity and accuracy of disclosures and compliance with new accounting standards;
- Receiving reports from internal audit on the status of the control and compliance environment of the Group, with particular focus on the mechanisms supporting financial reporting, and its business divisions, and progress made in resolving matters identified in the reports;
- Reviewing the principal risks, evolving trends and emerging risks that affect the Group, and monitoring changes to the risk profile, as well as the effectiveness of risk management measures and crisis management arrangements;
- Receiving updates on the cybersecurity threat landscape and the Group's cybersecurity environment, risk management approach, training, priorities and control effectiveness;
- Receiving reports from risk management and legal functions on key legal matters and compliance and code of conduct issues, and the actions taken in addressing those issues and strengthening controls;
- Reviewing the annual internal audit plan and status updates;
- Reviewing the Group's governance approach to cybersecurity management, data security and privacy management across its businesses;
- Reviewing the independence, audit scope and fees of PwC, and recommending their re-appointment as the external auditor at general meeting;
- Conducting a review of the terms of reference of the Audit Committee; and
- Reviewing the ESG Assurance Plan submitted by PwC and the full-year projections on ESG performance.

Audit Committee Attendance

The table below shows the attendance at the scheduled 2024 Audit Committee meetings:

Members of the Audit Committee	Meetings eligible to attend	% Attended
Current Members		
Weiwei Chen (Chair)*	3/3	100%
Dave Cheesewright	3/3	100%
Graham Baker	3/3	100%
Former Member		
Anthony Nightingale (Former Chair)†	–/–	n/a

* Weiwei Chen was appointed as the Chair of Audit Committee on 31 January 2024.

† Anthony Nightingale resigned from the Audit Committee on 31 January 2024.

Auditor Independence and effectiveness

The independence and objectivity of the Group's external auditor are safeguarded by control measures including:

- Reviewing the nature of non-audit services (including the amending of the non-audit services policy);
- The external auditor's own internal processes to approve requests for non-audit work to the external audit work;
- Monitoring changes in legislation related to auditor independence and objectivity;
- The rotation of the lead audit partner after seven years;
- Independent reporting lines from the external auditor to the Audit Committee and providing an opportunity for the external auditor to discuss with the Audit Committee;
- Restrictions on the employment by the Group of certain team members of the external auditor; and
- An annual review by the Audit Committee of the policy to ensure the objectivity and independence of the external auditor.

The Board's annual review in 2024 of the external auditor's independence and effectiveness found that they performed their duties effectively. The Board found the level of professional scepticism, the number and regularity of meetings with the Audit Committee, feedback from Audit Committee members and internal stakeholders and the levels of technical skills and experience to be effective.

At each AGM of the Company, the Company is required to appoint an external auditor to hold office until the conclusion of the next AGM. The Company's shareholders approved the appointment of PwC HK as the Company's external auditor at the AGM on 8 May 2024.

Risk Management and Internal Control

The Board has overall responsibility for the Group's risk management systems and internal control. The Board has delegated to the Audit Committee responsibility for providing oversight in respect of risk management activities. The Audit Committee considers the Group's principal risks and uncertainties and potential changes to the risk profile. It reviews the operation and effectiveness of the Group's internal control systems (financial, operational and compliance) and the procedures by which these risks are monitored and mitigated. The Audit Committee considers the systems and procedures regularly and reports to the Board semi-annually.

DFI internal audit function (DFI Internal Audit) is appointed to assist the Audit Committee in fulfilling its assurance and reporting roles. DFI Internal Audit adheres to international standards for the professional practice of internal audit. To safeguard its independence and objectivity, DFI Internal Audit reports functionally to the Audit Committee of the Company and has full and unrestricted access to all business functions, records, properties and personnel.

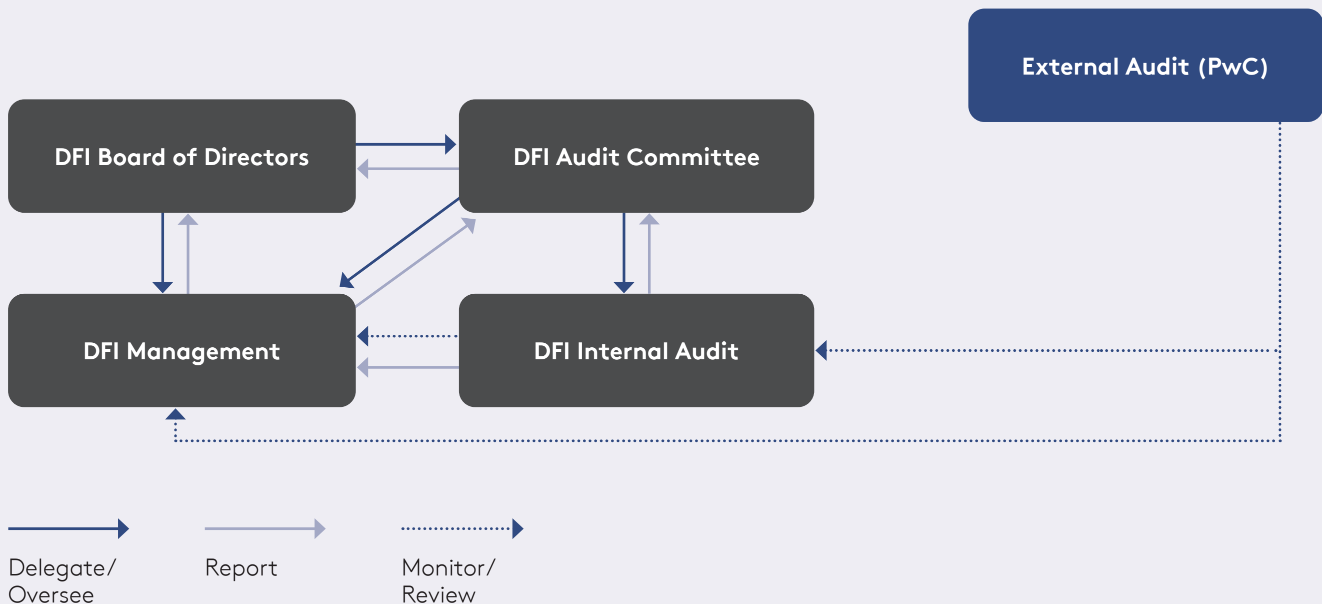
The internal control systems are designed to manage, rather than eliminate, business risk; to help safeguard the Group's assets against fraud and other irregularities; and give reasonable, but not absolute, assurance against material financial misstatement or loss.

Management Committee is responsible for the implementation of the systems of internal control throughout the Group, and a series of audit committees at an operational level and the internal audit function monitors the effectiveness of the systems.

The Group has an established risk management process reviewed regularly and covers all business units within the Group. This includes the maintenance of risk registers that detail the emerging and existing risks to the future success of the business and the relevant key controls and mitigating factors that address those risks. The Group's risk management process and risk registers are reviewed regularly.

The Company's principal risks and uncertainties are set out on pages 214 to 222.

Risk Governance Structure



The Group's Management is responsible for:

- Identifying and assessing principal risks and uncertainties to which it is exposed;
- Implementing the most appropriate actions to mitigate and control those risks to an acceptable level;
- Providing adequate resources to minimise, offset or transfer the effects of any loss that may occur while managing acceptable risk/benefit relationships;
- Monitoring the effectiveness of the systems of risk management and internal control;
- Reporting periodically to DFI Board of Directors via Audit Committee on identifying principal risks and uncertainties and measures taken to, mitigate such risks; and
- Working with external and internal auditors to monitor and improve its control environment.

Risk Management Framework

Risk management is integrated into each business unit's strategic planning, budgeting, decision-making and operations. Central to this is the continuous and systematic application of:

A Risk Management Framework based on ISO 31000 and COSO principles is embedded in the Group to identify, assess and define the strategies to monitor risks. The risk registers prepared by each business unit provide the basis for the aggregation process, which summarises the principal risks and uncertainties facing the Group as a whole.

Risk Identification	• Identify and document the Group's exposure to uncertainty with existing strategic objectives. • Adopt structured and methodical techniques to identify critical risks.
Risk Assessment	• Evaluate risks by estimating likelihood, financial and reputational damage, and the speed at which the risk materialises, based on its inherent and residual level. • Determine risk rating using the risk heatmap, with four levels of residual risk status.

Risk Treatment	• Tolerate – accept if within the Group's risk appetite.
	• Terminate – dispose or avoid risks were no appetite.
	• Risks may be accepted if mitigated to an appropriate level via:
	  ◦ Transfer – take out insurance or share risk through contractual arrangements with business partners; and
	  ◦ Treat – redesign or monitor existing controls or introduce new controls.

Risk Reporting & Monitoring	• Periodic review of principal risks and uncertainties. • Setting key risk indicators to enhance monitoring and mitigation of risks. • Regular reporting of principal risks and uncertainties from business units to the Company's Board of Directors via Audit Committee.

Principal Risks and Uncertainties

The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the DTRs issued by the FCA and are in addition to the matters referred to in the Chairman's Statement, Group Chief Executive's Review and other parts of this Annual Report.

Economic Risk

Description

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.

Principal Risks and Uncertainties continued

Competitive Market Environment, Consumer Behaviour Change and Digital Transformation Risk

Description

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

Description

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 are set out in the Financial Review on page 37 and note 40 to the financial statements on pages 162 to 171.

Principal Risks and Uncertainties continued

Leasing, Franchises, Concessions and Key Contracts Risk

Description
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

Description
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	**Description** 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)	**Description** 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.

Principal Risks and Uncertainties continued

Environmental and Climate Related Risks

Description

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	**Description** 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.

Principal Risks and Uncertainties continued

Health, Safety and Product Quality Risk

Description

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 adherence 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 members compensation.
- Obtaining adequate product liability insurance.

Principal Risks and Uncertainties continued

Supplier-related Ethical Sourcing Risk	**Description** 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.

Effectiveness Review of Risk Management and Internal Control Systems

The effectiveness of the Company's risk management and internal control systems is monitored by the internal audit function, which reports functionally to the Audit Committee. The internal audit function also monitors the approach taken by the business units to manage risk. The findings of the internal audit function and recommendations for any corrective actions required are reported to the Audit Committee.

Shareholder Information

Financial Calendar

2024 full-year results announced	10 March 2025
Shares quoted ex-dividend	20 March 2025
Share registers closed	24 to 28 March 2025
Annual General Meeting to be held	2 May 2025
2024 final dividend payable	14 May 2025
2025 half-year results to be announced	24 July 2025*
Shares quoted ex-dividend	21 August 2025*
Share registers to be closed	25 to 29 August 2025*
2025 interim dividend payable	15 October 2025*

* Subject to change

Dividends

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.

Registrars and Transfer Agent

Shareholders should address all correspondence with regard to their shareholdings or dividends to the appropriate registrar or transfer agent.

Principal Registrar
Jardine Matheson International Services Limited
P.O. Box HM 1068
Hamilton HM EX
Bermuda

Jersey Branch Registrar
MUFG Corporate Markets (Jersey) Limited
(formerly known as Link Market Services (Jersey) Limited)
IFC 5
St Helier, Jersey JE1 1ST
Channel Islands

Singapore Branch Registrar
Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632

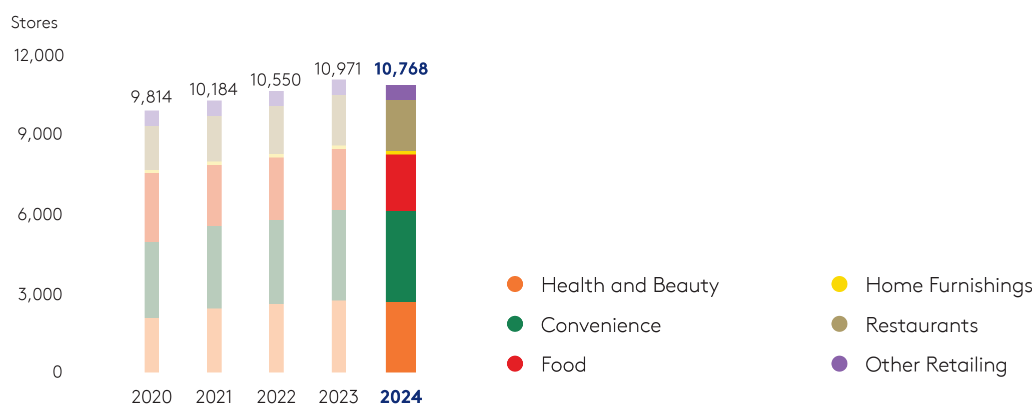
United Kingdom Transfer Agent
MUFG Corporate Markets
(formerly known as Link Group)
Central Square
29 Wellington Street
Leeds LS1 4DL, United Kingdom

Press releases and other financial information can be accessed through the internet at www.DFIretailgroup.com.

Retail Outlet Summary

2024	Health and Beauty	Convenience	Food	Home Furnishings	Restaurants	Other Retailing	Total	Net change
Hong Kong	306	1,087	323	10	788	–	**2,514**	(48)
Macau	22	49	21	1	25	–	**118**	(2)
Chinese mainland	16	1,833	826	–	280	–	**2,955**	(186)
Singapore	128	467	91	–	175	–	**861**	(44)
Indonesia	341	–	–	7	–	–	**348**	6
Malaysia	556	–	–	–	5	–	**561**	(47)
Brunei	28	–	–	–	–	–	**28**	–
Taiwan	–	–	–	8	–	–	**8**	–
The Philippines	1,101	–	758	–	–	554	**2,413**	45
Vietnam	127	–	–	–	126	–	**253**	27
Cambodia	–	–	85	–	50	–	**135**	(2)
Thailand	–	–	–	–	568	–	**568**	47
Laos	–	–	–	–	6	–	**6**	1
Total	**2,625**	**3,436**	**2,104**	**26**	**2,023**	**554**	**10,768**	(203)
Net change over 2023	(69)	61	(196)	–	25	(24)	(203)	

2023	Health and Beauty	Convenience	Food	Home Furnishings	Restaurants	Other Retailing	Total	Net change
Hong Kong	305	1,095	325	10	827	–	2,562	56
Macau	21	50	22	1	26	–	120	1
Chinese mainland	108	1,730	1,012	–	291	–	3,141	58
Singapore	129	500	100	–	176	–	905	51
Indonesia	335	–	–	7	–	–	342	23
Malaysia	603	–	–	–	5	–	608	46
Brunei	28	–	–	–	–	–	28	(3)
Taiwan	–	–	–	8	–	–	8	–
The Philippines	1,033	–	757	–	–	578	2,368	107
Vietnam	123	–	–	–	103	–	226	27
Cambodia	9	–	84	–	44	–	137	9
Thailand	–	–	–	–	521	–	521	42
Laos	–	–	–	–	5	–	5	4
Total	2,694	3,375	2,300	26	1,998	578	10,971	421
Net change over 2022	142	212	(44)	3	90	18	421	



Note: Includes 5,389 associates and joint ventures stores *(2023: 5,501)* and excludes discontinued operations.

Management and Offices

Management Committee

Scott Price	Group Chief Executive
Tom van der Lee	Group Chief Financial Officer
Martin Lindström	Chief Executive Officer, DFI IKEA
Curtis Liu	Chief Executive Officer, Food
Yoep Man	Chief Executive Officer, 7-Eleven
Andrew Wong	Chief Executive Officer, Health & Beauty
Crystal Chan	Group Chief Technology and Information Officer
Erica Chan	Group Chief Legal, Governance and Corporate Affairs Officer
Shen Li	Group Corporate Strategy and yuu Rewards Director
Wee Lee Loh	Group Chief Digital Officer
Joy Jinghui Xu	Group Chief People & Culture Officer

Corporate Office

5/F Devon House, Taikoo Place
979 King's Road, Quarry Bay
Hong Kong
P.O. Box 286, G.P.O.
Tel : (852) 2299 1888
Fax : (852) 2299 4888
Website: www.DFIretailgroup.com

Brunei

Guardian Health And Beauty (B) Sdn Bhd
Giant Hypermarket Tasik Rimba
Lot 58865 Kampong Rimba
Mukim Gadong
Bandar Seri Begawan
BE 3119
Negara Brunei Darussalam
Tel: (673) 246 1274

Cambodia

DFI Lucky Private Limited
No. 01, Street 55P
Phum Trong Moan
Sangkat Ou Baek K'am
Khan Sen Sok
Phnom Penh
Cambodia. 120802
Tel: (855 23) 885 722
Website: www.dfilucky.com

Hong Kong and Macau

The Dairy Farm Company, Ltd
5/F Devon House
Taikoo Place
979 King's Road
Quarry Bay
Tel: (852) 2299 3888
Fax: (852) 2299 2888

Maxim's Caterers Ltd*
18/F Maxim's Centre
17 Cheung Shun St
Cheung Sha Wan
Kowloon
Tel: (852) 2523 4107
Fax: (852) 2216 7883
Website: www.maxims.com.hk

Indonesia

PT DFI Retail Nusantara Tbk
CBD Bintaro Jaya
Sektor VII B.7/A.7, Pondok Jaya
Pondok Aren, Tangerang Selatan
Banten 15424
Tel: (62 21) 8378 8000
Website: www.dfinusantara.co.id

Chinese mainland

Guangdong Sai Yi Convenience Stores Ltd
Room 1601, CTS Centre
219 Zhong Shan 5th Road
Yue Xiu District
Guangzhou 510030
Tel: (86 20) 8364 7118
Fax: (86 20) 8364 7436
Website: www.7-11.cn

Mannings Guangdong Retail Company Ltd
2/F Guangdong Mechanical
Main-Building
185 Yue Hua Road
Yue Xiu District
Guangzhou 510030
Tel: (86 20) 8318 1388
Fax: (86 20) 8318 2388
Website: www.mannings.com.cn

Malaysia

Guardian Health And Beauty Sdn Bhd
Level 11, 8 First Avenue
Bandar Utama, 47800
Petaling Jaya
Selangor Darul Ehsan
Tel: (603) 5544 8400
Website: www.guardian.com.my

The Philippines

Robinsons Retail Holdings, Inc.*
110 E. Rodriguez
Jr. Avenue, Bagumbayan
Quezon City
Philippines 1110
Tel: (63 2) 8635 0751 to 64
Website: www.
robinsonsretailholdings.com.ph

Singapore

Cold Storage Singapore (1983) Pte Ltd
21 Tampines North Drive 2
#03-01
Singapore 528765
Tel: (65) 6891 8000

Taiwan

DFI Home Furnishings Taiwan Ltd
4/F, No. 128 Section 1
Jiuzong Road
Neihu District, 114066
Taipei City
Taiwan
Tel: (886 2) 2791 8820
Website: www.IKEA.com.tw

Vietnam

Pan Asia Trading And Investment One Member Company Limited*
L2-VP-01, 346 Ben Van Don
Ward 1, District 4
Ho Chi Minh City
Tel: (84 28) 3832 8272
Fax: (84 28) 3832 8448
Website: www.guardian.com.vn

* Associates or joint ventures

www.DFIretailgroup.com