Dairy Farm International Holdings Ltd
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To: Business Editor

5th March 2020
For immediate release

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

DAIRY FARM INTERNATIONAL HOLDINGS LIMITED
2019 PRELIMINARY ANNOUNCEMENT OF RESULTS

Highlights

- Multi-year transformation making progress
- Underlying profit impacted by social unrest in Hong Kong
- Improvement in Southeast Asia Grocery Retail and Health and Beauty

"While difficult market conditions in Hong Kong impacted the Group's financial performance during the year, the multi-year transformation of the Dairy Farm Group continued to gain momentum during 2019, with signs of progress across our businesses. The Group's space optimisation plan, new store formats and improvement programmes together generated greater efficiencies and started to deliver tangible results. We expect this progress to continue in 2020, although the Group's results are being materially impacted by the ongoing COVID-19 outbreak. Performance for the remainder of the year will depend on the duration, geographic extent and impact of the outbreak and the measures taken to control it."

Ben Keswick
Chairman

Results

	Year ended 31st December		
	2019 US$m	2018 US$m restated†	Change %
Combined total sales including 100% of associates and joint ventures	**27,665**	21,957	+26
Sales	**11,192**	11,749	–5
Underlying profit attributable to shareholders*	**321**	358	–10
Net non-trading items	**3**	(273)	n/a
Profit attributable to shareholders	**324**	85	+282
	US¢	US¢	%
Underlying earnings per share*	**23.72**	26.48	–10
Basic earnings per share	**23.93**	6.27	+282
Dividends per share	**21.00**	21.00	-

* 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 35 to the financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group's underlying business performance.

† the accounts have been restated due to the change in accounting policy upon adoption of IFRS 16 'Leases', as set out in note 1 to the financial statements.

The final dividend of US¢14.50 per share will be payable on 13th May 2020, subject to approval at the Annual General Meeting to be held on 6th May 2020, to shareholders on the register of members at the close of business on 20th March 2020.

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DAIRY FARM INTERNATIONAL HOLDINGS LIMITED

PRELIMINARY ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31ST DECEMBER 2019

OVERVIEW

The Dairy Farm Group's multi-year transformation programme to reshape and reorganise the business, adapting to the changing needs of customers, continued to gain momentum during 2019. Opportunities are being unlocked across the Group as the business seeks to leverage its scale effectively and develop a more coherent approach to improving its customer proposition, both by banner and at a country level.

While the Group began to see some early benefits from its transformation programme, profitability was impacted by market conditions in Hong Kong in the second half of the year caused by social unrest. The ongoing COVID-19 outbreak has added extra complexity for the Group's businesses and the Group's results are being significantly impacted by it. Performance for the remainder of the year will depend on the duration, geographic extent and impact of the outbreak and the measures taken to control it. The Group's diverse retail portfolio does, however, provide some insulation against market uncertainties and Dairy Farm remains firmly focused on the successful delivery of its transformation.

OPERATING PERFORMANCE

Sales of US$11.2 billion for the year by the Group's subsidiaries were 5% behind those of 2018. Total sales of US$27.7 billion, including 100% of associates and joint ventures, were 26% higher, reflecting the investment in Robinsons Retail in the prior year.

The underlying operating profit of the Group's subsidiaries was US$437 million, 14% lower than 2018, primarily due to social unrest in Hong Kong which disrupted trading at some of the Group's banners in the second half of the year. Among the Group's subsidiaries, the impact was greatest for Mannings, because of the significant reduction in the number of visitors from the Chinese mainland to Hong Kong. Ongoing investments in the IKEA store network in the year also reduced Group profitability. Offsetting these impacts was a significant improvement in profitability in our Southeast Asia Grocery Retail business, as the space optimisation plan took effect. The businesses also benefitted from transformation and improvement programmes.

Underlying profit attributable to shareholders was US$321 million, down 10% from US$358 million last year. Underlying earnings per share of US¢23.72 were also down 10%.

The Group maintained solid net cash flows from operating activities of US$1,288 million. Net debt at the end of 2019 was US$821 million, an increase from US$744 million last year.

The Board is recommending an unchanged final dividend of US¢14.50 per share, giving a total dividend of US¢21.00 per share for the year, which is in line with 2018.

Food - Grocery Retail

The divestment of the Rustan Supercenters business, as well as the execution of the Group's space optimisation plan in Southeast Asia, led to overall sales for the Grocery Retail business reducing by 12% to US$5.2 billion. Sales in Hong Kong and Macau Grocery Retail rose in 2019.

There was a significant improvement in operating profit in the Group's Grocery Retail business, from US$22 million in 2018 to US$63 million in 2019. The improvement was driven by Southeast Asia, as the space optimisation plan took effect. The foundations for future growth by the business were also strengthened by the ongoing transformation and improvement programmes.

Profits in Hong Kong and Macau Grocery Retail were impacted by cost pressures and ongoing investments in people and capabilities, but the Group has started to see improving trends in underlying profit performance.

Convenience

Sales in the Convenience business increased by 4% to US$2.2 billion, driven by new store growth and strong like-for-like sales in the Chinese mainland in particular. Enhancements to range and services are proving popular with customers and the business continues to focus on brand differentiation to support sales growth. Profits for the year declined by US$6 million, however, as a result of pre-opening costs in respect of the expansion of the 7-Eleven store network in Guangdong, as a net total of over 200 new stores were opened in 2019. Profits in 2018 were also positively impacted by a number of one-off items.

Health and Beauty

Total sales for the Health and Beauty Division increased by 1% to US$3.1 billion, supported by the consolidation of Rose Pharmacy as well as strong growth in other Southeast Asian markets. Operating profit, however, declined by 11% to US$296 million, as the business was impacted by the social unrest in Hong Kong. The Group has been addressing these challenging conditions by appropriate management of costs.

Weakness in North Asia Health and Beauty was partially offset by strong revenue and like-for-like sales growth in Southeast Asia, particularly in Indonesia and Malaysia. Guardian in Southeast Asia delivered a strong performance during the year, with improvements in operating standards, service and product availability, and it benefitted from a growing middle-class customer base in Indonesia, Malaysia, and Vietnam.

Home Furnishings

In Home Furnishings, sales for IKEA were up 6% in the year. Operating margins were, however, adversely affected through a combination of currency movements, cost of goods changes and pre-opening costs in support of strong store expansion.

Associates

The contribution from key associate Maxim's declined to US$82 million from US$105 million in the prior year, as the business was impacted by the ongoing social unrest in Hong Kong. Despite the challenging market conditions in the second half, however, Maxim reported a 4% growth in sales overall for the year, as it saw the benefit of its acquisition of the Starbucks Thailand business.

Yonghui in the Chinese mainland reported strong sales growth and positive like-for-like sales. Our share of results in Yonghui grew from US$15 million in 2018 to US$23 million in 2019 and benefitted from the partial sell-down by Yonghui of their investment in the Yunchuang Technology business, which was announced in December 2018. The Group also benefitted from the contribution from its interest in Robinsons Retail, which it acquired in late 2018.

TRANSFORMATION

The Group's multi-year transformation programme to reshape and reorganise the business, adapting to the changing needs of customers, continued to gain momentum during 2019. Opportunities are being unlocked across the group as the business seeks to leverage its scale effectively and develop a more coherent approach to improving its customer proposition, both by banner and at a country level. The Group's space optimisation plan, new store formats and improvement programmes generated greater efficiencies and started to deliver tangible results in the year.

CORPORATE DEVELOPMENTS

In May, Maxim's acquired the Starbucks franchise in Thailand, with some 370 stores in operation, through a 64%-owned joint venture.

As at 31st December 2019, Dairy Farm, including associates and joint ventures, operated over 10,000 outlets across all formats, compared with some 9,700 at 31st December 2018.

PEOPLE

Undoubtedly 2019 was a challenging year for many of our businesses, however the hard work, resilience and determination of colleagues and their commitment to serve our customers every day has been outstanding. I would like to thank all the Group's employees for their efforts in moving the Group towards becoming a truly modern-day retailer that puts our customers first.

Neil Galloway stepped down as Group Finance Director at the end of March 2019. The Board would like to express its gratitude for the significant contribution Neil made to the Group over a number of years. Clem Constantine showed strong leadership during his time as interim Chief Financial Officer following Neil's departure, and the Board confirmed his appointment to the role permanently in November 2019.

Michael Kok stepped down from the Board on 8th May 2019 and Simon Keswick retired as a Director with effect from 1st January 2020. It was announced on 20th January 2020 that Lord Sassoon will retire from the Board on 9th April 2020. The Board would like to express its gratitude for the significant contribution all three Directors have made to the Group over many years. Clive Schlee will join the Board with effect from 6th May 2020.

As separately announced on 5th March 2020, with effect from 15th June 2020 the roles of Chairman and Managing Director, which are currently held on a combined basis by Ben Keswick, will be separated. Ben Keswick will remain as Chairman and John Witt will take on the role of Managing Director of the Company.

PROSPECTS

Dairy Farm is undergoing transformation across all areas of its business and this scale of change will take time to execute successfully. However, good progress is being made in implementing the Group's customer-focused and market-driven strategy and Dairy Farm is well-placed to achieve long-term sustainable growth. Performance for the remainder of the year will depend on the duration, geographic extent and impact of the outbreak and the measures taken to control it.

Ben Keswick
Chairman

GROUP CHIEF EXECUTIVE'S REVIEW

INTRODUCTION

Overall, the Group continued to make progress in 2019 in improving the fundamentals underpinning our businesses as part of our multi-year transformation. While we still have work to do to complete phase one of our transformation plan which entails building a strong retail foundation, we are pleased with the progress so far and are turning attention to some areas of phase two with the objective of delivering well consistently across all facets of our business.

The Group's Grocery Retail profits increased significantly in the year, driven by an improvement in Southeast Asia Grocery Retail as the space optimisation plan delivered enhanced quality and operating standards. While the turnaround of the Southeast Asian businesses remains at an early stage, there are encouraging signs of improvement.

Underlying performance for our Convenience format was pleasing. We continued to invest in mainland China, with the network having now grown to almost 1,300 stores. We also continued to invest in IKEA, with two additional stores opened in 2019. E-commerce growth was also strong for IKEA as improvements were made to website functionality across the region.

The Group's investments in Yonghui and Robinsons Retail delivered good returns. Underlying profit growth in Yonghui was strong as it benefitted from the partial sell-down of their investment in the Yunchuang Technology business, which was announced in December 2018. Robinsons Retail successfully integrated the Rustan acquisition in 2019.

The diversity of the Group's business mix from the perspective of both direct and indirectly managed businesses, formats and geography did provide some insulation from unprecedented market challenges. In particular, the social unrest in Hong Kong materially impacted the performance of the Group’s Health and Beauty division, as well as Maxim’s.

FIVE STRATEGIC IMPERATIVES

1) Grow in China

7-Eleven delivered strong growth, with almost 1,300 stores now opened, and we are pleased with the underlying performance of the business with strong like-for-like sales growth throughout the year. Strong focus has been put on the development of the ready-to-eat offering, which has resulted in higher day time traffic and converted consumer behaviour to encourage eating at 7-Eleven. On-top of this, digital and other services – such as facial recognition payment - continue to be one of the key drivers in China. There remains significant opportunity for growth in the longer-term with Guangdong province the home to over 100 million people. In the short-term, however, competition for site rentals has intensified and we will remain disciplined in our property growth strategy.

Mannings China reported good like-for-like sales growth in the second half due to strong O2O e-commerce growth as well as encouraging results from new format designs. We have also developed a revised cross-border e-commerce platform for Mannings, with an upgraded and integrated supply chain to support fulfilment and accessibility. Our scale of growth in Mannings China has not fulfilled its potential historically, but we see opportunities for further space development through a realignment program which aims to identify the optimal store format and size. There will be a stronger focus on the Greater Bay Area where Mannings has strong brand awareness and where the business can leverage the existing scale of 7-Eleven in the region.

We continue to develop a strong and growing relationship with Yonghui. Projects to leverage the scale of both companies are beginning to bear fruit with partnerships in procurement enhancing efficiency and reducing costs. In addition, Mannings branded products have been introduced into almost 450 Yonghui stores. We anticipate further shared learning and idea generation between the two businesses going forward. We also continue to develop relationships with China's technology companies, with a series of trials taking place to better understand the changes in customer expectations as regards the use of technology in this market and beyond.

2) Maintain Strength in Hong Kong

The social unrest in Hong Kong negatively impacted our operations in our home market last year. Reduction in tourist traffic has had the greatest impact on Mannings within our portfolio. Disruptions to stores have also impacted our key associate Maxim's. IKEA's Hong Kong operations were also disrupted by the social unrest.

However, even within Hong Kong, we benefitted to some extent from the diversified mix of our businesses. While there was disruption to stores, a clear trend towards more eating at home supported solid like-for-like sales growth for Wellcome Hong Kong. A combination of improvement programmes and a more disciplined approach to store space saw an improving trend in underlying profit performance. We remain confident about the future growth potential of our Grocery Retail business in Hong Kong.

Performance for our Convenience format was pleasing with sales and profit ahead of last year. This is despite challenging conditions in the second half. In order to continue to build store traffic and brand differentiation, aggressive development of ready-to-eat and the Own Brand range was a key focus. This will continue in 2020.

Faced with the current challenges, the Group is adopting a prudent approach to cost control. The challenges in Hong Kong were also difficult for our team members but their commitment towards putting customers first was nevertheless unwavering and I would like to thank all of them for their hard work and dedication.

3) Revitalise Southeast Asia

Profitability in our Southeast Asian Grocery Retail business improved significantly in 2019 as we execute our multi-year transformation plan. Greater efficiencies generated from improvement programmes as well as our space optimisation plan supported the strong growth in profits. While the turnaround remains at an early stage, there are encouraging signs.

Our upscale stores continue to show signs of recovery as we raise operating standards of quality, freshness, availability and range. Remodelled pilot stores have been developed and initial performance has been encouraging.

We continue to re-engineer our food offering within Giant to focus on improving the customer proposition and optimising space. A detailed plan is being executed and we are expecting to see continued progress in 2020.

We are taking a holistic view towards space optimisation, of which the conversion of a Giant hypermarket to an IKEA store in Sentul, Indonesia is a good example. The store was opened in November, only five months after handover and was the fastest IKEA store opening in history.

Our Guardian Health and Beauty business remains a significant opportunity for us in Southeast Asia. Over 1,000 stores have now been opened across the region, with the business achieving strong like-for-like sales growth overall in the region. Profits in Singapore, Malaysia and Indonesia each achieved double-digit percentage growth. Indonesia grew particularly strongly, driven by strong retail execution as we introduced better, more relevant range into stores and invested in store fitout in a cost-effective manner.

Guardian is leveraging its strong brand name in the region both from the perspective of Own Brand, as well as innovative partnerships. Guardian Own Brand performance for products introduced into Rose Pharmacy has been strong. Guardian Singapore also entered into an exclusive partnership in 2019 with leading Korean Health and Beauty retailer Olive Young to enhance its range in the K-beauty segment.

We are continuing to invest in growth of the IKEA network across the Group, but in particular in Indonesia. While this will have some short-term impact on profits due to new store startup costs and pre-opening expenses, we remain confident about our underlying profitability for IKEA and its growth potential in the markets where we operate the franchise.

Robinsons Retail made a positive contribution in 2019. The adoption of the new lease accounting standard, IFRS 16, led to Robinsons Retail reporting a decline in profits.

4) Build Capability

Since the start of 2018, we have significantly changed the leadership team to assemble a group of people who have strong track records in the Retail and Consumer industries. In addition to the senior leadership team, we have also built management depth within the business. There have been close to 200 middle-management new hires since 2018. In addition, over 80% of senior managers have taken new or expanded responsibilities.

The result of the strengthening of our capabilities has driven a significantly different way of working and seen a significant improvement in our ability to collaborate across functions, banners and regions, which has led to successful execution of a number of improvement programmes. We plan to change our Store Support Centre to an open plan environment to facilitate better collaboration.

We are taking a proactive approach towards nurturing younger talent within the organisation and collaborating more closely with the Jardine Matheson Group. Graduates of the Jardine Executive Trainee programme have taken opportunities in key areas of the business including commercial operations, merchandising, digital and finance management. We are also working more closely with Jardines in developing a pipeline of junior talent and graduate trainees.

We now have the ability to drive considerable changes necessary to not only improve Dairy Farm's performance but to transform the business to a modern-day retailer focused on delivering what customers want, where and how they want it.

5) Driving Digital Innovation

Retail is rapidly changing and Dairy Farm has historically been slow to respond to the pace of digital change.

Since the appointment of our Chief Digital Officer and Chief Technology Officer in the fourth quarter of 2018, a significant review of the previous ad-hoc programmes has been undertaken. Focus and discipline in our IT investments has been enhanced and we are confident that returns on our IT investments will improve over the coming years.

We have now successfully consolidated our IT systems in Singapore by introducing SAP and removing a significant number of legacy systems.

We have invested in e-commerce across both our Home Furnishings and Health and Beauty businesses. Enhanced website functionality supported growth for IKEA. In addition, we have invested in e-commerce infrastructure to support the growth of online sales for our Health and Beauty businesses. E-commerce for Guardian Singapore was relaunched in early 2020 with significant improvement in the customer experience. We expect these investments to support online sales growth for Mannings Hong Kong later in 2020.

Significant investments have also been made to enhance the Group's own digital data analytics capabilities, which will support the future growth of our businesses. In addition, progress is also being made in our partnerships with technology companies, which will support our digital transformation.

LEVERAGING SCALE

The key objective of our transformation is to leverage our expertise and scale more effectively across our countries and banners. This will be achieved by operating more effectively as one company. While we fully recognise that there needs to be localisation of the offer and customer proposition at both a banner and a country level, we also believe there are significant opportunities for us to drive efficiency and lower costs through a more cohesive approach towards leveraging synergy and scale.

Improvement programmes have been a key area of focus to date and will continue to be in 2020 and beyond. We are continuing to make progress in improving consistency and lowering costs in areas such as Procurement, Category Management, People Development, Store Productivity, Supply Chain Optimisation and Business Process Re-engineering. At the store level, we have been working on a number of projects to improve the workflow for team members and remove unnecessary duplication of work. For example, auto-replenishment systems have been introduced into Mannings Hong Kong, which reduces the amount of manual labour required for store team members when re-ordering inventory. In addition, programmes to introduce new systems and processes to improve fresh food quality and lower waste are being implemented and have been introduced to over 300 stores across the company, which are also yielding significant cost savings. At the Store Support Centre level, we have also taken a more centralised approach across functions to leverage the scale of the organisation. As an example, we have taken a centralised approach to marketing by moving away from having different media agencies across each banner and country. This has yielded a 90% reduction in the number of agencies we use and considerable cost savings.

The Group is now adopting a more consistent approach to Own Brand. One example is with the launch of the Meadows brand in our Food businesses. The brand is common across markets and we are able to leverage its scale in common sourcing, as well as marketing. The number of SKUs brought to market has progressively increased with focus on increasing range over time. The value proposition is exceptional with high quality products introduced that are significantly cheaper than branded equivalent products, helping to support value-for-money in our store offer. In addition, customers can find Meadows branded products across multiple banners including our supermarkets and convenience stores. We are piloting other Own Brand development options across our Health and Beauty businesses and leveraging scale when opportunities arise.

IMPACTFUL GROWTH

As the business transforms there is a great opportunity to improve the Group's impact on the communities it serves, by demonstrating that Dairy Farm's business and commercial objectives are closely correlated with addressing societal challenges and by creating a consistent approach across our businesses to how they address those challenges. The Group is developing an enduring sustainable business architecture that is aligned with its corporate strategy and commercial ambitions. There is much work to do but the journey is underway to become a truly purpose-led business.

BUSINESS REVIEW

FOOD

FOOD – GROCERY RETAIL

Consistent with the Group's strategy of proactively managing our business portfolio, the Rustan Supercenters business was successfully integrated into Robinsons Retail in 2019. The Rustan deal as well as the execution of our store optimisation plan in Southeast Asia led to sales for the Grocery Retail unit reducing by 12% to US$5.2 billion. Operating profit, however, increased close to three-fold to US$63 million, compared to US$22 million reported in 2018. The improvement in performance was driven by Southeast Asia, as we continue to execute towards our multi-year transformation plan, with the space optimisation plan also yielding benefits.

Sales in Hong Kong and Macau were ahead of the prior year. While the social unrest in Hong Kong did disrupt trading, Wellcome's like-for-like sales grew as customers shifted towards eating at home. Underlying profitability improvements have been encouraging as we start to enhance efficiency across the business despite some cost pressures.

Reported profitability was impacted by ongoing investments in people and capabilities. Our price reinvestment campaign in Taiwan led to improved performance in the second half, despite the market backdrop of weak sentiment and fierce competition.

The divestment of the Rustan Supercenters business as well as the Southeast Asian space optimisation plan impacted our reported sales for Southeast Asia Grocery Retail.

However, the space optimisation initiatives as well as improvements in format and range are delivering some encouraging results, particularly in our upscale and smaller format stores. Ongoing success in executing against our transformation plan supported profit growth for the Southeast Asian grocery businesses in 2019.

FOOD – CONVENIENCE

Convenience sales increased 4% to US$2.2 billion, driven by new store growth and strong like-for-like sales in China. Underlying profit performance for the Division was pleasing. Investments into the growth of our China business, however, as well as the non-recurrence of some one-off factors which positively impacted profit in 2018 led to reported profits for the Division reducing by US$6 million to US$82 million.

HEALTH AND BEAUTY

Sales for our Health and Beauty Division benefitted from strong revenue and like-for-like sales growth in our Guardian business in Southeast Asia. Improvements in the customer range, particularly in the Beauty category, as well as investments in store fitout supported sales growth. Like-for-like sales for both China and Macau also improved over the course of the year as we continued to improve the customer offer. However, these positives were offset by the impact that the social unrest in Hong Kong has had on Mannings, with the business seeing decline in foot traffic both from visitors to Hong Kong and local customers.

Reported sales for our Health and Beauty Division were US$3.1 billion in 2019, ahead of 2018, supported by the consolidation of Rose Pharmacy.

Diversity in our business geography mix saw robust profit growth by Guardian Indonesia, Malaysia and Singapore partially offset challenging trading conditions which impacted Mannings Hong Kong. The good performance of our Southeast Asia business was driven by strong sales growth as well as better mark-down management. Overall, operating profit for the Division reduced 11% to US$296 million.

In the Philippines, Rose Pharmacy's profitability also improved materially. The acquisition of the remaining 51% interest in the business in late 2018 allowed the Group to accelerate growth in new stores as well as investment into Own Brands, with financial performance improving as a result.

We continued to improve the customer offer throughout the Health and Beauty Division. Some examples include the relaunched Mannings cross-border e-commerce offering through a WeChat mini program, with a significant increase in range and Guardian Singapore's exclusive partnership with leading Korean health and beauty retailer Olive Young.

We are also beginning to leverage the strong brands that we have within our Health and Beauty portfolio, with the introduction of Mannings Own Brand into almost 450 Yonghui stores across China, as well as Wellcome Taiwan stores.

HOME FURNISHINGS

We continued to invest in the future growth of our Home Furnishings business in 2019. Sales grew 6% to a record US$766 million. Taiwan and Indonesia both reported strong sales growth, with two new store openings. In addition, e-commerce growth was also strong across all markets with investments made to support website functionality. Like-for-like sales in Hong Kong, however, were impacted in the second half by the social unrest.

The IKEA team continues to innovate from the perspective of store format with the conversion of the Giant hypermarket in Sentul, Indonesia to an IKEA store, a good example of taking a holistic view to space optimisation. The store was opened in November, only five months after handover and was the fastest ever IKEA store opening in history and the first ever hypermarket conversion. Performance for the store since opening has been pleasing. IKEA also introduced a pick-up point format in Bandung, Indonesia in September 2019, a year ahead of the official store opening in 2020.

Our investments into new stores, higher cost of goods as well as currency fluctuations impacted operating profits in the short-term. However, we remain confident in the future prospects of IKEA across the region. Our first store in Macau will open in the first half of 2020. In addition to a new store opened in Southern Taipei in 2019, good progress has been made with new store projects in Taiwan as well as in Indonesia, which are anticipated to open in 2020. Our strategic plans to meet the demands of the growing middle-income consumer involve opening traditional and new IKEA formats.

RESTAURANTS

Maxim's reported 4% growth in sales to US$2.7 billion. The acquisition of Starbucks franchise in Thailand through a 64%-owned joint venture in May supported sales growth for the year. A portfolio of over 370 retail outlets was acquired as part of the deal. After this acquisition, Maxim's has now secured the Starbucks franchise in six markets.

Profitability, however, was impacted significantly by the social unrest in Hong Kong, with disruptions caused to restaurants and shops, as well as reduction in foot traffic. Mooncake sales performance did continue to grow in 2019.

It was another successful year for the introduction of new concepts, with expansion of the Shake Shack franchise into China. Shake Shack is expected to expand into Macau in 2020. Maxim's also launched The Cheesecake Factory in Macau in 2019, with one opening in the heart of the Cotai area.

In addition to the Starbucks Thailand acquisition, Maxim's continues to diversify its business in Southeast Asia, as well as growing its Starbucks business in the region. The Genki Sushi franchise is also being expanded in Thailand, Singapore and Malaysia.

OTHER ASSOCIATES

Yonghui delivered strong sales growth in the year, driven largely by store openings, while also achieving positive like-for-like sales. Underlying profit growth was strong due to the partial sell-down of the investment in the Yunchuang digital business as well as lower cost from employee share incentive expenses.

Reported profitability for Robinsons Retail in 2019 was also impacted by the adoption of IFRS 16 as its profits in 2018 were not adjusted for the new lease accounting standard. Underlying profit before interest, tax, depreciation and amortisation increased by double-digit percentage.

YEAR AHEAD

The Dairy Farm transformation remains on track. Our efforts over the past two years to enhance capability, change the way in which we operate, to address underlying business challenges previously neglected and to focus on consistently improving retail basics across our business are all combining to enhance Dairy Farm's prospects for the future. This cultural change to drive Standardisation, Synergy and Scale is now integrated into our way of working.

We also benefit from the diversity of our portfolio, not only in terms of retail sector, format and geographical spread, but also in the balance between Dairy Farm managed businesses and Dairy Farm invested businesses. While we have seen some businesses with a Hong Kong bias adversely impacted in their 2019 performance, others have seen performance improve, most notably in Southeast Asia where our turnaround plans are beginning to bear fruit. In addition, the integration of our Rustan business into Robinsons Retail has proved to be a successful financial investment decision in its first year.

We are not ignoring the current short-term challenges and have been pro-active in adapting to a changing operating environment, seeking to optimise our current trading position in difficult circumstances. However, the diversity of our portfolio does provide the Group with greater resilience when facing external market uncertainties such as the events of 2019 and the current COVID-19 challenges of 2020.

All sustainable business transformations take time to execute and we are still in the early stages of that transformation. Nonetheless, we are encouraged by our underlying progress to date, remain resolute in our confidence in our turnaround plan and are grateful for the determination and effort of all our team members across Dairy Farm in their personal hard work to make a sustainable performance difference over time, both for our shareholders and most importantly, our customers.

Ian McLeod
Group Chief Executive

Dairy Farm International Holdings Limited
Consolidated Profit and Loss Account
for the year ended 31st December 2019

	2019 Underlying business performance **US$m**	**2019** Non-trading items **US$m**	**2019** Total **US$m**	2018 Underlying business performance US$m restated	2018 Non-trading items US$m restated	2018 Total US$m restated
Sales *(note 2)*	**11,192.3**	**-**	**11,192.3**	11,749.3	-	11,749.3
Cost of sales	**(7,658.5)**	**-**	**(7,658.5)**	(8,100.5)	-	(8,100.5)
Gross margin	**3,533.8**	**-**	**3,533.8**	3,648.8	-	3,648.8
Other operating income *(note 3)*	**189.8**	**19.3**	**209.1**	194.9	207.0	401.9
Selling and distribution costs	**(2,700.7)**	**-**	**(2,700.7)**	(2,806.4)	-	(2,806.4)
Administration and other operating expenses	**(586.4)**	**(30.2)**	**(616.6)**	(531.7)	(495.9)	(1,027.6)
Operating profit *(note 4)*	**436.5**	**(10.9)**	**425.6**	505.6	(288.9)	216.7
Financing charges	**(164.9)**	**-**	**(164.9)**	(171.7)	-	(171.7)
Financing income	**6.7**	**-**	**6.7**	5.1	-	5.1
Net financing charges	**(158.2)**	**-**	**(158.2)**	(166.6)	-	(166.6)
Share of results of associates and joint ventures *(note 5)*	**114.9**	**11.4**	**126.3**	112.8	1.2	114.0
Profit before tax	**393.2**	**0.5**	**393.7**	451.8	(287.7)	164.1
Tax *(note 6)*	**(69.5)**	**0.8**	**(68.7)**	(93.8)	(2.8)	(96.6)
Profit after tax	**323.7**	**1.3**	**325.0**	358.0	(290.5)	67.5
Attributable to:						
Shareholders of the Company	**320.9**	**2.9**	**323.8**	358.2	(273.4)	84.8
Non-controlling interests	**2.8**	**(1.6)**	**1.2**	(0.2)	(17.1)	(17.3)
	323.7	**1.3**	**325.0**	358.0	(290.5)	67.5
	US¢		**US¢**	US¢		US¢
Earnings per share *(note 7)*						
- basic	**23.72**		**23.93**	26.48		6.27
- diluted	**23.71**		**23.92**	26.47		6.27

Dairy Farm International Holdings Limited
Consolidated Statement of Comprehensive Income
for the year ended 31st December 2019

	2019 US$m	2018 US$m restated
Profit for the year	**325.0**	67.5
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans	**15.9**	(12.0)
Tax relating to items that will not be reclassified	**(2.4)**	2.2
	13.5	(9.8)
Share of other comprehensive income of associates and joint ventures	**0.7**	0.9
	14.2	(8.9)
Items that may be reclassified subsequently to profit or loss:		
Net exchange translation differences		
- net gain/(loss) arising during the year	**25.5**	(91.1)
- transfer to profit and loss	**3.4**	45.2
	28.9	(45.9)
Cash flow hedges		
- net (loss)/gain arising during the year	**(2.6)**	3.1
- transfer to profit and loss	**(5.5)**	1.8
	(8.1)	4.9
Tax relating to items that may be reclassified	**1.6**	(1.0)
Share of other comprehensive income of associates and joint ventures	**2.8**	-
	25.2	(42.0)
Other comprehensive income/(expense) for the year, net of tax	**39.4**	(50.9)
Total comprehensive income for the year	**364.4**	16.6
Attributable to:		
Shareholders of the Company	**362.1**	37.1
Non-controlling interests	**2.3**	(20.5)
	364.4	16.6

Dairy Farm International Holdings Limited
Consolidated Balance Sheet
at 31st December 2019

	At 31st December **2019** **US$m**	2018 US$m restated	At 1st January 2018 US$m restated
Net operating assets			
Intangible assets	**589.2**	571.0	707.9
Tangible assets	**820.2**	756.6	1,086.7
Right-of-use assets	**3,186.3**	3,430.9	3,646.1
Associates and joint ventures	**2,101.9**	2,030.9	1,582.2
Other investments	**6.8**	7.4	6.9
Non-current debtors	**142.4**	151.3	113.8
Deferred tax assets	**18.2**	14.4	26.4
Non-current assets	**6,865.0**	6,962.5	7,170.0
Stocks	**896.1**	913.1	950.0
Current debtors	**281.3**	326.0	345.2
Current tax assets	**26.1**	35.2	27.1
Cash and bank balances	**301.4**	296.2	332.4
	1,504.9	1,570.5	1,654.7
Assets classified as held for sale	**-**	-	11.2
Current assets	**1,504.9**	1,570.5	1,665.9
Current creditors	**(2,315.4)**	(2,364.4)	(2,429.6)
Current borrowings	**(938.2)**	(1,025.7)	(412.7)
Current lease liabilities	**(728.3)**	(736.1)	(710.6)
Current tax liabilities	**(126.5)**	(84.3)	(71.6)
Current provisions	**(56.0)**	(84.2)	(61.2)
	(4,164.4)	(4,294.7)	(3,685.7)
Liabilities directly associated with assets classified as held for sale	**-**	-	(6.2)
Current liabilities	**(4,164.4)**	(4,294.7)	(3,691.9)
Net current liabilities	**(2,659.5)**	(2,724.2)	(2,026.0)
Long-term borrowings	**(184.0)**	(14.5)	(522.0)
Non-current lease liabilities	**(2,577.5)**	(2,816.5)	(2,944.0)
Deferred tax liabilities	**(34.9)**	(23.4)	(41.3)
Pension liabilities	**(31.3)**	(47.6)	(34.2)
Non-current creditors	**(13.2)**	(39.7)	(42.7)
Non-current provisions	**(125.1)**	(134.7)	(129.4)
Non-current liabilities	**(2,966.0)**	(3,076.4)	(3,713.6)
	1,239.5	1,161.9	1,430.4

(Consolidated Balance Sheet continued on page 24)

Dairy Farm International Holdings Limited
Consolidated Balance Sheet *(continued)*
at 31st December 2019

	At 31st December		At 1st January
	2019	2018	2018
	US$m	US$m	US$m
		restated	restated
Total equity			
Share capital	**75.1**	75.1	75.1
Share premium and capital reserves	**59.2**	58.3	57.9
Revenue and other reserves	**1,074.9**	993.0	1,238.1
Shareholders' funds	**1,209.2**	1,126.4	1,371.1
Non-controlling interests	**30.3**	35.5	59.3
	1,239.5	1,161.9	1,430.4

Dairy Farm International Holdings Limited
Consolidated Statement of Changes in Equity
for the year ended 31st December 2019

	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**
2019							
At 1st January							
- as previously reported	75.1	33.9	24.4	1,313.6	1,447.0	43.9	**1,490.9**
- change in accounting policy *(note 1)*	-	-	-	(320.6)	(320.6)	(8.4)	**(329.0)**
- as restated	75.1	33.9	24.4	993.0	1,126.4	35.5	**1,161.9**
Total comprehensive income	-	-	-	362.1	362.1	2.3	**364.4**
Dividends paid by the Company *(note 9)*	-	-	-	(284.0)	(284.0)	-	**(284.0)**
Unclaimed dividends forfeited	-	-	-	0.1	0.1	-	**0.1**
Share-based long-term incentive plans	-	-	0.9	-	0.9	-	**0.9**
Change in interests in subsidiaries	-	-	-	0.8	0.8	(7.5)	**(6.7)**
Change in interests in associates and joint ventures	-	-	-	2.9	2.9	-	**2.9**
Transfer	-	0.2	(0.2)	-	-	-	**-**
At 31st December	**75.1**	**34.1**	**25.1**	**1,074.9**	**1,209.2**	**30.3**	**1,239.5**
2018							
At 1st January							
- as previously reported	75.1	33.1	24.8	1,557.0	1,690.0	65.7	1,755.7
- change in accounting policy *(note 1)*	-	-	-	(318.9)	(318.9)	(6.4)	(325.3)
- as restated	75.1	33.1	24.8	1,238.1	1,371.1	59.3	1,430.4
Total comprehensive income	-	-	-	37.1	37.1	(20.5)	16.6
Dividends paid by the Company *(note 9)*	-	-	-	(284.0)	(284.0)	-	(284.0)
Dividends paid to non-controlling interests	-	-	-	-	-	(0.2)	(0.2)
Unclaimed dividends forfeited	-	-	-	0.4	0.4	-	0.4
Share-based long-term incentive plans	-	-	0.4	-	0.4	-	0.4
Change in interests in subsidiaries	-	-	-	(0.4)	(0.4)	(3.1)	(3.5)
Change in interests in associates and joint ventures	-	-	-	1.8	1.8	-	1.8
Transfer	-	0.8	(0.8)	-	-	-	-
At 31st December	75.1	33.9	24.4	993.0	1,126.4	35.5	1,161.9

Revenue and other reserves at 31st December 2019 comprised revenue reserves of US$1,388.5 million *(2018: US$1,330.6 million)*, hedging reserves of US$0.7 million *(2018: US$4.3 million)* and exchange reserves of US$314.3 million loss *(2018: US$341.9 million loss)*.

Dairy Farm International Holdings Limited
Consolidated Cash Flow Statement
for the year ended 31st December 2019

	2019 US$m	2018 US$m restated
Operating activities		
Operating profit *(note 4)*	**425.6**	216.7
Depreciation and amortisation	**1,002.2**	1,101.3
Other non-cash items	**33.2**	326.7
Increase in working capital	**(76.7)**	(20.5)
Interest received	**7.1**	3.9
Interest and other financing charges paid	**(166.7)**	(168.2)
Tax paid	**(25.1)**	(96.0)
	1,199.6	1,363.9
Dividends from associates and joint ventures	**88.5**	94.2
Cash flows from operating activities	**1,288.1**	1,458.1
Investing activities		
Purchase of subsidiaries *(note 10(a))*	**(2.6)**	(54.6)
Purchase of associates and joint ventures *(note 10(b))*	**(3.8)**	(223.1)
Purchase of intangible assets	**(53.2)**	(33.2)
Purchase of tangible assets	**(233.3)**	(222.6)
Additions to right-of-use assets	**(18.4)**	(0.3)
Sale of subsidiaries *(note 10(c))*	**-**	(1.6)
Sale of properties *(note 10(d))*	**22.6**	32.6
Sale of tangible assets	**5.7**	1.9
Cash flows from investing activities	**(283.0)**	(500.9)
Financing activities		
Change in interests in subsidiaries *(note 10(e))*	**(6.7)**	(3.5)
Drawdown of borrowings	**1,778.4**	998.2
Repayment of borrowings	**(1,662.6)**	(963.6)
Net (decrease)/increase in other short-term borrowings	**(42.4)**	67.1
Principal elements of lease payments	**(790.3)**	(814.7)
Dividends paid by the Company *(note 9)*	**(284.0)**	(284.0)
Dividends paid to non-controlling interests	**-**	(0.2)
Cash flows from financing activities	**(1,007.6)**	(1,000.7)
Net decrease in cash and cash equivalents	**(2.5)**	(43.5)
Cash and cash equivalents at 1st January	**284.5**	334.5
Effect of exchange rate changes	**6.3**	(6.5)
Cash and cash equivalents at 31st December *(note 10(f))*	**288.3**	284.5

Dairy Farm International Holdings Limited
Notes

1. Accounting Policies and Basis of Preparation

The financial information contained in this announcement has been based on the audited results for the year ended 31st December 2019 which have been prepared in conformity with International Financial Reporting Standards ('IFRS'), including International Accounting Standards ('IAS') and Interpretations adopted by the International Accounting Standards Board.

The Group has adopted IFRS 16 'Leases' from 1st January 2019. Other amendments or interpretations, which are effective in 2019 and relevant to the Group's operations, do not have a significant effect on the Group's accounting policies.

The Group has elected to early adopt the 'Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7' (effective 1st January 2020) in relation to hedge accounting for the Group's annual reporting period commencing 1st January 2019. In accordance with the transition provisions, the amendments have been adopted retrospectively with respect to hedging relationships that existed at the start of the reporting period or were designated thereafter. The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships which are directly affected by the uncertainty arising from the reforms and replacement of existing benchmark interest rates such as LIBOR and other inter-bank offered rates ('IBOR reform'). The forthcoming IBOR reform may take effect at different times and may have a different impact on the hedged items (the fixed and floating rate borrowings) and the hedging instruments (the interest rate swaps and cross currency swaps used to hedge the borrowings). The reliefs have the effect that the IBOR reform should not generally cause hedge accounting to terminate. The reliefs under the amendments will end when the uncertainty arising from the IBOR reform are no longer present; or the hedging relationship is discontinued. Early adoption of these amendments has no impact on the Group's consolidated financial statements for 2019.

Apart from the above, the Group has not early adopted any other standard, interpretation or amendments that have been issued but not yet effective.

Changes in principal accounting policies

IFRS 16 'Leases' replaces IAS 17 'Leases' and related interpretations, and introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. The distinction between operating and finance leases is removed for lessee accounting, and is replaced by a model where a lease liability and a corresponding right-of-use asset have to be recognised on the balance sheet for almost all leases by the lessees, except for leases with a term ending within 12 months or low-value assets. The Group's recognised right-of-use assets primarily relate to property leases, which are entered into for use as retail stores, distribution centres and offices. IFRS 16 affects primarily the Group's accounting for lessees while the accounting for lessors does not change significantly.

1. Accounting Policies and Basis of Preparation *(continued)*

Changes in principal accounting policies (continued)

Prior to 2019, payments made under operating leases were charged to profit and loss on a straight-line basis over the period of the lease. Upon the adoption of IFRS 16, each lease payment is allocated between settlement of the lease liability and finance cost. The finance cost is charged to profit and loss over the lease period using the effective interest rate method. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

In addition, leasehold land which represents payments to third parties to acquire interests in property, previously included in intangible assets and tangible assets, is now presented under right-of-use assets. Leasehold land is amortised over the useful life of the lease, which includes the renewal period if the lease is likely to be renewed by the Group without significant cost.

Changes to accounting policies on adoption of IFRS 16 have been applied retrospectively, and the comparative financial statements have been restated.

1. Accounting Policies and Basis of Preparation *(continued)*

The effects of adopting IFRS 16

(a) On the consolidated profit and loss account for the year ended 31st December 2018:

	Increase/(decrease) in profit US$m
Other operating income	25.8
Selling and distribution costs	70.3
Administration and other operating expenses	41.7
Net financing charges	(133.9)
Share of results of associates and joint ventures	(18.8)
Profit before tax	(14.9)
Tax	4.8
Profit after tax	(10.1)
Attributable to:	
Shareholders of the Company*	(7.2)
Non-controlling interests	(2.9)
	(10.1)
* Further analysed as:	
Underlying profit attributable to shareholders	(66.1)
Non-trading items	58.9
Profit attributable to shareholders	(7.2)
	US¢
Basic underlying earnings per share	(4.89)
Diluted underlying earnings per share	(4.89)
Basic earnings per share	(0.53)
Diluted earnings per share	(0.53)

1. Accounting Policies and Basis of Preparation *(continued)*

(b) On the consolidated statement of comprehensive income for the year ended 31st December 2018:

	Increase/(decrease) in total comprehensive income US$m
Profit for the year	(10.1)
Other comprehensive income	
Items that may be reclassified subsequently to profit or loss:	
Net exchange translation differences	
- net loss arising during the year	7.9
- transfer to profit and loss	(1.5)
Other comprehensive expense for the year, net of tax	6.4
Total comprehensive income for the year	(3.7)
Attributable to:	
Shareholders of the Company	(1.3)
Non-controlling interests	(2.4)
	(3.7)

1. Accounting Policies and Basis of Preparation *(continued)*

(c) On the consolidated balance sheet at 1st January:

	Increase/(decrease) 2019 US$m	2018 US$m
Net operating assets		
Intangible assets	(95.7)	(106.8)
Tangible assets	(91.4)	(97.5)
Right-of-use assets	3,430.9	3,646.1
Associates and joint ventures	(36.0)	(18.8)
Non-current debtors	(9.0)	(48.8)
Deferred tax assets	(9.4)	-
Non-current assets	3,189.4	3,374.2
Current debtors	(46.0)	(5.5)
Current assets	(46.0)	(5.5)
Current creditors	34.2	39.9
Current lease liabilities	(736.1)	(710.6)
Current provisions	19.9	(8.7)
Current liabilities	(682.0)	(679.4)
Net current liabilities	(728.0)	(684.9)
Non-current lease liabilities	(2,816.5)	(2,944.0)
Deferred tax liabilities	35.2	21.4
Non-current provisions	(9.1)	(92.0)
Non-current liabilities	(2,790.4)	(3,014.6)
	(329.0)	(325.3)
Total equity		
Revenue and other reserves	(320.6)	(318.9)
Shareholders' funds	(320.6)	(318.9)
Non-controlling interests	(8.4)	(6.4)
	(329.0)	(325.3)

1. Accounting Policies and Basis of Preparation *(continued)*

(d) On the consolidated cash flow statement for the year ended 31st December 2018:

	Inflows/(outflows) US$m
Operating activities	
Operating profit	137.8
Depreciation and amortisation	872.2
Other non-cash items	(60.0)
Increase in working capital	(1.4)
Interest and other financing charges paid	(133.9)
	814.7
Investing activities	
Purchase of tangible assets	0.3
Additions to right-of-use assets	(0.3)
	-
Financing activities	
Principal elements of lease payments	(814.7)
	(814.7)
Net change in cash and cash equivalents	-

(e) Changes in principal accounting policies on adoption of IFRS 16

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.

1. Accounting Policies and Basis of Preparation *(continued)*

   (e) Changes in principal accounting policies on adoption of IFRS 16 *(continued)*

   As a lessee, the Group enters into property leases for use as retail stores, distribution centres and offices. 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. Right-of-use assets are depreciated using the straight-line method over the shorter of their estimated useful lives and the lease terms.

   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 by the Group without significant cost.

   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. The lease payments also include the exercise price of a purchase option 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.

   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 rate 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 or loss if the carrying amount of right-of-use asset has been reduced to zero.

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1. Accounting Policies and Basis of Preparation *(continued)*

(e) Changes in principal accounting policies on adoption of IFRS 16 *(continued)*

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets (i.e. US$5,000 or less) and short-term leases. Low-value assets comprised 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 within 12 months from the balance sheet date.

(f) Critical accounting estimates and judgements

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 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 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 country where it is located.

Lease payments to be made during the lease term will be included in the measurement of a lease liability. 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.

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 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.

2. Sales

	Including associates and joint ventures		Subsidiaries	
	2019	2018	**2019**	2018
	US$m	US$m	**US$m**	US$m
Analysis by operating segment:				
Food	**19,907.3**	15,424.7	**7,375.6**	7,992.2
- Grocery retail	**17,603.4**	13,320.6	**5,190.2**	5,888.1
- Convenience stores	**2,303.9**	2,104.1	**2,185.4**	2,104.1
Health and Beauty	**3,400.8**	3,225.7	**3,051.0**	3,035.8
Home Furnishings	**765.7**	721.3	**765.7**	721.3
Restaurants	**2,701.2**	2,585.5	**-**	-
Other Retailing	**890.0**	-	**-**	-
	27,665.0	21,957.2	**11,192.3**	11,749.3

Sales including associates and joint ventures comprise 100% of sales from associates and joint ventures.

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board for the purpose of resource allocation and performance assessment. Dairy Farm operates in five segments: Food, Health and Beauty, Home Furnishings, Restaurants and Other Retailing. Food comprises grocery retail and convenience store businesses (including the Group's associate, Yonghui, a leading grocery retailer in mainland China). Health and Beauty comprises the health and beauty businesses. Home Furnishings is the Group's IKEA businesses. Restaurants is the Group's catering associate, Maxim's, a leading Hong Kong restaurant chain. Other Retailing represents the department stores, specialty and Do-It-Yourself ('DIY') stores of the Group's newly acquired Philippines associate, Robinsons Retail.

Sales and share of results of Yonghui represent 12 months from October 2018 to September 2019 based on their latest published announcement *(2018: nine months from January to September 2018)* and that of Robinsons Retail represent 11 months from the date of acquisition, November 2018 to September 2019 based on their latest published announcement *(note 5)*.

2. Sales *(continued)*

Set out below is an analysis of the Group's sales by geographical locations:

	Including associates and joint ventures		Subsidiaries	
	2019 US$m	2018 US$m	**2019 US$m**	2018 US$m
Analysis by geographical area:				
North Asia	**20,560.3**	17,254.1	**7,339.5**	7,422.4
Southeast Asia	**7,104.7**	4,703.1	**3,852.8**	4,326.9
	27,665.0	21,957.2	**11,192.3**	11,749.3

The geographical areas covering North Asia and Southeast Asia, are determined by the geographical location of customers. North Asia comprises Hong Kong, mainland China, Macau and Taiwan. Southeast Asia comprises Singapore, Cambodia, the Philippines, Thailand, Malaysia, Indonesia, Vietnam and Brunei.

3. Other Operating Income

	2019 US$m	2018 US$m
Concession and service income	**159.3**	159.9
Rental income from properties	**23.3**	27.7
Profit on sale of businesses and properties	**15.7**	206.5
Adjustment to deferred consideration for acquisition of a subsidiary	**3.6**	-
Fair value gain on equity investments	**-**	0.5
Net foreign exchange gains and others	**7.2**	7.3
	209.1	401.9

4. Operating Profit

	2019 US$m	2018 US$m
Analysis by operating segment:		
Food	**145.1**	110.2
- Grocery retail	**63.1**	22.3
- Convenience stores	**82.0**	87.9
Health and Beauty	**295.5**	330.2
Home Furnishings	**42.7**	68.4
	483.3	508.8
Selling, general and administrative expenses	**(143.4)**	(103.0)
Underlying operating profit before adopting IFRS 16†	**339.9**	405.8
Effect of adopting IFRS 16	**96.6**	99.8
Underlying operating profit	**436.5**	505.6
Non-trading items:		
- business restructuring costs	**(15.6)**	(435.4)
- profit on sale of businesses and properties	**15.7**	206.5
- loss on reclassification of joint ventures as subsidiaries	**(13.9)**	(60.5)
- adjustment to deferred consideration for acquisition of a subsidiary	**3.6**	-
- fair value (loss)/gain on equity investments	**(0.7)**	0.5
	425.6	216.7

Set out below is an analysis of the Group's underlying operating profit by geographical locations:

	2019 US$m	2018 US$m
Analysis by geographical area:		
North Asia	**443.4**	513.7
Southeast Asia	**39.9**	(4.9)
	483.3	508.8
Selling, general and administrative expenses	**(143.4)**	(103.0)
Underlying operating profit before adopting IFRS 16†	**339.9**	405.8
Effect of adopting IFRS 16	**96.6**	99.8
Underlying operating profit	**436.5**	505.6

† Property lease payments and depreciation of reinstatement costs under the lease contracts were included in the Group's analysis of operating and geographical segments' results.

5. Share of Results of Associates and Joint Ventures

	2019* **US$m**	2018* US$m
Analysis by operating segment:		
Food	**40.9**	14.8
- Grocery retail	**40.7**	14.8
- Convenience stores	**0.2**	-
Health and Beauty	**(1.4)**	(5.3)
Restaurants	**82.1**	104.5
Other Retailing	**4.7**	-
	126.3	114.0

Share of results of associates and joint ventures included the following gains/(losses) from non-trading items *(note 8)*:

	2019 **US$m**	2018 US$m
Share of Yonghui's fair value (loss)/gain on equity investments	**(0.4)**	1.2
Share of net gains from partial divestment of subsidiaries by Yonghui	**11.8**	-
	11.4	1.2

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

* Included Yonghui's 12 months results from October 2018 to September 2019 *(2018: nine months from January to September 2018)* and Robinsons Retail's 11 months results from November 2018 to September 2019 *(note 2).*

6. Tax

	2019 **US$m**	2018 US$m
Tax charged to profit and loss is analysed as follows:		
Current tax	**(76.7)**	(102.1)
Deferred tax	**8.0**	5.5
	(68.7)	(96.6)
Tax relating to components of other comprehensive income is analysed as follows:		
Remeasurements of defined benefit plans	**(2.4)**	2.2
Cash flow hedges	**1.6**	(1.0)
	(0.8)	1.2

Tax on profits has been calculated at rates of taxation prevailing in the territories in which the Group operates. Share of tax charge of associates and joint ventures of US$30.7 million *(2018: US$29.0 million)* is included in share of results of associates and joint ventures.

7. Earnings per Share

Basic earnings per share are calculated on profit attributable to shareholders of US$323.8 million *(2018: US$84.8 million)*, and on the weighted average number of 1,352.7 million *(2018: 1,352.6 million)* shares in issue during the year.

Diluted earnings per share are calculated on profit attributable to shareholders of US$323.8 million *(2018: US$84.8 million)*, and on the weighted average number of 1,353.4 million *(2018: 1,353.4 million)* shares in issue after adjusting for 0.7 million *(2018: 0.8 million)* shares which are deemed to be issued for no consideration under the share-based long-term incentive plans based on the average share price during the year.

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

	2019			2018		
	US$m	Basic earnings per share **US¢**	Diluted earnings per share **US¢**	US$m	Basic earnings per share US¢	Diluted earnings per share US¢
Profit attributable to shareholders	**323.8**	**23.93**	**23.92**	84.8	6.27	6.27
Non-trading items *(note 8)*	**(2.9)**			273.4		
Underlying profit attributable to shareholders	**320.9**	**23.72**	**23.71**	358.2	26.48	26.47

8. 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 equity 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 and other investments; provisions for the closure of businesses; acquisition-related costs in business combinations; and other credits and charges of a non-recurring nature that require inclusion in order to provide additional insight into underlying business performance.

An analysis of non-trading items in operating profit and profit attributable to shareholders is set out below:

	Operating profit		Profit attributable to shareholders	
	2019 US$m	2018 US$m	**2019 US$m**	2018 US$m
Business restructuring costs	**(15.6)**	(435.4)	**(13.2)**	(421.1)
Profit on sale of businesses	**-**	178.3	**-**	178.3
Loss on reclassification of joint ventures as subsidiaries	**(13.9)**	(60.5)	**(13.9)**	(60.5)
Profit on sale of properties	**15.7**	28.2	**15.7**	28.2
Adjustment to deferred consideration for acquisition of a subsidiary	**3.6**	-	**3.6**	-
Share of net gains from partial divestment of subsidiaries by Yonghui	**-**	-	**11.8**	-
Others	**(0.7)**	0.5	**(1.1)**	1.7
	(10.9)	(288.9)	**2.9**	(273.4)

8. Non-trading Items *(continued)*

In August 2019, the Group acquired the remaining 70% shareholding in Jutaria Gemilang Sdn. Bhd. ('Jutaria') which resulted in a loss on deemed disposal of US$9.5 million. Following the acquisition, the Group disposed of its 30% economic interest to a third party at no consideration. Together with the full impairment charge on the goodwill arising from acquisition of US$4.4 million, a loss on reclassification of a joint venture as a subsidiary of US$13.9 million was charged to profit and loss *(note 10(a))*.

In 2018, the Group acquired the remaining 51% interest in Rose Pharmacy, Inc. ('Rose Pharmacy') in the Philippines from its joint venture partner and Rose Pharmacy became a wholly-owned subsidiary of the Group in December *(note 10(a))*. Upon the completion of the transaction, goodwill amounting to US$99.0 million was recognised, followed by a goodwill impairment charge amounting to US$15.3 million. Together with the loss on deemed disposal of Rose Pharmacy amounted to US$45.2 million, a loss on reclassification of a joint venture as a subsidiary of US$60.5 million was recorded.

Business restructuring costs in 2018 related to the Group's restructuring of its Southeast Asia Food business following the completion of a strategic review. The charges mainly comprised impairment charges on the carrying values of certain goodwill, tangible assets and right-of-use assets as well as business correction provisions which mainly represented expected payments to tenants and employees. In 2019, apart from certain balance of business restructuring costs incurred in Southeast Asia Food business, the management also decided to exit some stores in mainland China and the associated costs were charged to profit and loss.

Profit on sale of businesses in 2018 included US$169.6 million from the disposal of 100% interest in Rustan Supercenters, Inc. ('RSCI') under a partnership agreement with Robinsons Retail Holdings, Inc. ('Robinsons Retail'), and US$8.7 million from the disposal of 100% interest in Asia Investment and Supermarket Trading Company Limited ('AISTC') *(note 10(c))*.

9. Dividends

	2019 **US$m**	2018 US$m
Final dividend in respect of 2018 of US¢14.50 *(2017: US¢14.50)* per share	**196.1**	196.1
Interim dividend in respect of 2019 of US¢6.50 *(2018: US¢6.50)* per share	**87.9**	87.9
	284.0	284.0

A final dividend in respect of 2019 of US¢14.50 *(2018: US¢14.50)* per share amounting to a total of US$196.1 million *(2018: US$196.1 million)* is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the 2020 Annual General Meeting. This amount will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2020.

10. Notes to Consolidated Cash Flow Statement

(a) Purchase of subsidiaries

Net cash outflow for purchase of a subsidiary in 2019 represented US$2.6 million for acquisition of the remaining 70% shareholding in Jutaria which operates mini-marts in Malaysia. Goodwill, amounting to US$4.4 million arising from the acquisition, was fully impaired after the fair value review *(note 8)*. The fair values of the identifiable assets and liabilities at the acquisition date are provisional and will be finalised within one year after the acquisition date.

Sales and loss after tax since acquisition in respect of the subsidiary acquired during the year amounted to US$2.4 million and US$0.2 million, respectively. Had the acquisition occurred on 1st January 2019, consolidated sales and profit after tax for the year ended 31st December 2019 would have been US$11,194.7 million and US$324.8 million, respectively.

Net cash outflow in 2018 represented US$54.6 million for the acquisition in December of the remaining 51% interest in Rose Pharmacy which operate a health and beauty stores chain in the Philippines. Following the acquisition, Rose Pharmacy became a wholly-owned subsidiary of the Group *(note 8)*.

The fair values of the identifiable assets and liabilities of the subsidiary acquired during 2018 were finalised in 2019 with the final fair values not materially different from that of the provisional amounts.

(b) Purchase of associates and joint ventures in 2019 mainly related to capital injection of US$3.8 million in the Group’s business in Vietnam.

Purchases in 2018 mainly related to the acquisition of the 7.85% interest in Robinsons Retail at a total consideration of US$220.0 million and a capital injection of US$3.1 million in the Group’s business in Vietnam.

(c) Sale of subsidiaries

Sale of subsidiaries in 2018 related to the exchange of the Group’s interest in RSCI with Robinsons Retail with no cash consideration received, while the disposed cash and cash equivalents of RSCI and the associated transaction costs leading to a net cash outflow of US$8.0 million. Together with the net cash inflow of US$6.4 million from the disposal of the Group’s 100% interest in AISTC which operated a hypermarket in Vietnam, a total net cash outflow of US$1.6 million was recorded *(note 8)*.

(d) Sale of properties

Sale of properties in 2019 mainly related to disposal of a property in Singapore while the sale in 2018 included disposal of 14 properties in Singapore.

10. Notes to Consolidated Cash Flow Statement *(continued)*

(e) Change in interests in subsidiaries

In 2019, the Group acquired an additional 2.75% interest in PT Hero Supermarket Tbk for a total consideration of US$6.7 million. In 2018, an additional 1.29% interest was acquired for US$3.5 million.

(f) Analysis of balances of cash and cash equivalents

	2019 US$m	2018 US$m
Cash and bank balances	**301.4**	296.2
Bank overdrafts	**(13.1)**	(11.7)
	288.3	284.5

11. Capital Commitments and Contingent Liabilities

Total capital commitments at 31st December 2019 amounted to US$338.8 million *(2018: US$408.5 million).*

Various Group companies are involved in litigation arising in the ordinary course of their respective businesses.

The Group has tax litigation with the Hong Kong Inland Revenue Department relating to the tax treatment of intra-group royalties for the tax years from 2012/13 to 2014/15 and a dispute for the same subject matter from 2015/16 to 2019/20. The amount in dispute for the period from 2012/13 to 2019/20 is approximately US$100 million. The exposure, net of amounts provided, is estimated to be US$68 million. Having taken legal advice, the Directors are of the opinion that the Group has strong grounds to support its position.

Apart from the above, the Directors are of the opinion that adequate provisions have been made in the financial statements.

12. Related Party Transactions

The parent company of the Group is Jardine Strategic Holdings 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 JMH and certain of its subsidiaries, associates and joint ventures. The more significant of such transactions are described below.

Under the terms of a Management Services Agreement, the Group paid a management fee of US$1.6 million *(2018: US$0.4 million)* to Jardine Matheson Limited ('JML'), a wholly-owned subsidiary of JMH, based on 0.5% of the Group's profit attributable to shareholders in consideration for certain management consultancy services provided by JML. The Group also paid directors' fees of US$0.5 million in 2019 *(2018: US$0.5 million)* to JML.

The Group rents properties from Hongkong Land Holdings Limited ('HKL'), a subsidiary of JMH. The annual lease payments paid by the Group to HKL in 2019 were US$3.3 million *(2018: US$3.4 million)*. The Group's 50%-owned associate, Maxim's Caterers Limited ('Maxim's'), also paid annual lease payments of US$13.5 million *(2018: US$13.7 million)* to HKL in 2019.

The Group sources information technology infrastructure and related services from Jardine Technology Holdings Limited ('JTH'), a subsidiary of JMH. The total fees paid by the Group to JTH in 2019 amounted to US$11.4 million *(2018: US$10.5 million)*. Maxim's also paid total fees of US$8.3 million *(2018: US$6.4 million)* to JTH in 2019.

The Group also obtains repairs and maintenance services from Jardine Engineering Corporation ('JEC'), a subsidiary of JMH. The total fees paid by the Group to JEC in 2019 amounted to US$4.9 million *(2018: US$7.2 million)*.

Maxim's supplies ready-to-eat products at arm's length to certain subsidiaries of the Group. In 2019, these amounted to US$32.4 million *(2018: US$33.6 million)*.

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 debtors and creditors, as appropriate.

Dairy Farm International Holdings Limited
Principal Risks and Uncertainties

The Board has overall responsibility for risk management and internal control. The process by which the Group identifies and manages risk will be set out in more detail in the Corporate Governance section of the Company's 2019 Annual Report (the 'Report'). The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the Disclosure Guidance and Transparency Rules issued by the Financial Conduct Authority in the United Kingdom and are in addition to the matters referred to in the Chairman's Statement, the Group Chief Executive's Review and other parts of the Report.

Economic Risk
Most of the Group's businesses are exposed to the risk of negative developments in global and regional economies and financial markets, either directly or through the impact such developments might have on the Group's joint venture partners, associates, franchisors, bankers, suppliers or customers. These developments could include recession, inflation, deflation, 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. Such developments might increase operating costs, reduce revenues, lower asset values or result in some or all of the Group's businesses being unable to meet their strategic objectives.

Commercial Risk and Financial Risk
Risks are an integral part of normal commercial activities, and where practicable steps are taken to mitigate them. Risks can be more pronounced when businesses are operating in volatile markets. While the Group's regional diversification does help to mitigate some risks, a significant portion of the Group revenues and profits continue to be derived from our operations in Hong Kong.

A number of the Group's businesses make significant investment decisions in respect of developments or projects and these are subject to market risks. This is especially the case where projects are longer-term in nature and take more time to deliver returns.

The Group's businesses operate in areas that are highly competitive, and failure to compete effectively, whether in terms of price, product specification, technology, property site or levels of service or to adapt to changing consumer behaviours, including new shopping channels and formats, can have an adverse effect on earnings. Significant competitive pressure may also lead to reduced margins.

It is essential for the products and services provided by the Group's businesses to meet appropriate quality and safety standards and there is an associated risk if they do not, including the risk of damage to brand equity or reputation, which might adversely impact the ability to achieve acceptable revenues and profit margins.

While social media presents significant opportunities for the Group's businesses to connect with customers and the public, it also creates a whole new set of potential risks for companies to monitor, including damage to brand equity or reputation, which could affect the Group's profitability.

The steps taken by the Group to manage its exposure to financial risk will be set out in the Financial Review and in a note to the Financial Statements in the Report.

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Concessions, Franchises and Key Contracts
A number of the Group's businesses and projects are reliant on concessions, franchises, management or other key contracts. Cancellation, expiry or termination, or the renegotiation of any such concessions, franchises, management or other key contracts, could have an adverse effect on the financial condition and results of operations of certain subsidiaries, associates and joint ventures of the Group.

Regulatory and Political Risk
The Group's businesses are subject to a number of regulatory regimes in the territories in which they operate. Changes in such regimes, in relation to matters such as foreign ownership of assets and businesses, exchange controls, licensing, imports, planning controls, emission regulations, 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.

Terrorism, Pandemic and Natural Disasters
The Group's operations are vulnerable to the effects of terrorism, either directly through the impact of an act of terrorism or indirectly through the effect on the Group's businesses of generally reduced economic activity in response to the threat, or an actual act, of terrorism.

The Group businesses could be impacted by a global or regional pandemic which seriously affects economic activity or the ability of businesses to operate smoothly. In addition, many of the territories in which the Group operates can experience from time to time natural disasters such as earthquakes, volcanoes and typhoons.

Technology Risk
The Group has invested significantly in and is heavily reliant on its IT infrastructure and systems for the daily operation of its business. Any major disruption to the Group's IT systems could have a significant impact on operations. The ability to anticipate and adapt to technology advancements or threats is an additional risk that may also have an impact on the business.

Dairy Farm International Holdings Limited
Responsibility Statement

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

a. the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board; and

b. the sections of the Company's 2019 Annual Report, including the Chairman's Statement, Group Chief Executive's Review, Business Review and the Principal Risks and Uncertainties, which constitute the management report, include a fair review of all information required to be disclosed by the Disclosure Guidance and Transparency Rules 4.1.8 to 4.1.11 issued by the Financial Conduct Authority in the United Kingdom.

For and on behalf of the Board

Ian McLeod
Clem Constantine

Directors

The final dividend of US¢14.50 per share will be payable on 13th May 2020, subject to approval at the Annual General Meeting to be held on 6th May 2020, to shareholders on the register of members at the close of business on 20th March 2020. The shares will be quoted ex-dividend on 19th March 2020, and the share registers will be closed from 23rd to 27th March 2020, inclusive.

Shareholders will receive their cash dividends in United States Dollars, unless they are registered on the Jersey branch register, in which case they will have the option to elect for their dividends to be paid in Sterling. These shareholders may make new currency elections for the 2019 final dividend by notifying the United Kingdom transfer agent in writing by 24th April 2020. The Sterling equivalent of dividends declared in United States Dollars will be calculated by reference to a rate prevailing on 29th April 2020.

Shareholders holding their shares through CREST in the United Kingdom will receive their cash dividends in Sterling only as calculated above. Shareholders holding their shares through The Central Depository (Pte) Limited ('CDP') in Singapore will receive their cash dividends in United States Dollars unless they elect, through CDP, to receive Singapore Dollars.

Shareholders on the Singapore branch register who wish to deposit their shares into the CDP system by the dividend record date, being 20th March 2020, must submit the relevant documents to M & C Services Private Limited, the Singapore branch registrar, by no later than 5.00 p.m. (local time) on 19th March 2020.

Dairy Farm

Dairy Farm is a leading pan-Asian retailer. At 31st December 2019, the Group and its associates and joint ventures operated over 10,000 outlets and employed some 230,000 people. The Group had total annual sales in 2019 exceeding US$27 billion.

The Group provides quality and value to Asian consumers by offering leading brands, a compelling retail experience and great service; all delivered through a strong store network supported by efficient supply chains.

The Group operates under a number of well-known brands across five divisions. The principal brands are:

Food
- Grocery retail – Wellcome in Hong Kong and Taiwan; Yonghui in mainland China; Cold Storage in Malaysia and Singapore; Giant in Indonesia, Malaysia and Singapore; Hero in Indonesia; and Robinsons in the Philippines.
- Convenience stores – 7-Eleven in Hong Kong, Macau, Singapore and Southern China.

Health and Beauty
- Mannings in Greater China; Guardian in Brunei, Cambodia, Indonesia, Malaysia, Singapore and Vietnam; and Rose Pharmacy in the Philippines.

Home Furnishings
- IKEA in Hong Kong, Indonesia, Macau and Taiwan.

Restaurants
- Maxim's in Cambodia, mainland China, Hong Kong, Macau, Malaysia, Singapore, Thailand and Vietnam (directly and via various joint ventures or franchises).

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

Dairy Farm International Holdings Limited is incorporated in Bermuda and has a standard listing on the London Stock Exchange, with secondary listings in Bermuda and Singapore. The Group's businesses are managed from Hong Kong by Dairy Farm Management Services Limited through its regional offices. Dairy Farm is a member of the Jardine Matheson Group.

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Full text of the Preliminary Announcement of Results and the Preliminary Financial Statements for the year ended 31st December 2019 can be accessed through the Internet at www.dairyfarmgroup.com.