P R E S S R E L E A S E

Dairy Farm International Holdings Ltd
Jardine House, 33-35 Reid Street
Hamilton HM EX, Bermuda

To: Business Editor

3rd March 2016
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
2015 PRELIMINARY ANNOUNCEMENT OF RESULTS

Highlights

- Sales of continuing businesses up 5% in constant currency
- Underlying profit down 14% in challenging operating environment
- Investment in Yonghui Superstores and acquisition of San Miu
- Home Furnishings and Restaurants perform well
- Strong operating cash flows

"The current economic headwinds in Asia will continue to make trading conditions difficult for the Group's businesses in 2016. Despite this, the Group is continuing to invest in the development of its store network, supply chain infrastructure, IT systems and people to improve its competitive position. Dairy Farm's market-leading businesses, healthy balance sheet, and exposure to Asia's growth markets position it well for long-term success."

Ben Keswick
Chairman

Results

	Year ended 31st December		
	2015	2014	Change
	US$m	US$m	%
Sales			
- subsidiaries	**11,137**	11,008	+1
- including associates and joint ventures+	**17,907**	13,103	+37
Underlying profit attributable to shareholders*	**428**	500	–14
Profit attributable to shareholders	**424**	509	–17
	US¢	US¢	%
Underlying earnings per share*	**31.66**	36.98	–14
Basic earnings per share	**31.39**	37.65	–17
Dividends per share	**20.00**	23.00	–13

+ on a 100% basis.
* 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 1 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 final dividend of US¢13.50 per share will be payable on 11th May 2016, subject to approval at the Annual General Meeting to be held on 4th May 2016, to shareholders on the register of members at the close of business on 18th March 2016.

- more -

DAIRY FARM INTERNATIONAL HOLDINGS LIMITED

PRELIMINARY ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31ST DECEMBER 2015

OVERVIEW

Dairy Farm continued to pursue its long-term growth plans in 2015. Solid sales growth was achieved despite the regional economic slowdown, although some of this growth came at the expense of lower margins. The impact of the lower margins, together with adverse exchange rate movements, has led to lower operating profits. The Group completed a number of strategic moves, including the investment in a 20% stake in Yonghui Superstores in mainland China, the acquisition of the San Miu supermarket chain in Macau, and the required divestment of 30% of the ordinary shares in its food retail business in Malaysia.

PERFORMANCE

The Group's overall performance in 2015 was impacted by the challenging retail environment, with both the Food Division and the Health and Beauty Division reporting lower profits, although most key businesses achieved positive like-for-like sales growth. The Home Furnishings and Restaurants Divisions reported good increases in both sales and profits.

Sales including 100% of associates and joint ventures increased by 37% to US$17.9 billion, including contributions from Yonghui Superstores and San Miu from the respective dates of acquisition. Sales for continuing businesses in US dollar terms were flat at US$13.1 billion, although at constant rates of exchange they were up 5%. Underlying profit was US$428 million, 14% below 2014, while at constant rates of exchange it was down 13%. Underlying earnings per share were US¢31.66, down 14%.

The profit attributable to shareholders in 2015 of US$424 million, including a net non-trading item of US$4 million arising mainly from a provision for closure of the Starmart chain in Indonesia, was 17% behind 2014.

The Group's operating cash flow remained strong with a net inflow of US$700 million, US$24 million higher than in 2014 largely due to tight inventory management. Lower capital expenditure resulted in the free cash flow before investments being US$396 million, a 19% improvement over 2014. Net debt at the end of 2015 was US$482 million, compared with net cash of US$475 million at the prior year end due to the impact of investment activities, including a US$912 million investment in Yonghui Superstores.

In response to challenging trading conditions, the Board is recommending a reduced final dividend of US¢13.50 per share (US¢16.50 per share in 2014), giving a total dividend for 2015 of US¢20.00 per share.

BUSINESS DEVELOPMENTS

Increased emphasis was placed on strengthening the Group's market share in each format and on building consistent operating practices across different countries. Expansion of the store network continued in all formats, together with the renovation of existing stores to offer an improved shopping experience. The Group, including associates and joint ventures, added a net 427 stores in 2015, including its interest in 382 Yonghui stores in mainland China and 15 San Miu supermarkets in Macau. At 31st December 2015, the Group had 6,528 stores in operation in 11 countries and territories.

The operating environment for the Food Division was especially fragile in 2015. In the face of such headwinds, the performance in Greater China, including Hong Kong, was resilient. Profits in Singapore and Malaysia were lower in challenging trading conditions. The results in the Philippines showed improvement. Progress was made in developing the business in Indonesia, although margin investment, cost inflation and higher stock provisions continued to impact profitability.

The convenience store operations in Hong Kong and mainland China performed well, but in Singapore regulatory restrictions dampened sales performance and profitability.

In the Health and Beauty Division, Hong Kong and Macau had a good year and reported further growth in sales and profits despite the well-publicized slowdown in Mainland tourist arrivals. In Singapore, improved profits were achieved despite increased costs, but the overall results for the Division were held back by a disappointing performance in Malaysia.

In the Philippines, good progress was made on the integration of the Rose Pharmacy business. Further investments were made in the corporate brand programme and in renovating existing stores.

In Home Furnishings, the IKEA businesses had an outstanding year. Hong Kong and Taiwan traded well, while the first store in Indonesia performed ahead of expectations in its first full year following its opening in October 2014.

In the Restaurant Division, Maxim's delivered another good performance. Satisfactory sales and profits growth were reported in most of its segments. The company continued to expand a number of formats across mainland China and to grow its Starbucks operations in Hong Kong and Vietnam.

CORPORATE DEVELOPMENTS

In February, Dairy Farm met the local regulatory requirements in Malaysia with the divestment of 30% of the ordinary shares in its food retail business, GCH Malaysia.

The 15 store supermarket chain in Macau, San Miu, was acquired in March, reinforcing Dairy Farm's well-established retail presence in the territory. The integration of the business has been smooth and initial results have been promising.

In April, the Group completed the purchase of a 19.99% interest in Yonghui Superstores in mainland China following receipt of the required regulatory approvals. The Group is also soon to invest a further US$200 million in the company to maintain its interest following a proposed placement by Yonghui of a 10% shareholding to the Chinese internet retailer, JD.com.

In addition, the Group has established an on-line presence in Guardian Singapore, which is the first of several planned moves into e-commerce. Significant investment is being made in IT infrastructure and systems, as well as supply chain, to improve efficiency and to increase productivity. Investment is ongoing in existing stores to enhance the shopping experience and in building the people capability needed to support the Company's growth objectives.

PEOPLE

Dairy Farm's solid performance in 2015, in the face of significant market challenges, reflects the hard work and dedication of our employees. On behalf of the Board, I would like to thank them for their efforts and wish them well for the year ahead.

Giles White retired as a Director on 31st July 2015 and we would like to thank him for his significant contribution to the Board. Jeremy Parr joined the Board on 1st August 2015. James Riley is to step down from the Board on 31st March 2016 and be replaced by John Witt on 1st April 2016. We would also like to thank James for his significant contribution. Y. K. Pang will join the Board on 1st August 2016.

PROSPECTS

The current economic headwinds in Asia will continue to make trading conditions difficult for the Group's businesses in 2016. Despite this, the Group is continuing to invest in the development of its store network, supply chain infrastructure, IT systems and people to improve its competitive position. Dairy Farm's market-leading businesses, healthy balance sheet, and exposure to Asia's growth markets position it well for long-term success.

Ben Keswick
Chairman

GROUP CHIEF EXECUTIVE'S REVIEW

Dairy Farm is a leading Asian retailer and operates across four broad formats: Food (including Supermarkets, Hypermarkets and Convenience stores), Health and Beauty stores, Home Furnishings stores and Restaurants. The Group operates multiple formats in most markets to satisfy different market segments and trades under well recognized brands, such as Wellcome, Cold Storage, Giant, Hero, 7-Eleven, Mannings, Guardian, IKEA and Maxim's. Dairy Farm strives to bring to Asian consumers the benefits of modern retail practices and to pioneer new ideas which excite our customers.

The Group has strong market positions in 11 Asian countries and territories, and continues to make significant investment in support of these businesses. In addition to driving organic growth, the Group seeks further investment opportunities in current and new markets in Asia. This approach builds upon the Group's knowledge and expertise, as well as providing a good balance of risk and return. By combining our investment approach with a healthy balance sheet, Dairy Farm seeks sustained long-term earnings growth.

2015 PERFORMANCE

Sales, including 100% of associates and joint ventures, for continuing businesses in 2015 were flat at US$13.1 billion while at constant exchange rates were up by 5%. Including contributions from Yonghui and San Miu from their respective dates of acquisition, total sales increased by 37% to US$17.9 billion (2014: US$13.1 billion). Solid like-for-like sales growth was achieved in most of major businesses, but profitability was impacted by intense margin pressure and more challenging trading conditions. Underlying net profit for 2015 of US$428 million was 14% behind the prior year's US$500 million. At constant exchange rates, underlying profits would have been US$437 million, 13% lower than 2014.

Despite the profit decline, the Group's cash performance has been especially strong. Strict working capital management has helped year-on-year operating cash flows to improve by 4% to US$700 million. After capital expenditure, the Group's cash flows from operations have improved by 19% to US$396 million. As a result, the Company had consolidated net debt of US$482 million at year end, even after US$1.1 billion of investments in acquisitions including the 19.99% stake in Yonghui in mainland China and the 100% purchase of San Miu supermarkets in Macau.

The Group also achieved market share gains in most of its businesses. This has been a key priority for all Divisions as they strive to strengthen customer traffic and brand equity even in the face of tough market conditions.

Underlying profits in the Group's Food Division declined, due mainly to weaker performances in Indonesia and Singapore. Wellcome and 7-Eleven in Hong Kong traded well. Wellcome in Taiwan also delivered encouraging results with its targeted focus on upscale customers. In mainland China, 7-Eleven showed further improvement despite the market slowdown. In Singapore, further margin erosion resulted from higher labour costs and rents, soft consumer sentiment and a weaker Singapore dollar. Disappointing sales from newly opened Cold Storage stores and restrictions on alcohol sales, which had a particular impact on 7-Eleven, put further pressure on the results.

In Malaysia, the introduction of GST in April and weak consumer confidence dampened retail spending and profitability. Nevertheless, improved retail execution, assortment enhancements and tactical investments in margin to improve price perception have helped to maintain sales in a soft market. In the Philippines, the upscale and community supermarkets reported sales growth, while hypermarket sales were slightly positive. In Indonesia, profitability declined significantly as a result of higher labour costs, price investments to drive customer traffic and changes associated with more rigorous stock management. Results from PT Hero were also depressed by 12% with the weakening rupiah affecting the outcome on translation. Hero has agreed on the disposal of its Starmart chain.

In the Health and Beauty Division, Hong Kong and Macau performed well, despite the impact of declining Mainland tourist arrivals. Guardian in Singapore achieved encouraging improvement in both sales and profit performance. The Division's overall result was, however, held back by poorer results in Malaysia and Indonesia. Mannings in mainland China expanded further its footprint with the addition of 25 net new stores. Three new Mannings stores were opened in Cambodia, while Vietnam added 13 stores to its network. In the Philippines, the integration of Rose Pharmacy is well on track.

- more -

IKEA in Hong Kong and Taiwan reported pleasing like-for-like sales growth. A new pick up point in Tainan was opened to enhance convenience for customers in Southern Taiwan. The first IKEA store in Indonesia, which opened in October 2014, continued to perform ahead of expectations.

The Group's restaurant associate, Maxim's, delivered another year of solid results. Expansion of its Chinese casual dining restaurants and Japanese restaurants continue in mainland China. Maxim's opened 44 net new outlets during the year, including six in mainland China, six Starbucks outlets in Vietnam and the first Starbucks in Cambodia.

KEY DEVELOPMENTS

Dairy Farm strives to share know-how and find synergies across its businesses. Co-operation on supply chain, corporate brand, IT, human resources, financial policies and back office support is complemented by a culture which has been codified and shared across the Company. At the heart of these 'Pioneer' cultural values is a strategic priority to build strong 'consumer-pull' retail models in each of our businesses.

At the same time, the Group is working continually to build its presence across Greater China and Southeast Asia and to sharpen its portfolio of brands and businesses. In that context, key developments during 2015 were as follows:

- Divestment in February of 30% of the ordinary shares in the food retail business in Malaysia to meet local regulatory requirements.

- Acquisition in March of the 15 store Macau-based San Miu Supermarket Limited, which complements the existing 7-Eleven and Mannings operations in the territory.

- Acquisition in April of a 19.99% shareholding in Yonghui Superstores Company Limited, following receipt of required regulatory approvals. The Group also announced in August its plans to invest a further US$200 million in early 2016 so as to maintain its 19.99% interest following a placement by Yonghui of a 10% shareholding to JD.com.

- Addition of a net 427 stores during the year including its interest in 382 Yonghui stores in mainland China and 15 San Miu supermarkets in Macau, gave a total store count of 6,528 as at 31st December 2015.

- Maxim's completed the redevelopment of its new Maxim's Centre at Cheung Sha Wan in Hong Kong and celebrated the grand opening in November.

BUSINESS REVIEW

FOOD

Food (excluding Yonghui) reported US$8.2 billion in sales, a decrease of 2%, while operating profit declined by 21% to US$236 million principally driven by disappointing results for supermarkets and hypermarkets in Singapore and Indonesia. Importantly though, significant progress has been made on our key priority for the Food Division: - driving fresh participation through range and quality enhancements, increasing corporate brand penetration and improving the shopper experience in all of our stores.

FOOD – SUPERMARKETS/HYPERMARKETS

Supermarkets/Hypermarkets reported US$6.3 billion in sales (excluding Yonghui), a decrease of 3% (2014: US$6.5 billion) while operating profits declined by 24% to US$172 million.

In **Hong Kong**, despite a competitive trading environment and declining Mainland visitor traffic, Wellcome achieved gains in both sales and market share. In the face of steep increases in rental costs, profitability remained strong due to sales growth and prudent management of other costs. In 2015, the Group acquired and successfully integrated the San Miu supermarket business in **Macau,** which delivered a higher than expected profit contribution.

In **Taiwan**, Wellcome achieved excellent results with higher sales and profits. Category differentiation in dry goods and a strengthened fresh food offer helped improve sales in the Wellcome stores. The Group expanded the Jasons network from 12 to 18 stores during the year and developed a stand-alone Jasons format for residential areas.

In **Indonesia**, Giant supermarkets had a better year and produced double digit sales growth, while the Giant hypermarkets also grew. Hero supermarkets were steady. While overall margins improved, partly due to excellent growth in fresh food, earnings suffered from increases in labour costs, stock clearance activities and store rationalization.

The Group will continue to drive its price leadership position while enhancing its fresh food assortment, tightening retail disciplines and improving the shopping experience for customers in the stores. Particular attention is being focused on the cost structure and a more measured approach is being taken to new store expansion.

In **Malaysia**, the Group experienced a strong first quarter before the introduction of 6% GST on 1st April. Post-GST consumer apprehension, currency weakness, lower subsidies and political uncertainty brought consumer sentiment to its lowest point in ten years and negatively impacted sales in the remainder of the year. Although the market is expected to remain challenging in 2016, the Group is enhancing its product range, improving stock controls, broadening the fresh product offer and streamlining logistics and costs. An extensive training programme has been implemented to further enhance merchandise management.

In **the Philippines**, like-for-like growth was positive across all banners. The Group opened three new Rustan's and three new Wellcome stores, and ended the year with 56 outlets. Enhancing the quality and breadth of the fresh offer, embracing more impactful merchandising and display practices and building corporate brands are central to the Group's plans for 2016.

In **Singapore**, sales were slightly down on prior year due to low category growth and intense competition. Increased labour and rental costs impacted net margins, which were also affected by price competition and promotional intensity. Operating profit was significantly lower than in 2014, mainly due to lower margins from Cold Storage's price campaigns, a store rationalization programme and operational challenges. In a difficult segment, Giant ended the year with improvement in both sales and profits. Addressing a weak economic outlook for 2016, the Group is optimizing its product offer with improved fresh items and ready-to-eat meals, with the aim of growing market share, boosting stock management capability and fine tuning brand positioning.

In **Vietnam**, Giant achieved strong like-for-like sales with increases in both customer traffic and basket size. Facing strong competition from new entrants and existing players, the Group repositioned its fresh strategy with lower prices and a wider product offer to grow market share.

FOOD – CONVENIENCE STORES

Convenience stores reported US$1.9 billion in total sales, an increase of 1% over the previous year (2014: US$1.9 billion). Operating profit dropped by 12% to US$64 million.

In **mainland China**, 7-Eleven saw a pleasing increase in sales and profits over the previous year, with like-for-like sales growth and store network expansion. Despite signs of an economic slowdown in China, profitability improved. Ready-to-eat was the leading category in terms of sales and contribution and this category will continue to be a major area of focus in 2016.

In **Hong Kong**, the Group achieved excellent like-for-like growth and gained market share across most categories. Rapidly escalating operating costs, especially store labour and rental expenses, crimped profit growth. Sales momentum in **Macau** slowed during the second half of the year due to an increase in cigarette taxes in July and reductions in tourist numbers from mainland China.

In **Singapore**, 7-Eleven's results were impacted by lower sales from the tourist segment, by lower liquor sales partly due to new regulations curtailing late night alcohol sales, and by increased store labour costs and operating costs in the Distribution Centre. Major initiatives for the coming year will focus on strengthening the ready-to-eat supply chain.

In **Indonesia**, the Group is to exit the convenience store segment.

HEALTH AND BEAUTY

Health and Beauty achieved US$2.6 billion (2014: US$2.5 billion) in total sales, an increase of 4%, while operating profit declined 15% to US$185 million (2014: US$219 million).

In **Hong Kong**, Mannings' sales and profit reported further growth despite having four fewer stores than the previous year. Like-for-like sales growth was pleasing, market share increased, and the Mann Card member base grew by 18% year-on-year to reach 2 million. In **Macau**, good sales and profits were achieved despite lower tourist arrivals from mainland China. Mannings put particular focus on promotions targeting local customers and introduced new ranges of Health Food supplements.

In **mainland China**, a challenging economic environment and increased competition put pressure on sales with higher losses. The Beauty and Baby categories achieved positive results, but other categories experienced a decline in like-for-like sales.

In **Singapore**, Guardian achieved solid like-for-like sales growth with all major categories performing well. Market share also grew, and the full-year profits were ahead of prior year.

In **Malaysia**, Guardian experienced reduced sales and profits in a soft economy affected by a weakening currency, rising costs and declining business and consumer confidence. The Group has invested in marketing campaigns and is focusing on improving its range in core categories, as well as improving retail operating disciplines in the stores.

In **Indonesia**, Guardian delivered a third consecutive year of double-digit like-for-like sales growth despite a tough economic environment for consumers.

In **the Philippines**, integration of Rose Pharmacy into the Group continues. Significant investment has been made, and Group executives have been placed in key management roles in the business. Two refurbished stores with a wider Health and Beauty focus have yielded encouraging results.

In **Vietnam**, very strong like-for-like sales growth was evident with gains in both customer count and basket size. Guardian opened 15 new stores and closed two, ending 2015 with 38 outlets.

The Division is continuing to build its corporate brand portfolio and to improve corporate brand penetration in all businesses. It will continue to drive consistent approaches to brand positioning, space range and display, merchandising practices and supply chain. Existing e-commerce offers in Singapore will be extended, and investment is being made to support enhanced customer relationship management.

HOME FURNISHINGS

Home Furnishings achieved record profits and sales during 2015. Operating profit rose by 25% to a record US$64 million (2014: US$51 million), riding on increased sales of US$568 million, up 14% from US$497 million in 2014.

The launch of the METOD kitchen range provided an innovative, commercial solution for customers and the new range was warmly received by the market.

Like-for-like sales growth was strong in Hong Kong and Taiwan, driven largely by gains in customer count. The first full year of operations in Indonesia saw highly encouraging sales and profits, providing a firm foundation for ongoing business expansion. IKEA introduced consumer financing to improve affordability for Indonesian consumers.

Believing that our people are the driving force behind the brand, the Group invested in people and talent development, inviting global IKEA resources to conduct functional reviews and introduce ‘best-in-class’ practices.

On-line offers will be launched in each of the Group’s IKEA markets in 2016 with the objective of increasing sales and market penetration. The Group is also planning to increase customer touch points by exploring pick-up point opportunities in all three markets.

RESTAURANTS

Restaurants reported US$1.9 billion in total sales, representing an increase of 8% over the previous year (2014: US$1.7 billion), while the profit contribution increased by 9%. The business delivered another year of record earnings.

2015 saw a number of important milestones for the group, including automation of mooncake production to enhance efficiency and capacity, improvements in procurement – including food cost control and direct sourcing – which contributed to profit margins, and the opening of new headquarters facilities at Maxim’s Centre.

Restaurants achieved steady growth in sales and profits in Hong Kong, and deepened their penetration in mainland China through the launch of a number of Chinese and Japanese chain restaurants in new cities. Additional Starbucks stores were opened in Vietnam in Ho Chi Minh City and Hanoi as initial efforts are focused on these two major cities.

In December 2015, the group launched operations in Cambodia as a franchisee of Starbucks. This new market offers significant opportunities as there is no dominant market player. The group is currently working to fully understand local tastes and preferences.

Despite a competitive market environment, the group's diversity of brands addressing various market segments continues to be a key advantage, providing an appealing portfolio for landlords and developers seeking an interesting mix of F&B tenants. Maxim's reputation and heritage have also benefited the operations in the Mainland, allowing the group to secure preferred locations in high traffic shopping malls operated by Hong Kong property developers, despite strong competition from local players.

Looking ahead, the macro economy and local business environments are expected to be challenging in 2016, with continued currency volatility and fragile consumer confidence. The group sees exciting prospects, however, with a number of establishments opening at the Shanghai Disney Resort in June 2016, including the staff canteen, The Cheesecake Factory and Japanese chain concepts Ippudo and Dondonya. Maxim's will also continue to expand its presence in Vietnam and Cambodia through Starbucks and will explore further opportunities for acquisitions and/or franchising throughout the region.

THE YEAR AHEAD

With the economic slowdown in the region, trading conditions for the Group are expected to remain challenging in the near future, especially in Southeast Asia countries. The Group's approach, however, remains to drive sales and profit growth in ways that build long-term value. To that end, the Group continues to invest in new and existing stores, strengthen its brands, improve operations and enhance the shopper experience across all formats. Despite these investments, operating cash flow remains strong and the Group's balance sheet is in sound shape.

Dairy Farm expects to achieve organic growth across its formats in existing markets as its primary source of growth. The Group will selectively consider acquisition opportunities where they can enhance our current portfolio of brands and businesses.

The Group's success depends critically on the passion, commitment and hard work of its people. I want to thank them for their tremendous contributions which have ensured another solid year at Dairy Farm even in the face of difficult conditions for retailers across Asia.

Graham Allan
Group Chief Executive

Dairy Farm International Holdings Limited
Consolidated Profit and Loss Account
for the year ended 31st December 2015

	2015 Underlying business performance **US$m**	**2015** Non-trading items **US$m**	**2015** Total **US$m**	2014 Underlying business performance US$m	2014 Non-trading items US$m	2014 Total US$m
Sales *(note 2)*	**11,137.3**	**-**	**11,137.3**	11,008.3	-	11,008.3
Cost of sales	**(7,852.1)**	**-**	**(7,852.1)**	(7,717.3)	-	(7,717.3)
Gross margin	**3,285.2**	**-**	**3,285.2**	3,291.0	-	3,291.0
Other operating income *(note 3)*	**170.5**	**0.5**	**171.0**	155.3	13.4	168.7
Selling and distribution costs	**(2,602.5)**	**-**	**(2,602.5)**	(2,508.4)	-	(2,508.4)
Administration and other operating expenses	**(417.9)**	**(4.7)**	**(422.6)**	(413.6)	(3.7)	(417.3)
Operating profit *(note 4)*	**435.3**	**(4.2)**	**431.1**	524.3	9.7	534.0
Financing charges	**(15.3)**	**-**	**(15.3)**	(8.6)	-	(8.6)
Financing income	**1.7**	**-**	**1.7**	6.7	-	6.7
Net financing charges	**(13.6)**	**-**	**(13.6)**	(1.9)	-	(1.9)
Share of results of associates and joint ventures *(note 5)*	**85.0**	**-**	**85.0**	68.9	-	68.9
Profit before tax	**506.7**	**(4.2)**	**502.5**	591.3	9.7	601.0
Tax *(note 6)*	**(84.4)**	**(0.1)**	**(84.5)**	(93.0)	(0.3)	(93.3)
Profit after tax	**422.3**	**(4.3)**	**418.0**	498.3	9.4	507.7
Attributable to:						
Shareholders of the Company	**428.1**	**(3.7)**	**424.4**	500.1	9.0	509.1
Non-controlling interests	**(5.8)**	**(0.6)**	**(6.4)**	(1.8)	0.4	(1.4)
	422.3	**(4.3)**	**418.0**	498.3	9.4	507.7
	US¢		**US¢**	US¢		US¢
Earnings per share *(note 7)*						
- basic	**31.66**		**31.39**	36.98		37.65
- diluted	**31.66**		**31.38**	36.97		37.63

Dairy Farm International Holdings Limited
Consolidated Statement of Comprehensive Income
for the year ended 31st December 2015

	2015 US$m	2014 US$m
Profit for the year	**418.0**	507.7
Other comprehensive expense		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans	**(31.9)**	(16.0)
Tax relating to items that will not be reclassified	**6.1**	2.0
	(25.8)	(14.0)
Share of other comprehensive expense of associates and joint ventures	**(3.7)**	(0.9)
	(29.5)	(14.9)
Items that may be reclassified subsequently to profit or loss:		
Net exchange translation differences		
- net loss arising during the year	**(118.9)**	(41.1)
- transfer to profit and loss	**-**	4.4
	(118.9)	(36.7)
Revaluation of other investments		
- gain/(loss) arising during the year	**1.6**	(0.6)
Cash flow hedges		
- net gain arising during the year	**0.4**	1.9
- transfer to profit and loss	**(1.9)**	(0.3)
	(1.5)	1.6
Tax relating to items that may be reclassified	**-**	(0.2)
Share of other comprehensive expense of associates and joint ventures	**(43.9)**	(1.8)
	(162.7)	(37.7)
Other comprehensive expense for the year, net of tax	**(192.2)**	(52.6)
Total comprehensive income for the year	**225.8**	455.1
Attributable to:		
Shareholders of the Company	**242.8**	457.2
Non-controlling interests	**(17.0)**	(2.1)
	225.8	455.1

Dairy Farm International Holdings Limited
Consolidated Balance Sheet
at 31st December 2015

	2015 US$m	2014 US$m
Net operating assets		
Intangible assets	**744.4**	566.1
Tangible assets	**1,140.8**	1,219.2
Associates and joint ventures	**1,292.1**	388.0
Other investments	**6.8**	5.2
Non-current debtors	**161.5**	179.7
Deferred tax assets	**35.0**	27.7
Non-current assets	**3,380.6**	2,385.9
Stocks	**936.8**	1,011.0
Current debtors	**233.8**	252.1
Current tax assets	**10.8**	4.0
Bank balances and other liquid funds	**258.5**	662.0
	1,439.9	1,929.1
Non-current assets held for sale *(note 9)*	**0.4**	1.3
Current assets	**1,440.3**	1,930.4
Current creditors	**(2,354.5)**	(2,412.9)
Current borrowings	**(729.6)**	(93.4)
Current tax liabilities	**(56.0)**	(52.9)
Current provisions	**(10.6)**	(6.3)
Current liabilities	**(3,150.7)**	(2,565.5)
Net current liabilities	**(1,710.4)**	(635.1)
Long-term borrowings	**(10.6)**	(93.8)
Deferred tax liabilities	**(55.3)**	(46.7)
Pension liabilities	**(71.4)**	(37.7)
Non-current creditors	**(43.6)**	(16.5)
Non-current provisions	**(34.1)**	(33.6)
Non-current liabilities	**(215.0)**	(228.3)
	1,455.2	1,522.5
Total equity		
Share capital	**75.1**	75.1
Share premium and capital reserves	**61.3**	59.1
Revenue and other reserves	**1,239.4**	1,294.5
Shareholders’ funds	**1,375.8**	1,428.7
Non-controlling interests	**79.4**	93.8
	1,455.2	1,522.5

Dairy Farm International Holdings Limited
Consolidated Statement of Changes in Equity
for the year ended 31st December 2015

	Attributable to shareholders of the Company							Attributable to non-controlling interests	
	Share capital **US$m**	Share premium **US$m**	Capital reserves **US$m**	Revenue reserves **US$m**	Hedging reserves **US$m**	Exchange reserves **US$m**	Total **US$m**	**US$m**	Total equity **US$m**
2015									
At 1st January	75.1	30.5	28.6	1,461.6	1.7	(168.8)	1,428.7	93.8	**1,522.5**
Total comprehensive income	-	-	-	397.6	(1.4)	(153.4)	242.8	(17.0)	**225.8**
Dividends paid by the Company *(note 10)*	-	-	-	(311.0)	-	-	(311.0)	-	**(311.0)**
Employee share option schemes	-	-	2.2	-	-	-	2.2	-	**2.2**
Change in interests in subsidiaries	-	-	-	13.1	-	-	13.1	2.6	**15.7**
Transfer	-	0.6	(0.6)	-	-	-	-	-	**-**
At 31st December	**75.1**	**31.1**	**30.2**	**1,561.3**	**0.3**	**(322.2)**	**1,375.8**	**79.4**	**1,455.2**
2014									
At 1st January	75.1	30.5	26.0	1,281.1	0.3	(132.0)	1,281.0	96.4	1,377.4
Total comprehensive income	-	-	-	492.6	1.4	(36.8)	457.2	(2.1)	455.1
Dividends paid by the Company *(note 10)*	-	-	-	(311.0)	-	-	(311.0)	-	(311.0)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(0.2)	(0.2)
Employee share option schemes	-	-	2.6	-	-	-	2.6	-	2.6
New subsidiaries	-	-	-	-	-	-	-	0.9	0.9
Change in interest in a subsidiary	-	-	-	(1.1)	-	-	(1.1)	(1.2)	(2.3)
At 31st December	75.1	30.5	28.6	1,461.6	1.7	(168.8)	1,428.7	93.8	1,522.5

Total comprehensive income included in revenue reserves comprises profit attributable to shareholders of the Company of US$424.4 million *(2014: US$509.1 million)* and net fair value gain on other investments of US$1.3 million *(2014: net fair value loss of US$0.5 million)*. Cumulative net fair value gain on other investments amounted to US$5.4 million (*2014: US$4.1 million*).

Dairy Farm International Holdings Limited
Consolidated Cash Flow Statement
for the year ended 31st December 2015

	2015 US$m	2014 US$m
Operating activities		
Operating profit *(note 4)*	**431.1**	534.0
Depreciation and amortization	**212.0**	202.8
Other non-cash items	**25.2**	4.0
Decrease/(increase) in working capital	**73.0**	(17.4)
Interest received	**1.8**	7.2
Interest and other financing charges paid	**(15.0)**	(8.6)
Tax paid	**(90.2)**	(93.8)
	637.9	628.2
Dividends from associates and joint ventures	**61.9**	47.7
Cash flows from operating activities	**699.8**	675.9
Investing activities		
Purchase of subsidiaries *(note 11(a))*	**(146.6)**	(23.8)
Purchase of associates and joint ventures *(note 11(b))*	**(918.4)**	(94.1)
Purchase of intangible assets	**(41.9)**	(47.5)
Purchase of tangible assets	**(261.9)**	(297.0)
Sale of associates and joint ventures *(note 11(c))*	**-**	2.7
Sale of properties *(note 11(d))*	**1.7**	26.3
Sale of tangible assets	**1.7**	0.9
Cash flows from investing activities	**(1,365.4)**	(432.5)
Financing activities		
Change in interests in subsidiaries *(note 11(e))*	**15.7**	(2.3)
Drawdown of borrowings *(note 11(f))*	**2,782.4**	1,311.3
Repayment of borrowings	**(2,209.3)**	(1,290.8)
Dividends paid by the Company *(note 10)*	**(311.0)**	(311.0)
Dividends paid to non-controlling interests	**-**	(0.2)
Cash flows from financing activities	**277.8**	(293.0)
Net decrease in cash and cash equivalents	**(387.8)**	(49.6)
Cash and cash equivalents at 1st January	**656.6**	711.2
Effect of exchange rate changes	**(12.1)**	(5.0)
Cash and cash equivalents at 31st December *(note 11(g))*	**256.7**	656.6

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 2015 which have been prepared in conformity with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board.

The following amendments which are effective in the current accounting year and relevant to the Group's operations are adopted in 2015:

Amendments to IAS 19	Defined Benefit Plans: Employee Contributions
Annual Improvements to IFRSs	2010 – 2012 Cycle
	2011 – 2013 Cycle

The adoption of these amendments does not have a material impact on the Group's accounting policies and disclosures.

Amendments to IAS 19 'Employee Benefits' clarify the accounting for defined benefit plans that require employees or third parties to contribute towards the cost of the benefits. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

Annual Improvements to IFRSs 2010 – 2012 Cycle and 2011 – 2013 Cycle comprise a number of amendments to IFRSs. The amendments which are relevant to the Group's operations include the followings:

Amendment to IFRS 2 'Share-based Payment' clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

Amendment to IFRS 3 'Business Combinations' clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 'Financial Instruments: Presentation'. The standard is further amended to clarify that all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognized in profit and loss. It also clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11.

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION *(continued)*

Amendment to IFRS 8 'Operating Segments' requires disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics.

Amendment to IAS 24 'Related Party Disclosures' requires the reporting entity to disclose the fees paid for key management personnel services from another entity ('the management entity'). The reporting entity is not required to disclose the compensation paid by the management entity to the management entity's employees or directors.

Amendment to IFRS 13 'Fair Value Measurement' clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts within the scope of IAS 39 or IFRS 9.

2. SALES

	Including associates and joint ventures		Subsidiaries	
	2015 US$m	2014 US$m	**2015 US$m**	2014 US$m
Analysis by operating segment:				
Food	**12,893.6**	8,404.1	**8,196.8**	8,108.8
- Supermarkets/hypermarkets	**11,012.3**	6,544.5	**6,315.5**	6,249.2
- Convenience stores	**1,881.3**	1,859.6	**1,881.3**	1,859.6
Health and Beauty	**2,563.1**	2,454.5	**2,372.5**	2,402.1
Home Furnishings	**568.0**	497.4	**568.0**	497.4
Restaurants	**1,882.3**	1,746.8	**-**	-
	17,907.0	13,102.8	**11,137.3**	11,008.3

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 four segments: Food, Health and Beauty, Home Furnishings and Restaurants. Food comprises supermarket, hypermarket and convenience store businesses. 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.

3. OTHER OPERATING INCOME

	2015 US$m	2014 US$m
Concession and service income	**136.0**	123.3
Rental income from properties	**30.0**	28.9
Profit on sale of properties	**0.5**	11.6
Profit on sale of Indian businesses	**-**	1.8
Foreign exchange gains and others	**4.5**	3.1
	171.0	168.7

4. OPERATING PROFIT

	2015 US$m	2014 US$m
Analysis by operating segment:		
Food	**235.8**	298.6
- Supermarkets/hypermarkets	**171.7**	225.9
- Convenience stores	**64.1**	72.7
Health and Beauty	**185.5**	218.8
Home Furnishings	**63.6**	50.7
	484.9	568.1
Support office	**(49.6)**	(43.8)
	435.3	524.3
Non-trading items:		
- profit on sale of properties	**0.5**	11.6
- acquisition-related costs in business combination	**(1.2)**	-
- closure costs for convenience stores in Indonesia	**(3.5)**	-
- profit on sale of Indian businesses	**-**	1.8
- loss on deemed disposal of joint ventures	**-**	(3.1)
- expenses relating to transfer of listing segment of the Company's shares	**-**	(0.6)
	431.1	534.0

5. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	2015 **US$m**	2014 US$m
Analysis by operating segment:		
Food - Supermarkets/hypermarkets	**6.4**	(7.5)
Health and Beauty	**(5.7)**	(1.1)
Restaurants	**84.3**	77.5
	85.0	68.9

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

Results in Food in 2015 included share of results of Yonghui Superstores Co., Ltd (‘Yonghui’) since the Group acquired its 19.99% interest in April 2015 *(note 11(b))*, while in 2014, it included 50% share of results of Rustan Supercenters, Inc. (‘Rustan’) until it became a subsidiary of the Group starting from late August 2014.

6. TAX

	2015 **US$m**	2014 US$m
Tax charged to profit and loss is analyzed as follows:		
Current tax	**(82.9)**	(90.6)
Deferred tax	**(1.6)**	(2.7)
	(84.5)	(93.3)
Tax relating to components of other comprehensive expense is analyzed as follows:		
Remeasurements of defined benefit plans	**6.1**	2.0
Revaluation of other investments	**(0.3)**	0.1
Cash flow hedges	**0.3**	(0.3)
	6.1	1.8

Tax on profit 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$21.9 million *(2014: US$17.3 million)* and no tax credit *(2014: tax credit of US$0.3 million)* are 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$424.4 million *(2014: US$509.1 million)*, and on the weighted average number of 1,352.1 million *(2014: 1,352.1 million)* shares in issue during the year.

Diluted earnings per share are calculated on profit attributable to shareholders of US$424.4 million *(2014: US$509.1 million)*, and on the weighted average number of 1,352.4 million *(2014: 1,352.7 million)* shares in issue after adjusting for 0.3 million *(2014: 0.6 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:

	2015			2014		
	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	**424.4**	**31.39**	**31.38**	509.1	37.65	37.63
Non-trading items *(note 8)*	**3.7**			(9.0)		
Underlying profit attributable to shareholders	**428.1**	**31.66**	**31.66**	500.1	36.98	36.97

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 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.

8. NON-TRADING ITEMS *(continued)*

An analysis of non-trading items after interest, tax and non-controlling interests is set out below:

	2015 US$m	2014 US$m
Profit on sale of properties	**0.4**	10.9
Acquisition-related costs in business combination	**(1.2)**	-
Closure costs for convenience stores in Indonesia	**(2.9)**	-
Profit on sale of Indian businesses	**-**	1.8
Loss on deemed disposal of joint ventures	**-**	(3.1)
Expenses relating to transfer of listing segment of the Company's shares	**-**	(0.6)
	(3.7)	9.0

9. NON-CURRENT ASSETS HELD FOR SALE

At 31st December 2015, the non-current assets held for sale represented two properties in Indonesia. The sale of these properties is expected to complete in 2016 at amounts not materially different from their carrying values.

At 31st December 2014, the non-current assets held for sale represented a property in Taiwan. This property was sold during the year at a profit of US$0.4 million.

10. DIVIDENDS

	2015 US$m	2014 US$m
Final dividend in respect of 2014 of US¢16.50 *(2013: US¢16.50)* per share	**223.1**	223.1
Interim dividend in respect of 2015 of US¢6.50 *(2014: US¢6.50)* per share	**87.9**	87.9
	311.0	311.0

A final dividend in respect of 2015 of US¢13.50 *(2014: US¢16.50)* per share amounting to a total of US$182.5 million *(2014: US$223.1 million)* is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the 2016 Annual General Meeting. This amount will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2016.

11. NOTES TO CONSOLIDATED CASH FLOW STATEMENT

(a) Purchase of subsidiaries

	2015 US$m	2014 US$m
Intangible assets	**4.3**	9.6
Tangible assets	**4.6**	80.4
Non-current debtors	**0.7**	37.5
Deferred tax assets	**-**	4.4
Current assets	**25.4**	74.5
Current liabilities	**(28.8)**	(120.0)
Pension liabilities	**-**	(2.9)
Non-current provisions	**-**	(0.1)
Non-current liabilities	**-**	(79.6)
Fair value of identifiable net assets acquired	**6.2**	3.8
Adjustment for fair value of previously held investments	**-**	(94.6)
Adjustment for non-controlling interests	**-**	(0.9)
Goodwill	**181.8**	126.4
Total consideration	**188.0**	34.7
Adjustment for deferred consideration	**(25.0)**	-
Cash and cash equivalents at the date of acquisition	**(16.4)**	(10.9)
Net cash outflow	**146.6**	23.8

For the subsidiary acquired during 2015, the fair values of the identifiable assets and liabilities at the acquisition date are provisional and will be finalized within one year after the acquisition date.

The fair values of the identifiable assets and liabilities at the acquisition dates of subsidiaries acquired during 2014 as included in the comparative figures were provisional. The fair values of the identifiable assets and liabilities were finalized in 2015 with no change to the provisional values.

Net cash outflow for purchase of subsidiary in 2015 represented US$146.6 million for acquisition of 100% interest in San Miu Supermarket Limited (‘San Miu’), which operates a supermarket chain in Macau, in March 2015.

The goodwill arising from the acquisition of San Miu amounted to US$181.8 million and was attributable to its leading market position and retail network in Macau.

Net cash outflow in 2014 included US$23.4 million for acquisition of an additional 16% interest in Rustan, which operates a supermarket and hypermarket chain in the Philippines, in late August 2014, and US$0.4 million for acquisition of the remaining 51% shareholding of Asia Investment and Supermarket Trading Company Limited (‘AISTC’), which operates a Giant hypermarket in Vietnam, from the joint venture partner in January 2014.

11. NOTES TO CONSOLIDATED CASH FLOW STATEMENT *(continued)*

(a) Purchase of subsidiaries *(continued)*

The goodwill arising from the acquisitions of Rustan and AISTC amounted to US$124.5 million and US$1.9 million, respectively. This was mainly attributable to the leading market position and the retail network in the Philippines.

None of the goodwill is expected to be deductible for tax purposes.

Sales and profit after tax since acquisition in respect of the subsidiary acquired during the year amounted to US$146.8 million and US$4.3 million, respectively. Had the acquisition occurred on 1st January 2015, consolidated sales and consolidated profit after tax for the year ended 31st December 2015 would have been US$11,186.4 million and US$419.5 million, respectively.

(b) Purchase of associates and joint ventures in 2015 mainly related to the Group's acquisition of a 19.99% interest in Yonghui, a Shanghai-listed hypermarket and supermarket operator in mainland China, amounting to US$912.0 million and capital injection of US$3.9 million to the business in Vietnam and US$2.5 million in Rose Pharmacy, Inc. ('Rose') which operates health and beauty business in the Philippines.

Purchase in 2014 mainly related to the Group's investment in a 49% shareholding in Rose.

(c) Sale of associates and joint ventures

In 2014, the Group disposed of its 49% interest in Foodworld Supermarkets Private Limited and 50% interest in Health and Glow Retailing Private Limited in India to its joint venture partner for net proceeds of US$2.7 million.

(d) Sale of properties

Sale of properties in 2015 included sale of a property in Taiwan for a cash consideration of US$1.7 million.

Sale in 2014 comprised sale of three properties in Singapore, a property in Taiwan, partial proceeds received from disposal of a property in Malaysia and retention money received from sale of a property in Indonesia for a total cash consideration of US$26.3 million.

11. NOTES TO CONSOLIDATED CASH FLOW STATEMENT *(continued)*

(e) Change in interests in subsidiaries

In February 2015, the Group completed the sale of 30% of the ordinary share capital in GCH Retail (Malaysia) Sdn. Bhd. ('GCH Malaysia'), the Group's hypermarket and supermarket operator in Malaysia, to Circular Assets Sdn. Bhd., a wholly-owned subsidiary of Syarikat Pesaka Antah Sdn. Bhd., for net proceeds of US$34.2 million, to maintain compliance with the 'Guidelines on Foreign Participation in the Distributive Trade Services' issued by the Ministry of Domestic Trade, Co-operatives and Consumerism of Malaysia. The sale represented a 15% economic interest in GCH Malaysia.

During the year, the Group acquired an additional 2.86% interest in PT Hero Supermarket Tbk ('PT Hero') for a total consideration of US$18.5 million.

In 2014, the Group acquired an additional 0.26% interest in PT Hero for a consideration of US$2.3 million.

(f) Drawdown of borrowings

Drawdown of borrowings in 2015 included US$800.0 million bank loan drawn to finance the acquisition of the 19.99% interest in Yonghui.

(g) Analysis of balances of cash and cash equivalents

	2015 US$m	2014 US$m
Bank balances and other liquid funds	**258.5**	662.0
Bank overdrafts	**(1.8)**	(5.4)
	256.7	656.6

12. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Total capital commitments at 31st December 2015 amounted to US$178.3 million *(2014: US$217.9 million).*

In addition, the Group entered into an agreement in August 2015 to further invest in Yonghui, by way of subscription of new shares, for a consideration of RMB1.29 billion (approximately US$198.9 million) as part of capital injection involving two other investors. Upon the completion of the capital injection, the Group's interest in Yonghui will remain at 19.99%. The investment requires certain regulatory approvals in mainland China. The regulatory approval process is expected to complete in the first half of 2016.

At 31st December 2014, the Group had an investment commitment of RMB5.69 billion (equivalent to US$912.0 million) to acquire, by way of subscription of new shares, 19.99% of the enlarged share capital of Yonghui. The acquisition was completed in April 2015.

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.

13. 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 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$2.1 million *(2014: US$2.5 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 2015 *(2014: US$0.4 million)* to JML.

The Group rents properties from Hongkong Land Holdings Limited ('HKL'), a subsidiary of JMH. The gross annual rentals paid by the Group to HKL in 2015 were US$2.5 million *(2014: US$2.2 million)*. The Group's 50%-owned associate, Maxim's Caterers Limited ('Maxim's'), also paid gross annual rentals of US$10.4 million *(2014: US$9.7 million)* to HKL in 2015.

The Group uses Jardine Lloyd Thompson Limited ('JLT'), an associate of JMH, to place certain of its insurance. Brokerage fees and commissions, net of rebates, paid by the Group to JLT in 2015 were US$2.3 million *(2014: US$2.3 million)*.

13. RELATED PARTY TRANSACTIONS *(continued)*

The Group sources information technology infrastructure and related services from Jardine OneSolution (‘JOS’), a subsidiary of JMH. The total fees paid by the Group to JOS in 2015 amounted to US$11.2 million *(2014: US$12.1 million)*.

The Group also consumes repairs and maintenance services from Jardine Engineering Corporation (‘JEC’), a subsidiary of JMH. The total fees paid by the Group to JEC in 2015 amounted to US$3.6 million *(2014: US$4.7 million)*.

Maxim’s supplies ready-to-eat products at arm’s length to certain subsidiaries of the Group. In 2015, these amounted to US$26.0 million *(2014: US$24.6 million)*.

In addition, Gammon Construction (‘GC’), a joint venture of JMH, has engaged in a building contract with Maxim’s for a commercial building development in Cheung Sha Wan since 2014. The total construction fees paid by Maxim’s to GC in 2015 amounted to US$20.2 million *(2014: US$39.6 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 2015 Annual Report (the ‘Report’). The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the Disclosure Rules 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 and Group Chief Executive’s Review.

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 on the Group’s joint venture partners, franchisors, bankers, suppliers or customers. These developments can result in recession, inflation, deflation, currency fluctuations, restrictions in the availability of credit, business failures, or increases in financing costs, oil prices and in the cost of raw materials and finished products. Such developments might increase operating costs, reduce revenues, lower asset values or result in the Group’s businesses being unable to meet in full their strategic objectives.

Commercial Risk and Financial Risk
Risks are an integral part of normal commercial practices, and where practicable steps are taken to mitigate such risks. These risks are further pronounced when operating in volatile markets.

A number of the Group's businesses make significant investment decisions in respect of developments or projects that take time to come to fruition and achieve the desired returns and are, therefore, subject to market risks.

The Group's businesses operate in areas that are highly competitive, and failure to compete effectively in terms of price, product specification or levels of service can have an adverse effect on earnings. Significant pressure from such competition may lead to reduced margins. The quality and safety of the products and services provided by the Group's businesses are also important and there is an associated risk if they are below standard.

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.

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 environments in the territories in which they operate. Changes in the regulatory approach to such matters as foreign ownership of assets and businesses, exchange controls, planning controls, emission regulations, tax rules and employment legislation have the potential to impact the operations and profitability of the Group's businesses. Changes in the political environment in such territories can also affect the Group's businesses.

Terrorism, Pandemic and Natural Disasters
A number of 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 impact of generally reduced economic activity in response to the threat of or an actual act of terrorism.

All Group businesses would be impacted by a global or regional pandemic which could be expected to seriously affect economic activity and the ability of our 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 and typhoons.

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 2015 Annual Report, including the Chairman's Statement, Group Chief Executive's Review, Business Review and Principal Risks and Uncertainties, which constitute the management report include a fair review of all information required to be disclosed by the Disclosure Rules 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

Graham Allan
Neil Galloway

Directors

The final dividend of US¢13.50 per share will be payable on 11th May 2016, subject to approval at the Annual General Meeting to be held on 4th May 2016, to shareholders on the register of members at the close of business on 18th March 2016. The shares will be quoted ex-dividend on the Singapore Exchange and the London Stock Exchange on 16th and 17th March 2016, respectively. The share registers will be closed from 21st to 25th March 2016, inclusive.

Shareholders will receive their cash dividends in United States dollars, unless they are registered on the Jersey branch register where they will have the option to elect for sterling. These shareholders may make new currency elections for the 2015 final dividend by notifying the United Kingdom transfer agent in writing by 22nd April 2016. The sterling equivalent of dividends declared in United States dollars will be calculated by reference to a rate prevailing on 27th April 2016.

Shareholders holding their shares through CREST in the United Kingdom will receive their cash dividends only in sterling 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 18th March 2016, must submit the relevant documents to M & C Services Private Limited, the Singapore branch registrar, no later than 5.00 p.m. (local time) on 17th March 2016.

Dairy Farm

Dairy Farm is a leading pan-Asian retailer. At 31st December 2015, the Group and its associates and joint ventures operated over 6,500 outlets and employed over 180,000 people. It had total annual sales in 2015 exceeding US$17 billion.

The Group aims to meet the changing needs of Asian consumers by offering the leading brands, a pleasant retail experience and great value, all provided through responsible operations supported by reliable and trusted supply chains.

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

Food
- Supermarkets – Wellcome in Hong Kong, Taiwan and the Philippines, Yonghui in mainland China, Cold Storage in Singapore and Malaysia, Giant in Malaysia, Indonesia and Singapore, Hero in Indonesia;

- Hypermarkets – Giant in Malaysia, Indonesia, Singapore, Brunei and Vietnam, Yonghui in mainland China;

- Convenience stores – 7-Eleven in Hong Kong, Singapore, Southern China and Macau;

Health and Beauty
- Mannings in Greater China, Guardian in the rest of Asia and Rose Pharmacy in the Philippines;

Home Furnishings
- IKEA in Hong Kong, Taiwan and Indonesia; and

Restaurants
- Maxim's in Hong Kong, mainland China and Vietnam.

Dairy Farm International Holdings Limited is incorporated in Bermuda and has a standard listing on the London Stock Exchange as its primary listing, 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.

- end -

For further information, please contact:

Dairy Farm Management Services Limited
Graham Allan (852) 2299 1881
Neil Galloway (852) 2299 1896

Brunswick Group Limited
Siobhan Xiaohui Zheng (852) 3512 5044

Full text of the Preliminary Announcement of Results and the Preliminary Financial Statements for the year ended 31st December 2015 can be accessed through the Internet at www.dairyfarmgroup.com.