Dairy Farm International Holdings Limited

ANNUAL REPORT 2013

Pioneers in

Asian retailing

Dairy Farm International Holdings Limited

Dairy Farm is a leading pan-Asian retailer. At 31st December 2013, the Group and its associates and joint ventures operated over 5,800 outlets; employed some 100,000 people and had total annual sales exceeding US$12 billion.

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

Food

• Supermarkets

Wellcome | *Hong Kong* | *Taiwan* | *The Philippines*

Cold Storage | *Singapore* | *Malaysia*

Giant | *Malaysia* | *Indonesia* | *Singapore* | *Brunei*

Hero | *Indonesia*

• Hypermarkets

Giant | *Malaysia* | *Indonesia* | *Singapore* | *Brunei* | *Vietnam*

• Convenience Stores

7-Eleven | *Hong Kong* | *Singapore* | *Southern China* | *Macau*

Health and Beauty

Mannings | *Greater China*

Guardian | *Rest of Asia*

Home Furnishings

IKEA | *Hong Kong* | *Taiwan* | *Indonesia*

Restaurants

Maxim's | *Hong Kong* | *Mainland China* | *Vietnam*

Dairy Farm International Holdings Limited is incorporated in Bermuda and has a premium 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.

Jardines
A member of the Jardine Matheson Group

www.dairyfarmgroup.com

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CORPORATE INFORMATION

DIRECTORS

Ben Keswick
Chairman and Managing Director

Graham Allan
Group Chief Executive

Neil Galloway

Mark Greenberg

George J. Ho

Adam Keswick

Sir Henry Keswick

Simon Keswick

Michael Kok

Dr George C.G. Koo

Lord Leach of Fairford

Anthony Nightingale

James Riley

Lord Sassoon, Kt

Percy Weatherall

Giles White

COMPANY SECRETARY AND REGISTERED OFFICE

John C. Lang
Jardine House
33-35 Reid Street, Hamilton
Bermuda

DAIRY FARM MANAGEMENT SERVICES LIMITED

DIRECTORS

Ben Keswick
Chairman

Graham Allan
Group Chief Executive

Neil Galloway
Group Finance Director

Philippe Broianigo
President Director, PT Hero

Choo Peng Chee
Regional Director, North Asia (Food)

Martin Lindström
Group Director, IKEA

Caroline Mak
Group Director, Health and Beauty

Poh Seng Pol
Group Business Development Director

Alex Tay
Regional Director, South Asia

Michael Wu
Chairman and Managing Director, Maxim's

Mark Greenberg

Adam Keswick

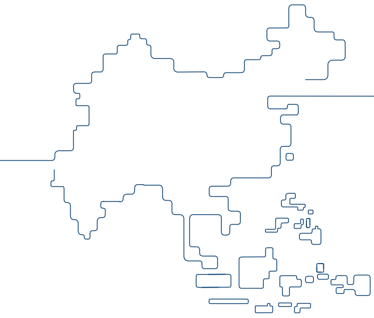
James Riley

Giles White

CORPORATE SECRETARY

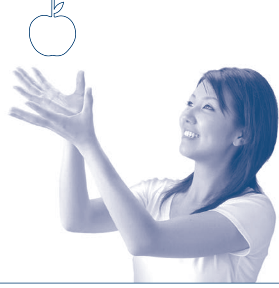
N.M. McNamara

Corporate Overview



Corporate Vision

Pioneers in Asian Retailing



Corporate Mission

Bringing to Asian consumers the benefits of modern retailing

Strategies for Growth

Build compelling retail brands that win consumer loyalty

Achieve market leadership position in each of our businesses

Execute consistent and high quality operations supported by a reliable, efficient and trusted supply chain

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Drive strong and sustainable profit growth based on attractive format economics

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Attract and develop passionate people who love retail

Highlights

- Sales and underlying profit up 8%
- Operations reorganized into four retail formats
- Good results from Health and Beauty, Home Furnishings and Restaurants
- Significant investment under way in people, systems, store network and supply chain

Results	2013 US$m	2012 US$m restated#	Change %
Sales			
– subsidiaries	**10,357**	9,801	6
– including associates and joint ventures†	**12,432**	11,540	8
EBITDA††	**747**	671	11
Underlying profit attributable to shareholders*	**480**	444	8
Adjusted underlying profit**	**480**	502	(4)
Profit attributable to shareholders	**501**	447	12
Net cash	**638**	521	22

	US¢	US¢	%
Underlying earnings per share*	**35.52**	32.86	8
Adjusted underlying earnings per share**	**35.52**	37.20	(5)
Basic earnings per share	**37.05**	33.07	12
Dividends per share	**23.00**	23.00	–
Net asset value per share^	**94.74**	88.35	7

Store network	2013	2012	Net Change +/-
Food	**3,472**	3,405	+67
– Hypermarkets	**151**	141	+10
– Supermarkets	**1,020**	999	+21
– Convenience stores	**2,301**	2,265	+36
Health and Beauty	**1,578**	1,504	+74
Home Furnishings	**8**	7	+1
Restaurants	**831**	761	+70
	5,889	5,677	+212

† on a 100% basis.

†† EBITDA represents operating profit before depreciation and amortization.

* 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.

** excluding the effect of the overstatement of supplier income for prior years in 2012 amounting to US$58.6 million.

^ net asset value per share is based on the book value of shareholders' funds.

the accounts have been restated due to a change in accounting policy upon adoption of IAS 19 (amended 2011) 'Employee Benefits', as set out in note 1 to the financial statements.

Chairman's Statement

OVERVIEW

Several strategic initiatives have been taken in the past year to reinforce the foundations for growth. The Group has been reorganized by format into four divisions consisting of Food (including Convenience Stores), Health and Beauty, Home Furnishings and Restaurants. Significant investment is being made in people, infrastructure and systems to position Dairy Farm for sustained growth across Asia.

PERFORMANCE

Sales, including 100% of associates and joint ventures, rose 8% to US$12.4 billion in 2013 with growth across all divisions. Underlying profit was US$480 million, an increase of 8% over the US$444 million recorded in 2012. Underlying earnings per share were US¢35.52, up 8% from US¢32.86.

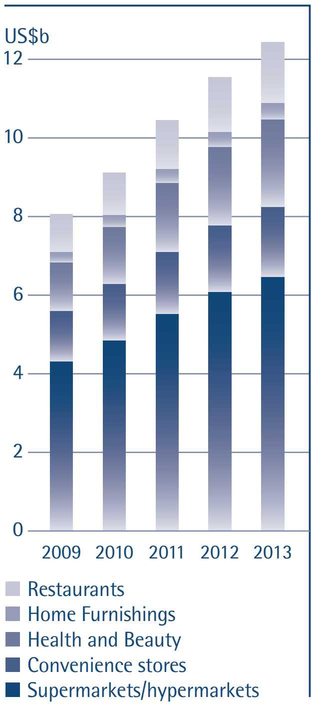
If the write-off of the prior years' Malaysian supplier income is excluded from the 2012 results, however, underlying profit in 2013 was 4% lower. This is largely a reflection of the mixed performances within the Food businesses. Increased profitability in Hong Kong and mainland China was more than offset by reductions in Indonesia, Singapore and Malaysia as a result of more competition, higher operating costs, a weaker economic environment and adverse currency movements. In contrast to the Food business, there were record sales and profits in the three other divisions, Health and Beauty, Home Furnishings and Restaurants.

The profit attributable to shareholders in 2013 of US$501 million, which included a net non-trading gain of US$21 million arising mainly from the disposal of a property in Indonesia, was up 12%.

The Group's financial position remains strong with net cash at the end of 2013 up US$117 million at US$638 million. This increase includes the capital contribution from non-controlling interests of US$56 million in a rights issue in PT Hero, and is after allowing for dividends of US$311 million, capital expenditure of US$318 million for organic growth of the business and US$18 million for investments.

The Board is recommending a final dividend of US¢16.50 per share, unchanged from the previous year, bringing the total ordinary dividend for 2013 to US¢23.00 per share.

Total Sales



BUSINESS DEVELOPMENTS

In 2013, Dairy Farm delivered healthy like-for-like sales growth in its major businesses. Expansion continued with 212 net new stores across all formats, such that it now has over 5,800 outlets in 12 countries and territories. The reorganization into the four new divisions will enable the Group to give greater focus to the consumer offer in each format, to build scale more quickly and to drive improved financial performance over the longer term.

The Group is continuing to expand its store network across all formats, as well as investing significantly to renovate existing stores to improve the shopping experience for customers. In parallel, across both the Food and Health and Beauty businesses, significant work is under way to develop a stronger brand identity and a broader own-label offering. Significant investments are also being made in the IT infrastructure and systems as well as the supply chain to improve efficiency, increase productivity and support long-term growth.

While the Food business has had a challenging year, it continues to make progress. In Malaysia, steps are being taken to rebuild the fundamentals of the business, and while this has impacted the financial performance in the short term, there was a reassuring stabilization of the business in the second half of the year. In Singapore, the Shop N Save supermarkets were rebranded as Giant from April 2013 to convey a single identity to middle-income consumers and extend the Giant brand in the region. In the Philippines, the first Marketplace by Rustan's was opened in the Rockwell Centre in Makati, while in Indonesia PT Hero continued its expansion of the Giant brand with five additional Giant hypermarkets and 16 additional supermarkets.

The Health and Beauty division has moved to align the Mannings and Guardian brands to improve strategic positioning and execution. Significant range enhancements have been made in China, Singapore and Indonesia, which have been received positively by consumers. Indonesian expansion continued with 50 net new stores in 2013. In December 2013, Guardian opened its first store in Phnom Penh in Cambodia, and a second store was opened in January with the overall pace of new store openings set to accelerate in 2014.

In Home Furnishings, the fifth IKEA store in Taiwan was opened in early September with encouraging initial results. The construction of the first IKEA store in Indonesia is well under way and is currently on track for opening in the final quarter of 2014.

Maxim's continued to expand Starbucks in Hong Kong and has opened three stores in Vietnam. It is growing its Chinese casual dining and Japanese restaurant chains in Hong Kong and mainland China.

CORPORATE DEVELOPMENTS

The Company has announced its intention, subject to shareholder approval, to transfer the listing of its shares on the Main Market of the London Stock Exchange to the standard listing category from the current premium listing category.

PEOPLE

The good trading results achieved reflect the hard work and dedication of our employees operating in some challenging markets. On behalf of the Board, I would like to thank them for their efforts and wish them well in the year ahead.

Simon Keswick stepped down as Chairman in May, and remains a non-executive Director. We are very grateful for his exceptional contribution since he was first appointed as Chairman in 1986. Neil Galloway has joined the Board as Group Finance Director in October 2013, replacing Alec Tong who has moved to take up another role within the Jardine Matheson group.

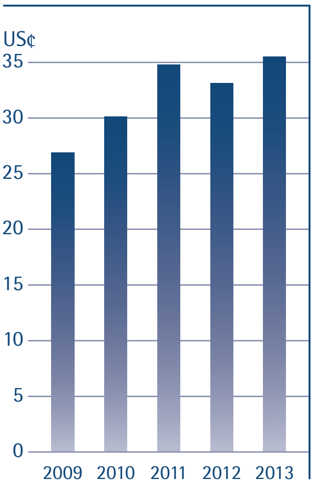
PROSPECTS

Trading conditions are expected to remain challenging in some key markets, particularly in the Food sector in Southeast Asia. Nevertheless, progress is being made in addressing margin pressures, enhancing brand focus, strengthening supply chain and systems capability and building the right organization to support future growth. With a leading market position in most major businesses and its strong financial position, Dairy Farm is well placed to grow.

Ben Keswick
Chairman

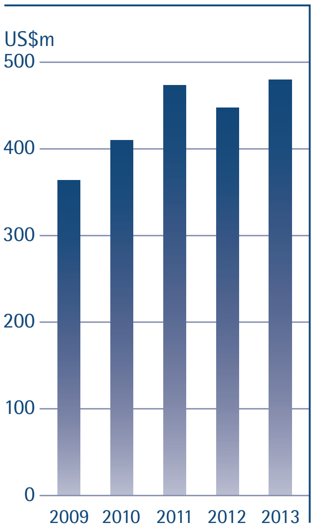
6th March 2014

Underlying Earnings Per Share



Group Chief Executive's Review

Underlying Profit Attributable to Shareholders



BUSINESS MODEL

Dairy Farm is a leading Asian retailer operating across four formats: Food (including Supermarkets, Hypermarkets and Convenience Stores), Health and Beauty, Home Furnishings and Restaurants. We operate under a number of widely recognized brands, including Wellcome, Cold Storage, Giant, Hero, 7-Eleven, Mannings, Guardian, IKEA and Maxim's. We strive to bring to Asian consumers the benefits of modern retailing and to provide meaningful innovation to customers across each of our retail formats. The Group operates multiple formats in most markets to satisfy different market segments and customer needs.

The Group has a stronger market position and cash generative operations in each of 12 different Asian countries and territories, and it continues to invest behind these businesses. In addition to achieving organic growth in established markets, it is the Group's strategy to seek 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 strong balance sheet, we aim to achieve consistent and sustained earnings growth.

2013 PERFORMANCE

Dairy Farm traded satisfactorily in 2013 with sales, including 100% of associates and joint ventures, increasing by 8% to US$12.4 billion. Like-for-like sales growth was achieved in most major businesses. Underlying profit for 2013 of US$480 million was 8% up versus the 2012 underlying profit of US$444 million. If the write-off of the prior years' Malaysian supplier income is excluded from the 2012 results, underlying profit in 2013 was 4% down.

The Group's Food businesses recorded a decline in underlying profits despite an increase in sales. Wellcome and 7-Eleven in Hong Kong traded well. In Taiwan, Wellcome struggled in a competitive market and reported a decline in both sales and profits. In Singapore, while the upscale supermarket business, Cold Storage, performed well, Giant and 7-Eleven operations were affected by escalating costs and sluggish consumer demand. In Malaysia, much of 2013 was spent rebuilding the fundamentals of the business following the accounting issues uncovered at the beginning of the year. The result has been a decline in financial performance in the short term. There was however a reassuring stabilization of the business in the second half of 2013. The supermarkets in Cambodia traded well and progress was made in the Philippines to enhance operations and strengthen the consumer offer. In Indonesia, good sales growth was reported in PT Hero's Supermarket, Hypermarket and Convenience Store operations, although overall profits were flat in local currency terms due to a significant increase in operating costs, and down 15% in US dollar terms based on adverse currency movements.

Solid sales and profit growth were seen in the Group's Health and Beauty businesses. Mannings in Hong Kong and Macau continued to perform well, and improved results were achieved in mainland China. Guardian Singapore reported a lower profit in difficult market conditions. The Guardian businesses in Malaysia and Indonesia achieved further growth.

IKEA in both Hong Kong and Taiwan reported solid like-for-like sales growth. In addition, a fifth IKEA store opened successfully in Taiwan.

Our restaurant associate, Maxim's, delivered another strong set of results. Its expansion in mainland China was accelerated and several Starbucks stores were opened in Vietnam.

KEY DEVELOPMENTS

We continue to implement initiatives to enhance the appeal of our brands and our stores to customers. These activities are complemented by ongoing investment to improve operating efficiencies.

In 2013, Dairy Farm transitioned from a geographically based organization to one structured around our different retail formats. We made this change to support better the development of our brands in each format, to strengthen execution in the stores and to deliver enhanced long-term financial performance by exploiting the scale and expertise we have in each format. Specifically, the Group has been organized around four business segments: Food (including Giant, Wellcome, Cold Storage, Hero and 7-Eleven), Health and Beauty (Mannings and Guardian), Home Furnishings (IKEA) and Restaurants (associate company, Maxim's).

In parallel, a number of areas have been identified for additional investment to support the continued growth of the Group. These investments will be in human resources, IT infrastructure and systems, supply chain, e-commerce and store expansion and renovations. These investments will underwrite a superior retail experience for our customers and support our goal of being an innovative retailer in all segments in which we compete.

A number of additional 2013 highlights are worthy of note:

- We added a net 212 stores to reach a total store portfolio of 5,889.
- We continued to expand our 7-Eleven convenience stores chain in Southern China with the addition of a net 60 stores.
- In Singapore, the Shop N Save supermarkets were rebranded as Giant stores to align our mid-market presence behind a single brand.
- In Indonesia, we added a net 27 new stores, including five hypermarkets, across our different Food business formats.
- We opened a net 74 Health and Beauty stores across different markets, including 50 in Indonesia and the first Guardian store in Cambodia.
- The fifth IKEA store in Taiwan was opened in Tai Chung in early September with encouraging initial trading performance. Construction has commenced on the first IKEA store in Indonesia which is scheduled to open in the fourth quarter of 2014.
- Maxim's opened three Starbucks stores in Vietnam and continued to expand its Japanese restaurant chains in Hong Kong and mainland China, respectively.
- A comprehensive review of the entire Malaysian Food operation was completed and encouraging progress has been made in stabilizing the business.

BUSINESS REVIEW

FOOD

The Group's overall Food businesses recorded a decline in underlying profits despite an increase in sales. Escalating costs and margin pressure in Indonesia, Singapore and Malaysia were only partly offset by stronger performances in Hong Kong, mainland China and Macau, resulting in lower earnings than prior year. Our upscale supermarket formats continued to perform well following enhancements to the grocery product range and improvements in our fresh offer. Convenience Stores have continued to evolve their consumer offer with a broader range of ready-to-eat options, increased service offerings and innovative marketing activities.

Hong Kong

Both the **Wellcome** and **7-Eleven** businesses performed strongly, and each did well to record another year of solid growth in both sales and profit in a highly competitive market.

Macau

7-Eleven in Macau also achieved very strong growth in sales and profit.

Mainland China

With a continuing focus on its ready-to-eat food business, **7-Eleven** Southern China reported improved results and continued to expand with the addition of 60 stores.

Taiwan

In Taiwan, **Wellcome** remains a relatively small operator in a highly competitive market. It recorded declines in both sales and profit, partly due to store rationalization.

Singapore

Cold Storage continued to perform well in 2013 and achieved higher sales and profit in a challenging market environment. The **Shop N Save** stores were rebranded as **Giant** in the second quarter to sharpen the brand communication with mid-market customers. After the conversion, sales have been satisfactory but margins remained under pressure due to intense competition in this segment. Shopping mall renovations affecting some key stores also impacted the Giant results. All brands and formats in Singapore also suffered from acute labour shortages and escalating costs following the introduction of additional restrictions on foreign workers.

Cambodia

The **Lucky** supermarkets in Cambodia traded well and opened an additional five stores in Phnom Penh.

The Philippines

In the Philippines, progress was made in strengthening operations in **Shopwise** hypermarkets and **Rustan's** supermarkets, and on consumer awareness of **Wellcome** supermarkets. In addition, the first **Marketplace by Rustan's** was opened and has set a new standard in the upscale segment in the country. In addition to the improvements in store operations, significant work has been undertaken to integrate the business into the Group and to align various processes, policies and procedures, resulting in a one-off restructuring charge.

Malaysia and Brunei

The **Giant** and **Cold Storage** Hypermarket and Supermarket operations had a difficult year. Sales were soft in the face of weak consumer confidence, rapid expansion of the industry store base and aggressive pricing from competitors. Three additional Giant hypermarkets were opened, bringing the year-end total to 79 hypermarkets and 74 supermarkets. A significant store refurbishment programme was also introduced to improve overall standards, which will continue in 2014.

Indonesia

The **Giant** and **Hero** Hypermarket and Supermarket operations in Indonesia achieved good growth in sales, but profits were affected by a significant increase in the minimum wage and remained little changed from prior year in local currency terms. Five hypermarkets and 16 supermarkets were added, to bring the total to 51 hypermarkets and 158 supermarkets in the country. The **Starmart** convenience offer was also evolved to provide a broader range of ready-to-eat options.

HEALTH AND BEAUTY

The Group's Health and Beauty businesses produced satisfactory sales and profit growth during the year with a continued strong performance from **Mannings** in Hong Kong and Macau. The performance of Mannings in mainland China improved following the rationalization of its store network and enhancement of its offering. It is now well positioned for more rapid growth with greater clarity in its business model, consumer offer and preferred store locations. **Guardian** in Singapore produced lower profits in a more difficult trading environment, while in Malaysia, Brunei and Indonesia it delivered improved sales and profits. In Vietnam, two additional Guardian stores were added, bringing the network to 18 stores at the year end. The first Guardian store in Cambodia was opened in December 2013, with a second store following in January and a third in February.

Significant work was undertaken during the year to align the strategies and execution of Mannings and Guardian across all markets. As a result, major progress was made towards a common brand positioning. Work has also commenced to strengthen our Health and Beauty private label offer.

HOME FURNISHINGS

IKEA in both Hong Kong and Taiwan performed well and achieved further profit growth. The new Tai Chung store was opened in Taiwan in early September with encouraging trading results. The construction of the first IKEA store in Indonesia is on track and the opening is scheduled for the final quarter of 2014.

RESTAURANTS

Maxim's delivered an excellent result in 2013. In particular, its Japanese restaurant and **Starbucks** chains reported strong growth. Maxim's also achieved another record year of mooncake sales, although there was slower growth in the Mainland market. Three Starbucks were opened in Vietnam and recorded a good trading performance.

THE YEAR AHEAD

While labour cost and margin pressures are being felt in most markets where the Group operates, we remain confident about the long-term outlook and are continuing to invest for growth. We are focused on enhancing the appeal of our brands and improving our operations to drive sales and profit growth. Strengthening customer loyalty to our brands, enhancing the customer experience and delivering greater value to consumers are all central elements of our growth strategy.

Cost pressures demand that we complement our consumer based strategies with a relentless focus on operating efficiencies in all of our businesses. In this regard, investments are being made in a number of areas which will deliver productivity and efficiency gains over the long term. We will continue to emphasize execution excellence through an ongoing commitment to innovation in every aspect of our business.

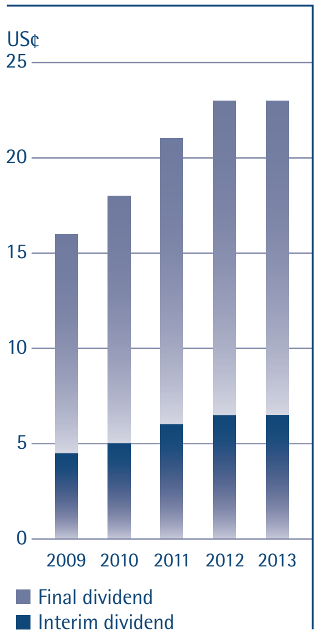
Dairy Farm will continue to drive organic growth across its different formats in existing markets in addition to pursuing acquisition opportunities selectively where they can enhance our unique portfolio of brands and businesses.

As with any retail business, Dairy Farm depends critically on the passion, commitment and hard work of its people. Our people bring our brands to life and deliver the right experience to our customers. I want to thank them for their efforts in ensuring another successful year for the Group.

Graham Allan
Group Chief Executive

6th March 2014

Ordinary Dividends Per Share



Financial Review

ACCOUNTING POLICIES

The Directors continue to review the appropriateness of the accounting policies adopted by the Group having regard to developments in International Financial Reporting Standards. In 2013, a number of amendments to these standards became effective and the Group adopted those which are relevant to the Group's operations, although their adoption does not have a material impact on the Group's accounting policies. The only standard adopted that impacts the consolidated profit and loss account and balance sheet is IAS 19 (amended 2011). In addition, pursuant to the new or amended standards, additional disclosures have been made in the financial statements in respect of pension plans, interests in subsidiaries that have material non-controlling interests and interests in material associates and joint ventures.

RESULTS

Sales, excluding those of associates and joint ventures, were US$10,357 million, a 6% increase over 2012. Underlying operating profit increased 9% from US$477 million to US$522 million with improved contribution from all divisions.

The Group's share of results of associates and joint ventures increased 5% to US$67 million from 2012 which principally reflected the improved contribution from Maxim's.

The tax charge for 2013 was US$102 million, higher than the US$83 million in 2012, reflecting the higher reported operating profit.

Underlying net profit was US$480 million, an increase of 8% over 2012. However, if the write-off of the prior years' Malaysian supplier income is excluded from the 2012 results, underlying profit in 2013 was 4% lower than the prior year.

There was a net non-trading gain of US$21 million in 2013, mainly from the disposal of a property in Indonesia, while the prior year benefited from a non-trading gain of US$3 million.

Underlying earnings per share were US¢35.52, an increase of 8% compared to 2012.

CASH FLOW

Operating cash flow remained strong with a net inflow of US$683 million compared to the previous year's US$698 million. Capital contribution from non-controlling interests in the rights issue in PT Hero Indonesia during the year contributed US$56 million to cash. The Group ended the year with net cash of US$638 million, an increase of US$117 million from 31st December 2012.

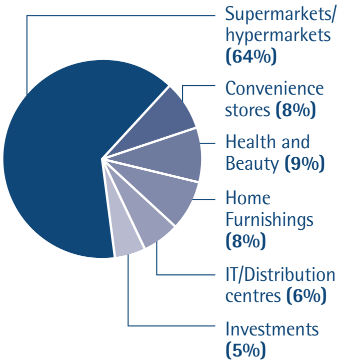
Capital expenditure was US$336 million, compared to US$502 million in 2012 which included the two acquisitions in Cambodia and the Philippines. The Group, including associates and joint ventures, added a net 212 outlets in 2013 and ended the year with 5,889 stores across all formats in 12 markets.

BALANCE SHEET

Total assets, excluding cash and bank balances, of US$3,235 million were US$52 million higher than 2012, mainly reflecting capital expenditure for new and refurbished stores. Net operating assets were US$1,377 million at the end of 2013, an 11% increase over the previous year.

2013 Capital Expenditure

Total: US$336m



DIVIDEND

The Board is recommending a final dividend of US¢16.50 per share, unchanged from the previous year. This will bring the total dividend in respect of 2013 to US¢23.00 per share, maintained at the 2012 level.

FINANCING

Borrowings are normally taken out in local currencies by the Group's operating subsidiaries to fund and partially hedge their local asset investments. The Group, excluding associates and joint ventures, had gross debt of US$91 million at the year end, a decrease of US$55 million from 2012. Committed banking facilities at the year end totalled US$335 million, and had an average life to maturity of 1.6 years. Financing income increased to US$8 million, while financing charges decreased from US$14 million in 2012 to US$11 million in 2013 due to a combination of reduced borrowings and a lower average interest cost.

FINANCIAL RISK MANAGEMENT

A comprehensive discussion of the Group's financial risk management policies is included in note 2 to the financial statements. The Group manages its exposure to financial risk using a variety of techniques and instruments. The main objectives are to limit exchange and interest rate risks and to provide a degree of certainty about costs. As a matter of policy, the Group does not enter into speculative transactions in derivatives. The investment of the Group's cash resources is managed so as to minimize risk while seeking to enhance yield. Overall, the Group's funding arrangements are designed to keep an appropriate balance between equity and debt, both short and long term, to give flexibility for the development of the business.

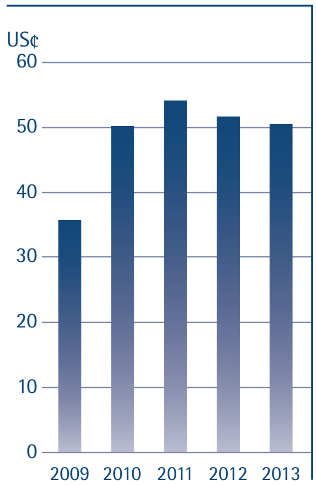
PRINCIPAL RISKS AND UNCERTAINTIES

A review of the principal risks and uncertainties facing the Group is set out on page 70.

Neil Galloway
Group Finance Director

6th March 2014

Operating Cash Flow Per Share



Directors' Profiles

Ben Keswick*

Chairman and Managing Director

Mr Ben Keswick joined the Board as Managing Director in 2012 and became Chairman in May 2013. He has held a number of executive positions since joining the Jardine Matheson group in 1998, including finance director and then chief executive officer of Jardine Pacific between 2003 and 2007 and, thereafter, group managing director of Jardine Cycle & Carriage until 2012. He has an MBA from INSEAD. Mr Keswick is chairman of Jardine Matheson Limited and Jardine Cycle & Carriage and a commissioner of Astra. He is also chairman and managing director of Hongkong Land and Mandarin Oriental, managing director of Jardine Matheson and Jardine Strategic, and a director of Jardine Pacific and Jardine Motors.

Graham Allan*

Group Chief Executive

Mr Allan joined the Board in January 2013 as Group Chief Executive, having been Chief Operating Officer since June 2012. He has extensive experience in the food service industry and was previously President of Yum! Restaurants International based in the United States.

Neil Galloway*

Group Finance Director

Mr Galloway joined the Board as Group Finance Director in October 2013. He was previously finance director and chief financial officer of The Hongkong and Shanghai Hotels from 2008. Mr Galloway began his career in investment banking and he held a range of senior positions in Hong Kong and the United Kingdom.

Mark Greenberg

Mr Greenberg joined the Board in 2006. He is group strategy director of Jardine Matheson. He had previously spent 16 years in investment banking with Dresdner Kleinwort Wasserstein in London. He is also a director of Jardine Matheson Limited, Hongkong Land, Jardine Cycle & Carriage and Mandarin Oriental, and a commissioner of Astra and Bank Permata.

George J. Ho

Mr Ho joined the Board in 1998. He was previously engaged in private law practice in San Francisco and is currently engaged in the broadcasting and multi-media industries. Mr Ho is also chairman of Hong Kong Commercial Broadcasting Company.

Adam Keswick

Mr Adam Keswick joined the Board in 2012. He is deputy managing director of Jardine Matheson, chairman of Jardine Pacific, and chairman and chief executive of Jardine Motors. He has held a number of executive positions since joining the Jardine Matheson group from N M Rothschild & Sons in 2001, including group strategy director and, thereafter, group managing director of Jardine Cycle & Carriage between 2003 and 2007. Mr Keswick is also deputy chairman of Jardine Matheson Limited, and a director of Hongkong Land, Jardine Strategic, Mandarin Oriental and Zhongsheng Group Holdings.

Sir Henry Keswick

Sir Henry joined the Board in 1988. He is chairman of Jardine Matheson, having first joined the group in 1961, and is also chairman of Jardine Strategic. He is a director of Hongkong Land and Mandarin Oriental. He is also vice chairman of the Hong Kong Association.

Simon Keswick

Mr Simon Keswick joined the Board in 1986 and was Chairman of the Company from 1986 to May 2013. He joined the Jardine Matheson group in 1962 and is a director of Hongkong Land, Jardine Matheson, Jardine Strategic and Mandarin Oriental.

Michael Kok

Mr Kok was Group Chief Executive from 2007, when he first joined the Board, until he retired from executive office in 2012. He began his career in Dairy Farm in 1987 and has extensive experience in the retail industry in Asia. He is also a director of Jardine Cycle & Carriage.

Dr George C.G. Koo

Dr Koo, a Fellow of the Royal College of Surgeons, was appointed as a Director in 1990. He is the founder and managing director of the Hong Kong Lithotripter Centre. He is also a director of Jardine Strategic.

Lord Leach of Fairford

Lord Leach joined the Board in 1987. He is deputy chairman of Jardine Lloyd Thompson, and a director of Hongkong Land, Jardine Matheson, Jardine Strategic and Mandarin Oriental. He is also a member of the supervisory board of Paris Orléans. He joined the Jardine Matheson group in 1983 after a career in banking and merchant banking.

Anthony Nightingale

Mr Nightingale joined the Board in 2006 and was Managing Director of the Company from 2006 to 2012. He is also a director of Hongkong Land, Jardine Cycle & Carriage, Jardine Matheson, Jardine Strategic, Mandarin Oriental, China Xintiandi, Prudential and Schindler, and a commissioner of Astra. Mr Nightingale also acts as an adviser for certain companies outside the Group and holds a number of senior public appointments, including acting as a non-official member of the Commission on Strategic Development, a Hong Kong representative to the Asia Pacific Economic Cooperation (APEC) Business Advisory Council and a member of the UK ASEAN Business Council Advisory Panel. He is an Honorary Professor of the School of Business of the Hong Kong Baptist University.

James Riley

Mr Riley joined the Board in 2005. He is group finance director of Jardine Matheson. A Chartered Accountant, he joined the Jardine Matheson group from Kleinwort Benson in 1993. He was appointed chief financial officer of Jardine Cycle & Carriage in 1994, and from 1999 to 2005 he was responsible for the businesses grouped under Jardine Pacific. He is also a director of Jardine Matheson Limited and The Hongkong and Shanghai Banking Corporation.

Lord Sassoon, Kt

Lord Sassoon joined the Board in January 2013. He began his career at KPMG, before joining SG Warburg (later UBS Warburg) in 1985. From 2002 to 2006 he was in the United Kingdom Treasury as a civil servant, where he had responsibility for financial services and enterprise policy. Following this, he chaired the Financial Action Task Force; and conducted a review of the UK's system of financial regulation. From 2010 to 2013 Lord Sassoon was the first Commercial Secretary to the Treasury and acted as the Government's Front Bench Treasury spokesman in the House of Lords. He is a director of Hongkong Land, Jardine Matheson and Mandarin Oriental. He is also chairman of the China-Britain Business Council.

Percy Weatherall

Mr Weatherall joined the Board in 2000 and was Managing Director from 2000 to 2006. He first joined the Jardine Matheson group in 1976 and retired from executive office in 2006. He is also a director of Hongkong Land, Jardine Matheson, Jardine Strategic and Mandarin Oriental. He is chairman of Corney & Barrow and the Nith District Salmon Fishery Board.

Giles White

Mr White joined the Board in 2009. He is the Jardine Matheson group general counsel. He was previously Asia managing partner of Linklaters based in Hong Kong, prior to which he was the firm's head of global finance and projects in London. Mr White is also a director of Jardine Matheson Limited, Jardine Matheson and Mandarin Oriental.

*Executive Director

Consolidated Profit and Loss Account

for the year ended 31st December 2013

	Note	2013 Underlying business performance US$m	2013 Non-trading items US$m	2013 Total US$m	2012 Underlying business performance US$m restated	2012 Non-trading items US$m	2012 Total US$m restated
Sales	4	**10,357.4**	**–**	**10,357.4**	9,800.6	–	9,800.6
Cost of sales		**(7,270.4)**	**–**	**(7,270.4)**	(6,970.5)	–	(6,970.5)
Gross margin		**3,087.0**	**–**	**3,087.0**	2,830.1	–	2,830.1
Other operating income		**149.6**	**29.0**	**178.6**	145.4	3.0	148.4
Selling and distribution costs		**(2,318.6)**	**–**	**(2,318.6)**	(2,152.5)	–	(2,152.5)
Administration and other operating expenses		**(395.7)**	**–**	**(395.7)**	(345.8)	(0.3)	(346.1)
Operating profit	5	**522.3**	**29.0**	**551.3**	477.2	2.7	479.9
Financing charges		**(10.7)**	**–**	**(10.7)**	(14.0)	–	(14.0)
Financing income		**7.6**	**–**	**7.6**	2.7	–	2.7
Net financing charges	6	**(3.1)**	**–**	**(3.1)**	(11.3)	–	(11.3)
Share of results of associates and joint ventures	7	**68.9**	**(2.2)**	**66.7**	63.5	–	63.5
Profit before tax		**588.1**	**26.8**	**614.9**	529.4	2.7	532.1
Tax	8	**(101.3)**	**(0.7)**	**(102.0)**	(82.5)	–	(82.5)
Profit after tax		**486.8**	**26.1**	**512.9**	446.9	2.7	449.6
Attributable to:							
Shareholders of the Company		**480.1**	**20.8**	**500.9**	443.8	2.7	446.5
Non-controlling interests		**6.7**	**5.3**	**12.0**	3.1	–	3.1
		486.8	**26.1**	**512.9**	446.9	2.7	449.6

	Note	2013 Underlying business performance US¢		2013 Total US¢	2012 Underlying business performance US¢		2012 Total US¢
Earnings per share	9						
– basic		**35.52**		**37.05**	32.86		33.07
– diluted		**35.48**		**37.02**	32.81		33.01

Consolidated Statement of Comprehensive Income

for the year ended 31st December 2013

	Note	2013 US$m	2012 US$m restated
Profit for the year		**512.9**	449.6
Other comprehensive (expense)/income			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans		**19.5**	(5.8)
Tax on items that will not be reclassified		**(3.8)**	1.3
		15.7	(4.5)
Share of other comprehensive (expense)/income of associates and joint ventures		**(0.1)**	1.5
		15.6	(3.0)
Items that may be reclassified subsequently to profit or loss:			
Net exchange translation differences			
– net (loss)/gain arising during the year		**(132.8)**	0.6
Revaluation of other investments			
– gain arising during the year	*14*	**0.6**	1.2
Cash flow hedges			
– net gain/(loss) arising during the year		**0.4**	(0.8)
– transfer to profit and loss		**0.8**	(1.5)
		1.2	(2.3)
Tax relating to items that may be reclassified		**(0.1)**	0.1
Share of other comprehensive (expense)/income of associates and joint ventures		**(7.9)**	4.8
		(139.0)	4.4
Other comprehensive (expense)/income for the year, net of tax		**(123.4)**	1.4
Total comprehensive income for the year		**389.5**	451.0
Attributable to:			
Shareholders of the Company		**396.7**	449.2
Non-controlling interests		**(7.2)**	1.8
		389.5	451.0

Consolidated Balance Sheet

at 31st December 2013

	Note	At 31st December 2013 US$m	At 31st December 2012 US$m restated	At 1st January 2012 US$m restated
Net operating assets				
Intangible assets	*11*	**407.5**	439.8	352.4
Tangible assets	*12*	**1,081.7**	1,069.5	896.0
Associates and joint ventures	*13*	**369.8**	337.9	193.5
Other investments	*14*	**5.8**	5.2	4.0
Non-current debtors	*15*	**138.2**	132.7	126.9
Deferred tax assets	*16*	**22.2**	25.2	20.5
Pension assets	*17*	**7.2**	–	0.7
Non-current assets		**2,032.4**	2,010.3	1,594.0
Stocks		**976.0**	958.4	949.1
Current debtors	*15*	**213.2**	195.6	217.8
Current tax assets		**6.6**	11.6	0.9
Bank balances and other liquid funds	*18*	**728.4**	667.2	729.7
		1,924.2	1,832.8	1,897.5
Non-current assets classified as held for sale	*19*	**6.9**	7.6	47.4
Current assets		**1,931.1**	1,840.4	1,944.9
Current creditors	*20*	**(2,309.3)**	(2,275.5)	(2,140.2)
Current borrowings	*21*	**(47.9)**	(55.5)	(130.2)
Current tax liabilities		**(58.2)**	(54.5)	(80.6)
Current provisions	*22*	**(11.0)**	(5.1)	(6.2)
Current liabilities		**(2,426.4)**	(2,390.6)	(2,357.2)
Net current liabilities		**(495.3)**	(550.2)	(412.3)
Long-term borrowings	*21*	**(42.9)**	(90.9)	(133.4)
Deferred tax liabilities	*16*	**(44.9)**	(48.3)	(43.5)
Pension liabilities	*17*	**(24.0)**	(40.2)	(35.7)
Non-current creditors	*20*	**(17.3)**	(17.6)	(16.8)
Non-current provisions	*22*	**(30.6)**	(23.9)	(21.7)
Non-current liabilities		**(159.7)**	(220.9)	(251.1)
		1,377.4	1,239.2	930.6
Total equity				
Share capital	*23*	**75.1**	75.0	75.0
Share premium and capital reserves	*25*	**56.5**	53.1	50.2
Revenue and other reserves		**1,149.4**	1,065.1	797.9
Shareholders' funds		**1,281.0**	1,193.2	923.1
Non-controlling interests		**96.4**	46.0	7.5
		1,377.4	1,239.2	930.6

Approved by the Board of Directors

Ben Keswick

Graham Allan

Directors

6th March 2014

Consolidated Statement of Changes in Equity

for the year ended 31st December 2013

	Attributable to shareholders of the Company								
	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$m	Attributable to non-controlling interests US$m	Total equity US$m
2013									
At 1st January									
– as previously reported	75.0	25.8	27.3	1,077.1	(0.9)	(11.6)	1,192.7	46.1	**1,238.8**
– change in accounting policy for employee benefits	–	–	–	0.5	–	–	0.5	(0.1)	**0.4**
– as restated	75.0	25.8	27.3	1,077.6	(0.9)	(11.6)	1,193.2	46.0	**1,239.2**
Total comprehensive income	–	–	–	515.9	1.2	(120.4)	396.7	(7.2)	**389.5**
Dividends paid by the Company	–	–	–	(311.0)	–	–	(311.0)	–	**(311.0)**
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(0.2)	**(0.2)**
Exercise of options	0.1	–	–	–	–	–	0.1	–	**0.1**
Employee share option schemes	–	–	3.4	–	–	–	3.4	–	**3.4**
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	58.2	**58.2**
Transaction costs in relation to capital contribution from non-controlling interests	–	–	–	(1.5)	–	–	(1.5)	(0.3)	**(1.8)**
Change in interests in a subsidiary	–	–	–	0.1	–	–	0.1	(0.1)	**–**
Transfer	–	4.7	(4.7)	–	–	–	–	–	**–**
At 31st December	**75.1**	**30.5**	**26.0**	**1,281.1**	**0.3**	**(132.0)**	**1,281.0**	**96.4**	**1,377.4**
2012									
At 1st January									
– as previously reported	75.0	19.6	30.6	815.0	1.1	(18.6)	922.7	7.6	930.3
– change in accounting policy for employee benefits	–	–	–	0.4	–	–	0.4	(0.1)	0.3
– as restated	75.0	19.6	30.6	815.4	1.1	(18.6)	923.1	7.5	930.6
Total comprehensive income	–	–	–	445.1	(2.0)	6.1	449.2	1.8	451.0
Dividends paid by the Company	–	–	–	(290.3)	–	–	(290.3)	–	(290.3)
Unclaimed dividends forfeited	–	–	–	0.3	–	–	0.3	–	0.3
Employee share option schemes	–	–	2.9	–	–	–	2.9	–	2.9
Subsidiary acquired	–	–	–	–	–	–	–	3.4	3.4
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	2.5	2.5
Change in interests in a subsidiary	–	–	–	108.0	–	–	108.0	30.8	138.8
Transfer	–	6.2	(6.2)	(0.9)	–	0.9	–	–	–
At 31st December	75.0	25.8	27.3	1,077.6	(0.9)	(11.6)	1,193.2	46.0	1,239.2

Total comprehensive income included in revenue reserves comprises profit attributable to shareholders of the Company of US$500.9 million *(2012: US$446.5 million)* and net fair value gain on other investments of US$0.5 million *(2012: US$1.0 million)*. Cumulative net fair value gain on other investments amounted to US$4.6 million *(2012: US$4.1 million)*.

Consolidated Cash Flow Statement

for the year ended 31st December 2013

	Note	2013 US$m	2012 US$m restated
Operating activities			
Operating profit	*5*	**551.3**	479.9
Depreciation and amortization	*29(a)*	**196.1**	191.3
Other non-cash items	*29(b)*	**0.2**	83.8
(Increase)/decrease in working capital	*29(c)*	**(10.5)**	37.7
Interest received		**7.4**	2.8
Interest and other financing charges paid		**(11.0)**	(14.6)
Tax paid		**(95.1)**	(120.6)
		638.4	660.3
Dividends from associates and joint ventures		**44.5**	37.4
Cash flows from operating activities		**682.9**	697.7
Investing activities			
Purchase of tangible assets		**(296.2)**	(289.6)
Purchase of a subsidiary	*29(d)*	**–**	(32.1)
Purchase of associates and joint ventures	*29(e)*	**(17.7)**	(112.0)
Purchase of intangible assets		**(21.9)**	(68.5)
Sale of properties	*29(f)*	**49.8**	4.1
Sale of tangible assets		**1.0**	2.1
Cash flows from investing activities		**(285.0)**	(496.0)
Financing activities			
Capital contribution from non-controlling interests	*29(g)*	**56.4**	2.5
Sale of interests in a subsidiary	*29(h)*	**–**	138.8
Drawdown of borrowings		**1,528.1**	1,188.3
Repayment of borrowings		**(1,589.1)**	(1,301.0)
Dividends paid by the Company	*26*	**(311.0)**	(290.3)
Dividends paid to non-controlling interests		**(0.2)**	–
Cash flows from financing activities		**(315.8)**	(261.7)
Net increase/(decrease) in cash and cash equivalents		**82.1**	(60.0)
Cash and cash equivalents at 1st January		**664.9**	718.7
Effect of exchange rate changes		**(35.8)**	6.2
Cash and cash equivalents at 31st December	*29(i)*	**711.2**	664.9

Notes to the Financial Statements

1. PRINCIPAL ACCOUNTING POLICIES

Basis of Preparation

The 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. The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

Standards and amendments effective in 2013 which were relevant to the Group's operations:

IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
Amendments to IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to IFRSs 10, 11 and 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income
IAS 19 (amended 2011)	Employee Benefits
IAS 27 (2011)	Separate Financial Statements
IAS 28 (2011)	Investments in Associates and Joint Ventures
Annual Improvements to IFRSs	2009 – 2011 Cycle

As set out on page 20, the only standard adopted that impacts the consolidated profit and loss account and balance sheet is IAS 19 (amended 2011).

IFRS 10 'Consolidated Financial Statements' replaces SIC Interpretation 12 'Consolidation – Special Purpose Entities' and most of IAS 27 'Consolidated and Separate Financial Statements'. It contains a new single consolidation model that identifies control as the basis for consolidation for all types of entities. It provides a definition of control that comprises the elements of power over an investee; exposure of rights to variable returns from an investee; and ability to use power to affect the reporting entity's returns.

IFRS 11 'Joint Arrangements' replaces IAS 31 'Interests in Joint Ventures' and SIC 13 'Jointly Controlled Entities – Non Monetary Contributions by Venturers'. Under IFRS 11, joint arrangements are classified as either joint operations (whereby the parties that have joint control have rights to the assets and obligations for the liabilities of the joint arrangements) or joint ventures (whereby the parties that have joint control have rights to the net assets of the joint arrangements). Joint operations are accounted for by showing the party's interest in the assets, liabilities, revenue and expenses, and/or its relative share of jointly controlled assets, liabilities, revenue and expenses, if any. Accounting for joint ventures is now covered by IAS 28 (2011) as proportionate consolidation is no longer permitted.

IFRS 12 'Disclosure of Interests in Other Entities' requires entities to disclose information that helps financial statements readers to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. Disclosure required includes significant judgements and assumptions made in determining whether an entity controls, jointly controls, significantly influences or has some other interests in other entities.

IFRS 13 'Fair Value Measurement' requires entities to disclose information about the valuation techniques and inputs used to measure fair value, as well as information about the uncertainty inherent in fair value measurements. The standard applies to both financial and non-financial items measured at fair value. Fair value is now defined as 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date' (i.e. an exit price).

Amendments to IFRS 7 'Disclosures – Offsetting Financial Assets and Financial Liabilities' focus on disclosures of quantitative information about recognized financial instruments that are offset in the balance sheet, as well as those recognized financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset.

Amendments to IFRSs 10, 11 and 12 on transition guidance provide additional transition relief to IFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosures related to unconsolidated structured entities, the amendments remove the requirement to present comparative information for periods before IFRS 12 is first applied.

Amendments to IAS 1 'Presentation of Items of Other Comprehensive Income' improve the consistency and clarity of the presentation of items of other comprehensive income. The amendments require entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be reclassified to profit or loss in the future. Items that will not be reclassified – such as remeasurements of defined benefit pension plans – will be presented separately from items that may be reclassified in the future – such as deferred gains and losses on cash flow hedges. The amounts of tax related to the two groups are required to be allocated on the same basis.

IAS 19 (amended 2011) 'Employee Benefits' requires, for defined benefit plans, the assumed return on plan assets recognized in the profit and loss to be the same as the rate used to discount the defined benefit obligation. Previously, the Group determined income on plan assets based on their long-term rate of expected return. It also requires past service costs to be recognized immediately in profit or loss. Additional disclosures are required to present the characteristics of defined benefit plans, the amount recognized in the financial statements, and the risks arising from defined benefit plans and multi-employer plans. The Group has applied the amended standard retrospectively and the comparative financial statements have been restated in accordance with the transition provisions of the standard. Details of the effect of the change are set out on page 20.

IAS 27 (2011) 'Separate Financial Statements' supersedes IAS 27 (2008) and prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. There is no impact on the consolidated financial statements as the changes only affect the separate financial statements of the investing entity.

IAS 28 (2011) 'Investments in Associates and Joint Ventures' supersedes IAS 28 (2008) and prescribes the accounting for investments in associates and joint ventures and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

Annual improvements to IFRSs 2009 – 2011 Cycle comprises a number of non-urgent but necessary amendments to IFRSs. The amendments which are relevant to the Group's operations include the following:

Amendment to IAS 1 'Presentation of Financial Statements' clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either as required by IAS 8, 'Accounting policies, changes in accounting estimates and errors'; or voluntarily. When an entity produces an additional balance sheet as required by IAS 8, the balance sheet should be as at the date of the beginning of the preceding period – that is, the opening position. No notes are required to support this balance sheet. When management provides additional comparative information voluntarily – for example, profit and loss account, balance sheet – it should present the supporting notes to these additional statements.

Amendment to IAS 16 'Property, Plant and Equipment' clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment. The previous wording of IAS 16 indicated that servicing equipment should be classified as inventory, even if it was used for more than one period. Following the amendment, this equipment used for more than one period is classified as property, plant and equipment.

Amendment to IAS 32 'Financial Instruments: Presentation' clarifies that income tax related to profit distributions is recognized in the profit and loss account, and income tax related to the costs of equity transactions is recognized in equity. Prior to the amendment, IAS 32 was ambiguous as to whether the tax effects of distributions and the tax effects of equity transactions should be accounted for in the profit and loss account or in equity.

Amendment to IAS 34 'Interim Financial Reporting' clarifies the disclosure requirements for segment assets and liabilities in interim financial statements. A measure of total assets and liabilities is required for an operating segment in interim financial statements if such information is regularly provided to the chief operating decision maker and there has been a material change in those measures since the last annual financial statements.

The effects of adopting IAS 19 (amended 2011) on the current financial year are not material and those on the comparative financial statements were as follows:

	Increase/(decrease) in profit US$m
(a) On the consolidated profit and loss for the year ended 31st December 2012	
Net operating costs	(4.4)
Tax	0.7
Profit after tax	(3.7)
Attributable to:	
Shareholders of the Company	(3.7)
Non-controlling interests	–
Basic earnings per share (US¢)	(0.27)
Diluted earnings per share (US¢)	(0.28)

	Increase/(decrease) in total comprehensive income US$m
(b) On the consolidated statement of comprehensive income for the year ended 31st December 2012	
Profit after tax	(3.7)
Remeasurement of defined benefit plans	4.4
Tax on items that will not be reclassified	(0.7)
Net exchange translation differences	0.1
Total comprehensive income for the year	0.1
Attributable to:	
Shareholders of the Company	0.1
Non-controlling interests	–
	0.1

	Increase/(decrease)	
	31st December 2012 US$m	1st January 2012 US$m
(c) On the consolidated balance sheet		
Deferred tax assets	–	(0.1)
Total assets	–	(0.1)
Revenue and other reserves	0.5	0.4
Non-controlling interests	(0.1)	(0.1)
Pension liabilities	(0.4)	(0.4)
Total equity and liabilities	–	(0.1)

The adoption does not have any effect on the consolidated cash flows.

The following standards, amendments and interpretation which are effective after 2013, are relevant to the Group's operations and yet to be adopted:

IFRS 9	Financial Instruments
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21	Levies
Annual Improvements to IFRSs	2010 – 2012 Cycle
	2011 – 2013 Cycle

The Group is currently assessing the impact of these new standards, amendments and interpretation but expects their adoption will not have a material effect on the consolidated profit and loss account and balance sheet, although there will be additional disclosures in respect of Amendments to IAS 36.

IFRS 9 'Financial Instruments' is the first standard issued as part of a wider project to replace IAS 39. It is effective for annual periods beginning on or after 1st January 2015. However, on 24th July 2013, the IASB tentatively decided to defer the mandatory effective date of IFRS 9 and that the mandatory effective date should be left open pending the finalization of the impairment and classification and measurement requirements. It is likely that the standard will be effective no earlier than 2017 and the Group will adopt the standard from its effective date.

IFRS 9 (2009) retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply.

IFRS 9 (2010) adds the requirements related to the classification and measurement of financial liabilities, and derecognition of financial assets and liabilities, to the version issued in November 2009. It also includes those paragraphs of IAS 39 dealing with how to measure fair value and accounting for derivatives embedded in a contract that contains a host that is not a financial asset, as well as the requirements of IFRIC 9 'Remeasurement of Embedded Derivatives'.

IFRS 9 (2013) aligns hedge accounting more closely with risk management. It also establishes a more principles-based approach to hedge accounting, particularly in respect of assessing hedge effectiveness and assessing what qualifies as a hedged item.

Amendments to IAS 19 'Employee Benefits' regarding defined benefit plans. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. 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. The amendments are effective for periods beginning on or after 1st July 2014 and the Group will adopt the amendments from the effective date.

Amendments to IAS 32 'Offsetting Financial Assets and Financial Liabilities' (effective 1st January 2014) are made to the application guidance in IAS 32 and clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of offset' and 'simultaneous realization and settlement'. The Group will adopt the amendments from 1st January 2014.

Amendments to IAS 36 'Recoverable Amount Disclosures for Non-Financial Assets' (effective 1st January 2014) set out the changes to the disclosures when recoverable amount is determined based on fair value less costs of disposal. The key amendments are (a) to remove the requirement to disclose recoverable amount when a cash generating unit ('CGU') contains goodwill or indefinite lived intangible assets but there has been no impairment, (b) to require disclosure of the recoverable amount of an asset or CGU when an impairment loss has been recognized or reversed, and (c) to require detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognized or reversed. The Group will adopt the amendments from 1st January 2014.

Amendments to IAS 39 'Novation of Derivatives and Continuation of Hedge Accounting' (effective 1st January 2014) provide relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria. The Group will adopt the amendments from 1st January 2014.

IFRIC 21 'Levies' (effective 1st January 2014) sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The Group will apply the interpretation from 1st January 2014.

Annual Improvements to IFRSs 2010 – 2012 Cycle comprise a number of non-urgent but necessary amendments. The amendments, effective for periods beginning on or after 1st July 2014, which are relevant to the Group's operations include the following:

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.

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' includes, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting 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, but it is required to disclose the amounts charged to the reporting entity by the management entity for services provided.

Annual Improvements to IFRSs 2011 – 2013 Cycle comprise a number of non-urgent but necessary amendments. The amendments, which are largely effective for periods beginning on or after 1st July 2014, which are relevant to the Group's operations include the following:

IFRS 3 'Business Combinations' clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself.

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.

IAS 40 'Investment Property' clarifies that IAS 40 and IFRS 3 are not mutually exclusive. The guidance in IAS 40 assists preparers to distinguish between investment property and owner-occupied property. Preparers also need to refer to the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination.

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

The Group's reportable segments are set out in notes 4, 5, 7 and 29 and are described on page 34.

Basis of consolidation

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

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

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

All material intercompany transactions, balances and unrealized surpluses and deficits on transactions between group companies have been eliminated. The cost of and related income arising from shares held in the Company by subsidiaries are eliminated from shareholders' funds and non-controlling interests, and profit, respectively.

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

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

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

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

(v) The results of subsidiaries, associates and joint ventures are included or excluded from their effective dates of acquisition or disposal, respectively. The results of entities other than subsidiaries, associates and joint ventures are included to the extent of dividends received when the right to receive such dividend is established.

Foreign currencies

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

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

Exchange differences arising from the retranslation of the net investment in foreign subsidiaries, associates and joint ventures, and of financial instruments which are designated as hedges of such investments, are recognized in other comprehensive income and accumulated in equity under exchange reserves. On the disposal of these investments, such exchange differences are recognized in profit and loss. Exchange differences on available-for-sale investments are recognized in other comprehensive income as part of the gains and losses arising from changes in their fair value. Exchange differences relating to changes in the amortized cost of monetary securities classified as available-for-sale and all other exchange differences are recognized in profit and loss.

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

Impairment of non-financial assets

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

Intangible assets

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

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

(ii) Leasehold land represents payments to third parties to acquire short-term interests in property. These payments are stated at cost and are amortized over the useful life of the lease which includes the renewal period if the lease can be renewed by the Group without significant cost.

(iii) Other intangible assets are stated at cost less accumulated amortization. Amortization is calculated on the straight line basis to allocate the cost of intangible assets over their estimated useful lives.

Tangible fixed assets and depreciation

Freehold land and buildings, and the building component of owner-occupied leasehold properties are stated at cost less any accumulated depreciation and impairment. Long-term interests in leasehold land are classified as finance leases and grouped under tangible assets if substantially all risks and rewards relating to the land have been transferred to the Group, and are amortized over the useful life of the lease. Grants related to tangible assets are deducted in arriving at the carrying amount of the assets. Other tangible fixed assets are stated at cost less amounts provided for depreciation.

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

Buildings	30 – 50 years
Leasehold improvements	period of the lease
Leasehold land	period of the lease
Plant and machinery	3 – 10 years
Furniture, equipment and motor vehicles	2 – 7 years

No depreciation is provided on freehold land as it is deemed to have an indefinite life.

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

The profit or loss on disposal of tangible fixed assets is recognized by reference to their carrying amount.

Investments
(i) Available-for-sale investments are shown at fair value. Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in equity. On the disposal of an investment or when an investment is determined to be impaired, the cumulative gain or loss previously deferred in equity is recognized in profit and loss. Investments are classified under non-current assets unless they are expected to be realized within twelve months after the balance sheet date.

(ii) At each balance sheet date, the Group assesses whether there is objective evidence that an investment is impaired.

(iii) All purchases and sales of investments are recognized on the trade date, which is the date that the Group commits to purchase or sell the investment.

Leases
Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit and loss on a straight line basis over the period of the lease. When a lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the year in which termination takes place.

Stocks
Stocks, which principally comprise goods held for resale, are stated at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method or on a weighted average basis and comprises purchase price less rebates.

Debtors
Trade and other debtors, excluding derivative financial instruments, are measured at amortized cost except where the effect of discounting would be immaterial. Provision for impairment is established when there is objective evidence that the outstanding amounts will not be collected. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the debtor is impaired. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in arriving at operating profit. When a debtor is uncollectible, it is written off against the allowance account. Subsequent recoveries of amount previously written off are credited to profit and loss.

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

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

Provisions
Provisions are recognized when the Group has present legal or constructive obligations as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and a reliable estimate of the amount of the obligations can be made.

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Current and deferred tax

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

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

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

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

Employee benefits

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

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

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

Past service costs are recognized immediately in profit and loss.

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

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

Non-current assets held for sale

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is expected to be recovered principally through a sale transaction rather than through continuing use. Once classified as held for sale, the assets are no longer amortized or depreciated.

Derivative financial instruments
The Group enters into derivative financial instruments only in order to hedge underlying exposures. Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognizing the resulting gain or loss is dependent on the nature of the item being hedged. The Group designates certain derivatives as either a hedge of the fair value of a recognized asset or liability ('fair value hedge'), or a hedge of a forecasted transaction or of the foreign currency risk on a firm commitment ('cash flow hedge'), or a hedge of a net investment in a foreign entity.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges and that are highly effective, are recognized in profit and loss, along with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, the cumulative adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortized to profit and loss over the residual period to maturity.

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

Certain derivative transactions, while providing effective economic hedges under the Group's risk management policies, do not qualify for hedge accounting under the specific rules in IAS 39. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting under IAS 39 are recognized immediately in profit and loss.

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

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.

Earnings per share
Basic earnings per share are calculated on profit attributable to shareholders and on the weighted average number of shares in issue during the year. The weighted average number excludes the shares held by the Trustee under the Senior Executive Share Incentive Schemes. For the purpose of calculating diluted earnings per share, profit attributable to shareholders is adjusted for the effects of the conversion of dilutive potential ordinary shares, and the weighted average number of shares is adjusted for the number of shares which are deemed to be issued for no consideration under the Senior Executive Share Incentive Schemes based on the average share price during the year.

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

Sales
Sales consist of the net value of goods sold to customers, net of returns, discounts and sales taxes. This does not include sales generated by associates and joint ventures. Sale of goods is recognized at the point of sale, when the significant risks and rewards of ownership of the goods have been transferred to customers, is recorded at the net amount received from customers.

Cost of sales
Cost of sales consists of all costs to the point of sale. Supplier incentives, rebates and discounts are collectively referred to as supplier income in the retail industry. Supplier income is recognized as a deduction from cost of sales on an accruals basis based on the expected entitlement which has been earned up to the balance sheet date for each relevant supplier contract.

Other operating income
Other operating income primarily comprises income from concessions, service income and rental income. Concessions and service income are based on the Group's contractual commission. Rental income is accounted for as earned.

Pre-operating costs
Pre-operating costs are expensed as they are incurred.

Comparative figures
Certain comparative figures have been reclassified to conform with the current presentation.

2. FINANCIAL RISK MANAGEMENT

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

The Group's treasury function co-ordinates financial risk management policies and their implementation on a group-wide basis. The Group's treasury policies are designed to manage the financial impact of fluctuations in interest rates and foreign exchange rates and to minimize the Group's financial risks. The Group uses derivative financial instruments, principally interest rate swaps, caps, forward foreign exchange contracts and foreign currency options as appropriate for hedging transactions and managing the Group's assets and liabilities in accordance with the Group's financial risk management policies. Financial derivative contracts are executed between third party banks and the Group entity that is directly exposed to the risk being hedged. Certain derivative transactions, while providing effective economic hedges under the Group's risk management policies, do not qualify for hedge accounting under the specific rules in IAS 39. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting under IAS 39 are recognized immediately in profit and loss. It is the Group's policy not to enter into derivative transactions for speculative purposes. The notional amounts and fair values of derivative financial instruments at 31st December 2013 are disclosed in note 30.

(i) Market risk

Foreign exchange risk

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

Entities in the Group use forward foreign exchange contracts and foreign currency options in a consistent manner to hedge firm and anticipated foreign exchange commitments and manage their foreign exchange risk arising from future commercial transactions. Group companies are required to manage their foreign exchange risk against their functional currency. The purpose of these hedges is to mitigate the impact of movements in foreign exchange rates on assets and liabilities and the profit and loss account of the Group.

Currency risks as defined by IFRS 7 arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency. There are no significant monetary balances held by group companies at 31st December 2013 that are denominated in a non-functional currency.

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed partly by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities, and partly through fixed rate borrowings and the use of derivative financial instruments such as interest rate swaps and caps. The Group monitors interest rate exposure on a monthly basis by currency and business unit, taking into consideration proposed financing and hedging arrangements. The Group's guideline is to achieve a natural hedge to the extent commercially sustainable and to maintain 40% to 60% of its gross borrowings in fixed rate instruments. At 31st December 2013, there were no outstanding fixed borrowings. At 31st December 2012, the Group's fixed borrowings was 42% of the total borrowings, with an average tenor of two months. The interest rate profile of the Group's borrowings after taking into account hedging transactions is set out in note 21.

Cash flow interest rate risk is the risk that changes in market interest rates will impact cash flows arising from variable rate financial instruments. Borrowings at floating rates therefore expose the Group to cash flow interest rate risk. The Group manages this risk by entering into interest rate swaps and caps for a maturity of up to five years. Interest rate swaps have the economic effect of converting borrowings from floating rate to fixed rate, whilst caps provide protection against a rise in floating rates above a pre-determined rate.

At 31st December 2013, if interest rates had been 100 basis points higher/lower with all other variables held constant, the Group's profit after tax would have been US$4.6 million *(2012: US$4.2 million)* higher/lower, and hedging reserves would have no impact *(2012: US$0.2 million higher/lower)*, as a result of fair value changes to cash flow hedges. The sensitivity analysis has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in those interest rates which have the most impact on the Group, specifically the United States, Hong Kong and Indonesian rates, over the period until the next annual balance sheet date. Changes in market interest rates affect the interest income or expense of non-derivative variable-interest financial instruments, the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks. As a consequence, they are included in the calculation of profit after tax sensitivities. Changes in the market interest rate of financial instruments that were designated as hedging instruments in a cash flow hedge to hedge payment fluctuations resulting from interest rate movements affect the hedging reserves and are therefore taken into consideration in the equity-related sensitivity calculations.

(ii) Credit risk

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

The Group manages its deposits with banks and transactions involving derivative financial instruments by monitoring credit ratings and capital adequacy ratios of counterparties, and limiting the aggregate risk to any individual counterparty. The utilization of credit limits is regularly monitored. At 31st December 2013, over 92% *(2012: 94%)* of deposits and balances with banks were made to institutions with credit ratings of no less than A- (Fitch). Similarly, transactions involving derivative financial instruments are with banks with sound credit ratings and capital adequacy ratios. In developing countries it may be necessary to deposit money with banks that have a lower credit rating, however the Group only enters into derivative transactions with counterparties which have credit ratings of at least investment grade. Management does not expect any counterparty to fail to meet its obligations.

Sales to customers are made in cash or by major credit cards. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance.

(iii) Liquidity risk

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

At 31st December 2013, total available borrowing facilities amounted to US$733.1 million *(2012: US$879.8 million)*, of which US$334.7 million *(2012: US$493.3 million)* are committed facilities and a total of US$90.8 million *(2012: US$146.4 million)* was drawn down. Undrawn committed facilities, in the form of revolving credit facilities, totalled US$283.2 million *(2012: US$356.6 million)*.

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

	Within one year US$m	Between one and two years US$m	Between two and three years US$m	Between three and four years US$m	Between four and five years US$m	Beyond five years US$m	Total undiscounted cash flows US$m
At 31st December 2013							
Creditors	2,305.9	12.5	1.7	0.3	0.3	2.6	**2,323.3**
Borrowings	50.2	23.9	5.8	15.9	–	–	**95.8**
Net settled derivative financial instruments	–	–	–	–	–	–	**–**
Gross settled derivative financial instruments							
– inflow	34.8	–	–	–	–	–	**34.8**
– outflow	34.0	–	–	–	–	–	**34.0**
At 31st December 2012							
Creditors	2,271.0	12.5	1.7	0.3	0.3	2.8	2,288.6
Borrowings	61.5	5.5	76.4	3.2	17.1	–	163.7
Net settled derivative financial instruments	0.2	–	–	–	–	–	0.2
Gross settled derivative financial instruments							
– inflow	37.6	–	–	–	–	–	37.6
– outflow	37.7	–	–	–	–	–	37.7

Capital management

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

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

The Group monitors capital on the basis of the Group's consolidated gearing ratio and consolidated interest cover. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings less bank balances and other liquid funds. Interest cover is calculated as underlying operating profit and share of results of associates and joint ventures divided by net financing charges. The Group does not have a defined gearing or interest cover benchmark or range.

The ratios at 31st December 2013 and 2012 are as follows:

	2013	2012
Interest cover (times)	**191**	48

The Group had a net cash position at 31st December 2013 and 2012. The increase in interest cover is mainly due to lower interest expense as certain bank loans have been fully repaid during the year.

Fair value estimation

(i) Financial instruments that are measured at fair value

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

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities ('quoted prices in active markets')
The fair value of listed securities, which are classified as available-for-sale, is based on quoted prices in active markets at the balance sheet date. The quoted market price used for listed investments held by the Group is the current bid price.

(b) Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly ('observable current market transactions')
The fair values of all interest rate swaps and caps, and forward foreign exchange contracts have been determined using rates quoted by the Group's bankers at the balance sheet date which are calculated by reference to market interest rates and foreign exchange rates.

(c) Inputs for assets or liabilities that are not based on observable market data ('unobservable inputs')
The fair value of unlisted securities, which are classified as available-for-sale, is determined using valuation techniques by reference to observable current market transactions or the market prices of the underlying investments with a certain degree of entity specific estimates.

There were no changes in valuation techniques during the year.

The table below analyzes financial instruments carried at fair value measured by observable current market transactions:

	2013 US$m	2012 US$m
Assets		
Available-for-sale financial assets		
– unlisted investments *(note 14)*	**5.8**	5.2
Derivatives financial instruments	**0.5**	0.1
	6.3	5.3
Liabilities		
Derivatives financial instruments	**(0.1)**	(0.9)
	(0.1)	(0.9)

The fair values of unlisted investments, which are classified as available-for-sale and mainly include club debentures, are determined by market prices at the balance sheet date.

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

The fair values of current debtors, bank balances and other liquid funds, current creditors and current borrowings are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

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

Financial instruments by category	Loans and receivables US$m	Derivatives US$m	Available-for-sale US$m	Other financial liabilities at amortized cost US$m	Total carrying amount US$m
2013					
Assets					
Other investments	–	–	5.8	–	**5.8**
Debtors	116.6	0.5	–	–	**117.1**
Bank balances and other liquid funds	728.4	–	–	–	**728.4**
	845.0	**0.5**	**5.8**	**–**	**851.3**
Liabilities					
Borrowings	–	–	–	(90.8)	**(90.8)**
Trade and other payables	–	(0.1)	–	(2,323.3)	**(2,323.4)**
	–	**(0.1)**	**–**	**(2,414.1)**	**(2,414.2)**
2012					
Assets					
Other investments	–	–	5.2	–	5.2
Debtors	106.3	0.1	–	–	106.4
Bank balances and other liquid funds	667.2	–	–	–	667.2
	773.5	0.1	5.2	–	778.8
Liabilities					
Borrowings	–	–	–	(146.4)	(146.4)
Trade and other payables	–	(0.9)	–	(2,288.6)	(2,289.5)
	–	(0.9)	–	(2,435.0)	(2,435.9)

The fair values of financial instruments approximate their carrying amounts.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below.

Acquisition of subsidiaries, associates and joint ventures

The initial accounting on the acquisition of subsidiaries, associates and joint ventures involves identifying and determining the fair values to be assigned to the identifiable assets, liabilities and contingent liabilities of the acquired entities. The fair values of leasehold land and tangible assets are determined by independent valuers by reference to market prices or present value of expected net cash flows from the assets. Any changes in the assumptions used and estimates made in determining the fair values, and management's ability to measure reliably the contingent liabilities of the acquired entity will impact the carrying amount of these assets and liabilities.

On initial acquisition or acquisition of further interests in an entity, an assessment of the level of control or influence exercised by the Group is required. For entities where the Group has a shareholding of less than 50%, an assessment of the Group's level of voting rights, board representation and other indicators of influence is performed to consider whether the Group has de facto control, requiring consolidation of that entity, or significant influence, requiring classification as an associate.

Tangible fixed assets and depreciation

Management determines the estimated useful lives and related depreciation charges for the Group's tangible fixed assets. Management will revise the depreciation charge where useful lives are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

Impairment of assets

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

Income taxes

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

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

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

Pension obligations

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

The expected return on plan assets assumption is determined on a uniform basis, taking into consideration long-term historical returns, asset allocation and future estimates of long-term investment returns.

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

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

Non-trading items

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

4. SALES

	Including associates and joint ventures		Subsidiaries	
	2013 US$m	2012 US$m	**2013** US$m	2012 US$m
Analysis by operating segment:				
Food	**8,240.2**	7,757.9	**7,755.8**	7,456.0
– Supermarkets/hypermarkets	**6,459.3**	6,075.0	**5,974.9**	5,773.1
– Convenience stores	**1,780.9**	1,682.9	**1,780.9**	1,682.9
Health and Beauty	**2,218.5**	2,003.3	**2,179.9**	1,969.2
Home Furnishings	**421.7**	375.4	**421.7**	375.4
Restaurants	**1,551.3**	1,403.9	**–**	–
	12,431.7	11,540.5	**10,357.4**	9,800.6

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. Prior to January 2013, Dairy Farm managed the businesses by geographical territory and operated in four operating segments: North Asia, East Asia, South Asia and Maxim's. From 2013 onwards, the Group reorganized the organization structure across the different territories into four operating segments: Food, Health and Beauty, Home Furnishings and Restaurants. Food comprises supermarket, hypermarket and convenience store businesses. Health and Beauty comprises the Group's health and beauty businesses. Home Furnishings is the Group's IKEA businesses. Restaurants is the Group's major associate, Maxim's, a leading Hong Kong restaurant chain.

Set out below are analyzes of the Group's sales by geographical locations:

	Including associates and joint ventures		Subsidiaries	
	2013 US$m	2012 US$m	**2013** US$m	2012 US$m
Analysis by geographical area:				
North Asia	**7,044.4**	6,401.3	**5,496.0**	4,997.4
East Asia	**2,886.1**	2,864.1	**2,869.3**	2,854.6
South Asia	**2,501.2**	2,275.1	**1,992.1**	1,948.6
	12,431.7	11,540.5	**10,357.4**	9,800.6

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

5. OPERATING PROFIT

	2013 US$m	2012 US$m
Analysis by operating segment:		
Food	**318.7**	288.9
– Supermarkets/hypermarkets	**247.9**	219.3
– Convenience stores	**70.8**	69.6
Health and Beauty	**197.7**	187.5
Home Furnishings	**43.6**	37.8
	560.0	514.2
Support office	**(37.7)**	(37.0)
	522.3	477.2
Non-trading items:		
– profit on sale of properties	**29.0**	3.0
– acquisition-related costs in business combination	**–**	(0.3)
	551.3	479.9

Included within the operating profit for supermarket and hypermarket businesses for 2012 was an adjustment of US$66.9 million relating to the reversal of supplier income in Malaysia incorrectly recognized in prior years.

The 2012 figures have been restated to reflect the impact of adopting IAS 19 (amended 2011) *(note 1)*.

Set out below are analyzes of the Group's operating profit by geographical locations:

	2013 US$m	2012 US$m
Analysis by geographical area:		
North Asia	**373.0**	309.0
East Asia	**101.7**	92.3
South Asia	**85.3**	112.9
	560.0	514.2

The following items have been (charged)/credited in arriving at operating profit:

	2013 US$m	2012 US$m
Cost of stocks recognized as expense	**(7,229.7)**	(6,947.4)
Amortization of intangible assets *(note 11)*	**(9.3)**	(8.2)
Depreciation of tangible assets *(note 12)*	**(186.8)**	(183.1)
Write down of stocks	**(20.4)**	(6.4)
Reversal of write down of stocks	**0.7**	0.2
Employee benefit expense		
– salaries and benefits in kind	**(882.9)**	(816.5)
– share options granted *(note 25)*	**(3.4)**	(2.9)
– defined benefit pension plans *(note 17)*	**(18.9)**	(17.1)
– defined contribution pension plans	**(45.4)**	(42.7)
	(950.6)	(879.2)
Operating lease expenses		
– minimum lease payments	**(794.0)**	(739.2)
– contingent rents	**(16.4)**	(14.3)
– subleases	**53.6**	52.9
	(756.8)	(700.6)
Auditors' remuneration		
– audit	**(2.0)**	(2.0)
– non-audit services	**(0.9)**	(0.6)
	(2.9)	(2.6)
Concession and service income	**119.1**	112.8
Rental income from properties	**28.0**	24.9
Net foreign exchange gains	**2.1**	2.0
Gain/(loss) on sale of tangible assets	**22.4**	(5.2)

6. NET FINANCING CHARGES

	2013 US$m	2012 US$m
Interest expense – bank loans and advances	**(9.1)**	(12.6)
Commitment and other fees	**(1.6)**	(1.4)
Financing charges	**(10.7)**	(14.0)
Interest income on bank deposits	**7.6**	2.7
	(3.1)	(11.3)

7. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	2013 US$m	2012 US$m
Analysis by operating segment:		
Food	**(8.3)**	(5.2)
Health and Beauty	**(0.5)**	–
Restaurants	**75.5**	68.7
	66.7	63.5

Share of results of associates and joint ventures included our share of restructuring costs of a business of US$2.2 million classified as non-trading item *(note 10)*.

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

8. TAX

	2013 US$m	2012 US$m
Tax charged to profit and loss is analyzed as follows:		
Current tax	**(105.9)**	(82.0)
Deferred tax	**3.9**	(0.5)
	(102.0)	(82.5)
Reconciliation between tax expense and tax at the applicable tax rate:*		
Tax at applicable tax rate	**(76.4)**	(66.1)
Income not subject to tax	**0.6**	0.9
Expenses not deductible for tax purposes	**(16.7)**	(17.2)
Tax losses and temporary differences not recognized	**(3.8)**	(4.9)
Utilization of previously unrecognized tax losses	**0.3**	–
Recognition of previously unrecognized tax losses and temporary differences	**–**	0.4
(Under)/over provision in prior years	**(2.1)**	8.7
Withholding tax	**(3.8)**	(3.0)
Other	**(0.1)**	(1.3)
	(102.0)	(82.5)
Tax relating to components of other comprehensive income is analyzed as follows:		
Remeasurements of employee benefit plans	**(3.8)**	1.3
Cash flow hedges	**–**	0.3
Revaluation of other investments	**(0.1)**	(0.2)
	(3.9)	1.4

Share of tax charge of associates and joint ventures of US$15.0 million *(2012: US$15.2 million)* is included in share of results of associates and joint ventures.

*The applicable tax rate for the year was 13.9% *(2012: 14.1%)* and represents the weighted average of the rates of taxation prevailing in the territories in which the Group operates. The decrease in applicable tax rate was attributable to a change in the geographic mix of the Group's profits.

9. EARNINGS PER SHARE

Basic earnings per share are calculated on profit attributable to shareholders of US$500.9 million *(2012: US$446.5 million)*, and on the weighted average number of 1,351.8 million *(2012: 1,350.3 million)* shares in issue during the year.

Diluted earnings per share are calculated on profit attributable to shareholders of US$500.9 million *(2012: US$446.5 million)*, and on the weighted average number of shares in issue after adjusting for the number of shares which are deemed to be issued for no consideration under the Senior Executive Share Incentive Schemes based on the average share price during the year.

The weighted average number of shares is arrived at as follows:

	Ordinary shares in millions	
	2013	2012
Weighted average number of shares for basic earnings per share calculation	**1,351.8**	1,350.3
Adjustment for shares deemed to be issued for no consideration under the Senior Executive Share Incentive Schemes	**1.2**	2.3
Weighted average number of shares for diluted earnings per share calculation	**1,353.0**	1,352.6

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:

	2013			2012		
	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	**500.9**	**37.05**	**37.02**	446.5	33.07	33.01
Non-trading items *(note 10)*	**(20.8)**			(2.7)		
Underlying profit attributable to shareholders	**480.1**	**35.52**	**35.48**	443.8	32.86	32.81

The adjusted underlying profit attributable to shareholders for 2012 was US$502.4 million after excluding the write-off in 2012 of supplier income of US$58.6 million which was incorrectly recognized in prior years, while the adjusted underlying earnings per share attributable to shareholders were US¢37.20.

10. NON-TRADING ITEMS

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

	2013 US$m	2012 US$m
Profit on sale of properties	**23.0**	3.0
Share of a restructuring cost of business	**(2.2)**	–
Acquisition-related costs in business combination	**–**	(0.3)
	20.8	2.7

11. INTANGIBLE ASSETS

	Goodwill US$m	Leasehold land US$m	Other US$m	Total US$m
2013				
Cost	316.7	98.0	59.9	**474.6**
Amortization and impairment	(0.3)	(3.7)	(30.8)	**(34.8)**
Net book value at 1st January	316.4	94.3	29.1	**439.8**
Exchange differences	(17.5)	(21.3)	(3.0)	**(41.8)**
Additions	–	16.2	6.3	**22.5**
Disposals	–	(2.6)	(0.8)	**(3.4)**
Classified as non-current assets held for sale	–	(0.3)	–	**(0.3)**
Amortization	–	(2.2)	(7.1)	**(9.3)**
Net book value at 31st December	**298.9**	**84.1**	**24.5**	**407.5**
Cost	299.2	88.0	58.7	**445.9**
Amortization and impairment	(0.3)	(3.9)	(34.2)	**(38.4)**
	298.9	**84.1**	**24.5**	**407.5**
2012				
Cost	287.0	40.3	52.2	379.5
Amortization and impairment	(0.4)	(2.8)	(23.9)	(27.1)
Net book value at 1st January	286.6	37.5	28.3	352.4
Exchange differences	4.5	(3.8)	(0.3)	0.4
New subsidiary acquired	–	–	2.7	2.7
Additions	25.3	61.8	5.4	92.5
Amortization	–	(1.2)	(7.0)	(8.2)
Net book value at 31st December	316.4	94.3	29.1	439.8
Cost	316.7	98.0	59.9	474.6
Amortization and impairment	(0.3)	(3.7)	(30.8)	(34.8)
	316.4	94.3	29.1	439.8

Other intangible assets comprise mainly trademarks and computer software.

Additions of goodwill in 2012 related to the acquisition of the Lucky supermarket chain in Cambodia *(note 29(d))*.

Goodwill is allocated to cash-generating units identified by banners or group of stores acquired in each territory. Cash flow projections for impairment reviews are based on budgets prepared on the basis of assumptions reflective of the prevailing market conditions, and are discounted appropriately. Key assumptions used for value-in-use calculations include budgeted gross margins of between 20% and 52% and growth rates of up to 10% to extrapolate cash flows, which vary across the Group's business segments and geographical locations, over a five-year period and thereafter, and are based on management expectations for the market development; and pre-tax discount rates of between 7% and 19% applied to the cash flow projections. The discount rates used reflect business specific risks relating to the relevant industry, business life-cycle and geographical location. On the basis of these reviews, management concluded that no impairment is required.

There were no intangible assets pledged as security for borrowings as at 31st December 2013 and 2012.

The amortization charges are all recognized in arriving at operating profit and are included in selling and distribution costs and administration expenses.

The remaining amortization periods for intangible assets are as follows:

Leasehold land	30 to 60 years
Other	0 to 18 years

12. TANGIBLE ASSETS

	Freehold properties US$m	Leasehold properties US$m	Leasehold improvements US$m	Plant & machinery US$m	Furniture, equipment & motor vehicles US$m	Total US$m
2013						
Cost	132.4	402.8	554.6	531.2	734.6	**2,355.6**
Depreciation and impairment	(3.7)	(68.5)	(384.1)	(360.5)	(469.3)	**(1,286.1)**
Net book value at 1st January	128.7	334.3	170.5	170.7	265.3	**1,069.5**
Exchange differences	(7.7)	(35.2)	(3.0)	(5.1)	(33.7)	**(84.7)**
Additions	4.7	58.6	70.3	57.1	124.8	**315.5**
Disposals	–	(22.4)	(2.5)	(1.7)	(3.6)	**(30.2)**
Depreciation charge	(1.3)	(10.7)	(50.3)	(50.5)	(74.0)	**(186.8)**
Reversal of impairment charge	–	–	1.4	–	–	**1.4**
Classified as non-current assets held for sale	–	(3.0)	–	–	–	**(3.0)**
Net book value at 31st December	**124.4**	**321.6**	**186.4**	**170.5**	**278.8**	**1,081.7**
Cost	129.2	392.1	584.7	541.0	749.4	**2,396.4**
Depreciation and impairment	(4.8)	(70.5)	(398.3)	(370.5)	(470.6)	**(1,314.7)**
	124.4	**321.6**	**186.4**	**170.5**	**278.8**	**1,081.7**
2012						
Cost	97.1	298.4	506.0	483.8	706.1	2,091.4
Depreciation and impairment	(2.3)	(58.9)	(349.2)	(324.0)	(461.0)	(1,195.4)
Net book value at 1st January	94.8	239.5	156.8	159.8	245.1	896.0
Exchange differences	3.8	3.2	2.8	4.4	0.6	14.8
New subsidiary acquired	–	–	1.2	1.2	0.4	2.8
Additions	12.5	79.3	63.5	56.9	99.1	311.3
Disposals	–	(1.0)	(3.8)	(1.4)	(5.2)	(11.4)
Depreciation charge	(1.3)	(9.5)	(47.4)	(50.2)	(74.7)	(183.1)
Impairment charge	–	–	(2.6)	–	–	(2.6)
Classified as non-current assets held for sale	18.9	22.8	–	–	–	41.7
Net book value at 31st December	128.7	334.3	170.5	170.7	265.3	1,069.5
Cost	132.4	402.8	554.6	531.2	734.6	2,355.6
Depreciation and impairment	(3.7)	(68.5)	(384.1)	(360.5)	(469.3)	(1,286.1)
	128.7	334.3	170.5	170.7	265.3	1,069.5

Net book value of leasehold properties acquired under finance leases amounted to US$95.9 million *(2012: US$97.5 million)*.

Rental income from properties and other tangible assets amounted to US$28.0 million *(2012: US$24.9 million)* including contingent rents of US$2.9 million *(2012: US$3.1 million)*.

12. TANGIBLE ASSETS *(continued)*

Future minimum rental payments receivable under non-cancellable leases are as follows:

	2013 US$m	2012 US$m
Within one year	**11.2**	12.7
Between one and two years	**6.2**	7.1
Between two and five years	**4.2**	4.9
Beyond five years	**1.4**	1.4
	23.0	26.1

There were no tangible assets pledged as security for borrowings as at 31st December 2013 and 2012.

13. ASSOCIATES AND JOINT VENTURES

	2013 US$m	2012 US$m
Unlisted associates	**253.0**	220.5
Unlisted joint ventures	**37.4**	37.1
Goodwill on acquisition	**79.4**	80.3
	116.8	117.4
	369.8	337.9

	Associates		Joint Ventures	
	2013 US$m	2012 US$m	2013 US$m	2012 US$m
Movements of associates and joint ventures during the year:				
At 1st January	**220.5**	186.8	**117.4**	6.7
Share of results after tax and non-controlling interests	**75.5**	68.7	**(8.8)**	(5.2)
Share of other comprehensive income/(expense) after tax and non-controlling interests	**1.5**	2.4	**(9.5)**	3.9
Dividends received	**(44.5)**	(37.4)	**–**	–
Acquisition and capital injections	**–**	–	**17.7**	112.0
At 31st December	**253.0**	220.5	**116.8**	117.4

(a) Investment in an associate

Maxim's Caterers Limited ('Maxim's') is the only associate in the Group. In the opinion of the Directors, the Group's 50% *(2012: 50%)* ownership interest is material to the Group. The associate has share capital consisting solely of ordinary shares, which are held directly by the Group.

Maxim's is incorporated in Hong Kong and is one of the leading restaurant chains in Hong Kong, offering a diversified service comprising a wide range of restaurants, fast food outlets, cakes, festive products and institutional catering.

There were no contingent liabilities relating to the Group's interest in associate as at 31st December 2013.

13. ASSOCIATES AND JOINT VENTURES *(continued)*

(a) Investment in an associate *(continued)*

Summarized financial information for material associate – Maxim's

Summarized balance sheet at 31st December

	2013 US$m	2012 US$m
Non-current assets	**578.3**	448.1
Current assets		
Cash and cash equivalents	**187.6**	231.8
Other current assets	**119.2**	99.0
Total current assets	**306.8**	330.8
Non-current liabilities		
Financial liabilities	**(56.1)**	(48.7)
Other current liabilities	**(26.0)**	(26.4)
Total non-current liabilities	**(82.1)**	(75.1)
Current liabilities		
Financial liabilities (excluding trade payables)	**(205.1)**	(179.9)
Other current liabilities (including trade payables)	**(81.3)**	(74.1)
Total current liabilities	**(286.4)**	(254.0)
Non-controlling interests	**(10.6)**	(8.8)
Net assets	**506.0**	441.0

Summarized statement of comprehensive income for the year ended 31st December

	2013 US$m	2012 US$m
Revenue	**1,551.3**	1,403.9
Depreciation and amortization	**(49.7)**	(51.6)
Interest income	**3.2**	3.5
Interest expense	**(0.1)**	(0.1)
Profit from underlying business performance	**183.6**	169.0
Income tax expense	**(31.8)**	(30.3)
Profit after tax	**151.8**	138.7
Non-controlling interests	**(0.9)**	(1.3)
Profit after tax and non-controlling interests	**150.9**	137.4
Other comprehensive income	**3.0**	4.7
Total comprehensive income	**153.9**	142.1
Dividends received from an associate	**44.5**	37.4

The information above reflects the amounts presented in the financial statements of the associate adjusted for differences in accounting policies between the Group and the associate.

13. ASSOCIATES AND JOINT VENTURES *(continued)*

(a) Investment in an associate *(continued)*

Reconciliation of summarized financial information

Reconciliation of the summarized financial information presented to the carrying amount of the Group's interests in the material associate for the year ended 31st December

	2013 US$m	2012 US$m
Net assets at 1st January	**441.0**	373.6
Profit for the year	**150.9**	137.4
Other comprehensive income	**3.0**	4.7
Dividends	**(88.9)**	(74.7)
Net assets at 31st December	**506.0**	441.0
Interest in an associate (50%)		
Group's share of net assets in an associate	**253.0**	220.5
Goodwill	**–**	–
Carrying value	**253.0**	220.5

(b) Investment in joint ventures

The Group has interests in a number of joint ventures. In the opinion of the Directors, the Group's 50% *(2012: 50%)* ownership in Rustan Supercenters, Inc. ('Rustan's') is material to the Group. The joint venture has share capital consisting solely of ordinary shares, which are held directly by the Group. The Group acquired its interest in Rustan's in May 2012.

Rustan's is incorporated in the Philippines and operates supermarkets and hypermarkets in the Philippines.

There were no commitments and contingent liabilities relating to the Group's interest in joint ventures as at 31st December 2013.

Summarized financial information for material joint venture – Rustan's

Summarized balance sheet at 31st December

	2013 US$m	2012 US$m
Non-current assets	**127.6**	117.7
Current assets		
Cash and cash equivalents	**26.4**	36.0
Other current assets	**84.2**	78.3
Total current assets	**110.6**	114.3
Non-current liabilities		
Financial liabilities	**(84.1)**	(75.1)
Other current liabilities	**(3.3)**	(2.2)
Total non-current liabilities	**(87.4)**	(77.3)
Current liabilities		
Financial liabilities (excluding trade payables)	**(53.0)**	(39.5)
Other current liabilities (including trade payables)	**(63.8)**	(56.1)
Total current liabilities	**(116.8)**	(95.6)
Net assets	**34.0**	59.1

13. ASSOCIATES AND JOINT VENTURES *(continued)*

(b) Investment in joint ventures *(continued)*

Summarized statement of comprehensive income for the year ended 31st December

	2013 US$m	2012* US$m
Revenue	**445.0**	260.9
Depreciation and amortization	**(8.3)**	(5.0)
Interest income	**0.3**	0.3
Interest expense	**(3.4)**	(3.4)
Loss from underlying business performance	**(6.9)**	(3.8)
Income tax credit	**1.0**	0.5
Loss after tax from underlying business performance	**(5.9)**	(3.3)
Loss after tax from non-trading items	**(4.3)**	–
Loss after tax	**(10.2)**	(3.3)
Other comprehensive (expense)/income	**(3.9)**	2.6
Total comprehensive income	**(14.1)**	(0.7)
Dividends received from joint venture	**–**	–

*The Group acquired the interests in Rustan's in May 2012. The 2012 figures included only seven months results of Rustan's.

The information above reflects the amounts presented in the financial statements of the joint venture adjusted for differences in accounting policies between the Group and the joint venture.

Reconciliation of summarized financial information

Reconciliation of the summarized financial information presented to the carrying amount of the Group's interests in the material joint venture for the year ended 31st December

	2013 US$m	2012 US$m
Net assets at 1st January	**59.1**	–
Loss for the year	**(10.2)**	(3.3)
Other comprehensive (expense)/income	**(3.9)**	2.6
Acquisition	**–**	59.8
Adjustment to final purchase price allocation	**(11.0)**	–
Net assets at 31st December	**34.0**	59.1
Interest in joint venture (50%)		
Group's share of net assets in joint venture	**17.8**	30.5
Goodwill	**79.4**	80.3
Carrying value	**97.2**	110.8

The Group has interests in a number of individually immaterial joint ventures. The following table analyzes, in aggregate, the share of profit and other comprehensive income and carrying amount of these joint ventures.

	2013 US$m	2012 US$m
Share of loss	**(3.6)**	(3.6)
Share of other comprehensive expense	**(1.1)**	–
Share of total comprehensive income	**(4.7)**	(3.6)
Carrying amount of interests in these joint ventures	**19.6**	6.6

14. OTHER INVESTMENTS

	2013 US$m	2012 US$m
Movements during the year:		
At 1st January	**5.2**	4.0
Revaluation surplus	**0.6**	1.2
At 31st December	**5.8**	5.2

Other investments are unlisted non-current available-for-sale financial assets. The fair value is determined on observable current market transactions.

15. DEBTORS

	2013 US$m	2012 US$m
Trade debtors		
– third parties	**84.0**	66.2
– provision for impairment	**(1.6)**	(0.9)
	82.4	65.3
Other debtors		
– third parties	**271.4**	264.5
– provision for impairment	**(2.4)**	(1.5)
	269.0	263.0
	351.4	328.3
Non-current	**138.2**	132.7
Current	**213.2**	195.6
	351.4	328.3

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

Trade and other debtors
Sales to customers are made in cash or by major credit cards. The average credit period on sale of goods and services varies among Group businesses and is normally not more than 30 days. The maximum exposure to credit risk is represented by the carrying amount of trade debtors after deducting the impairment allowance.

An allowance for impairment of trade and other debtors is made based on the estimated irrecoverable amount. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payment are considered indicators that the debtor is impaired.

15. DEBTORS *(continued)*

At 31st December 2013, trade debtors of US$1.6 million *(2012: US$0.9 million)* and other debtors of US$2.4 million *(2012: US$1.5 million)* were impaired, which have been fully provided for in both years. The ageing analysis of these debtors is as follows:

	Trade debtors		Other debtors	
	2013 US$m	2012 US$m	**2013** US$m	2012 US$m
Over 90 days	**1.6**	0.9	**2.4**	1.5

At 31st December 2013, trade debtors of US$5.9 million *(2012: US$6.3 million)* and other debtors of US$2.2 million *(2012: US$1.5 million)*, respectively, were past due but not impaired. The ageing analysis of these debtors is as follows:

	Trade debtors		Other debtors	
	2013 US$m	2012 US$m	**2013** US$m	2012 US$m
Below 30 days	**3.7**	5.7	**1.2**	0.9
Between 31 and 60 days	**1.3**	0.4	**0.6**	0.3
Between 61 and 90 days	**0.5**	0.1	**0.3**	0.2
Over 90 days	**0.4**	0.1	**0.1**	0.1
	5.9	6.3	**2.2**	1.5

The risk of trade and other debtors that are neither past due nor impaired at 31st December 2013 becoming impaired is low as most of the balances have been settled subsequent to year end.

Other debtors

Other debtors are further analyzed as follows:

	2013 US$m	2012 US$m
Derivative financial instruments	**0.5**	0.1
Other receivables	**34.2**	32.3
Financial assets	**34.7**	32.4
Prepayments	**58.0**	51.6
Rental and other deposits	**147.7**	141.6
Other	**28.6**	37.4
	269.0	263.0

Movements in the provisions for impairment are as follows:

	Trade debtors		Other debtors	
	2013 US$m	2012 US$m	**2013** US$m	2012 US$m
At 1st January	**(0.9)**	(0.6)	**(1.5)**	(0.5)
Exchange differences	**0.1**	–	**–**	–
Additional provisions	**(1.2)**	(0.6)	**(1.7)**	(1.0)
Unused amounts reversed	**0.1**	–	**0.1**	–
Amounts written off	**0.3**	0.3	**0.7**	–
At 31st December	**(1.6)**	(0.9)	**(2.4)**	(1.5)

There were no debtors pledged as security for borrowings as at 31st December 2013 and 2012.

16. DEFERRED TAX ASSETS/ (LIABILITIES)

	Accelerated tax depreciation US$m	Fair value gains/ losses US$m	Employee benefits US$m	Provisions and other temporary differences US$m	Total US$m
2013					
At 1st January					
– as previously stated	(38.0)	(5.4)	9.5	10.8	**(23.1)**
– change in accounting policy for employee benefits	–	–	–	–	**–**
– as restated	(38.0)	(5.4)	9.5	10.8	**(23.1)**
Exchange differences	2.6	0.9	(1.5)	(1.6)	**0.4**
(Charged)/credited to profit and loss	(0.7)	1.1	(0.2)	3.7	**3.9**
Credited to other comprehensive income	–	(0.1)	(3.8)	–	**(3.9)**
At 31st December	**(36.1)**	**(3.5)**	**4.0**	**12.9**	**(22.7)**
Deferred tax assets	2.5	–	5.2	14.5	**22.2**
Deferred tax liabilities	(38.6)	(3.5)	(1.2)	(1.6)	**(44.9)**
	(36.1)	**(3.5)**	**4.0**	**12.9**	**(22.7)**
2012					
At 1st January					
– as previously stated	(34.6)	(5.7)	6.9	10.5	(22.9)
– change in accounting policy for employee benefits	–	–	(0.1)	–	(0.1)
– as restated	(34.6)	(5.7)	6.8	10.5	(23.0)
Exchange differences	(0.6)	0.2	(0.2)	(0.4)	(1.0)
(Charged)/credited to profit and loss	(2.8)	–	1.6	0.7	(0.5)
Credited to other comprehensive income	–	0.1	1.3	–	1.4
At 31st December	(38.0)	(5.4)	9.5	10.8	(23.1)
Deferred tax assets	2.6	0.1	9.5	13.0	25.2
Deferred tax liabilities	(40.6)	(5.5)	–	(2.2)	(48.3)
	(38.0)	(5.4)	9.5	10.8	(23.1)

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

Deferred tax assets of US$20.1 million *(2012: US$18.5 million)* arising from unused tax losses of US$80.3 million *(2012: US$74.1 million)* have not been recognized in the financial statements. Included in the unused tax losses, US$8.0 million have no expiry date and the balance will expire at various dates up to and including 2018.

Deferred tax liabilities of US$17.7 million *(2012: US$14.7 million)* arising on temporary differences associated with investment in subsidiaries of US$177.4 million *(2012: US$147.0 million)* have not been recognized as there are no current intention of remitting the retained earnings of these subsidiaries to the holding company in the foreseeable future.

17. PENSION PLANS

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

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

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

	2013 US$m	2012 US$m
Fair value of plan assets	**190.4**	191.1
Present value of funded obligations	**(183.2)**	(191.1)
	7.2	–
Present value of unfunded obligations	**(24.0)**	(40.2)
Net pension liabilities	**(16.8)**	(40.2)
Analysis of net pension liabilities:		
Pension assets	**7.2**	–
Pension liabilities	**(24.0)**	(40.2)
	(16.8)	(40.2)

	Fair value of plan assets US$m	Present value of obligation US$m	Total US$m
2013			
At 1st January – as restated	191.1	(231.3)	**(40.2)**
Current service cost	–	(16.8)	**(16.8)**
Interest income/(expense)	7.3	(8.3)	**(1.0)**
Past service cost and gains/(losses) on settlements	–	(0.6)	**(0.6)**
Administration expenses	(0.5)	–	**(0.5)**
	6.8	(25.7)	**(18.9)**
	197.9	(257.0)	**(59.1)**
Exchange differences	(6.4)	11.0	**4.6**
Remeasurements			
– return on plan assets, excluding amounts included in interest income/(expense)	6.0	–	**6.0**
– change in demographic assumptions	–	(0.8)	**(0.8)**
– change in financial assumptions	–	27.0	**27.0**
– experience losses	–	(12.7)	**(12.7)**
	6.0	13.5	**19.5**
Contributions from employers	17.0	–	**17.0**
Benefit payments	(22.3)	23.5	**1.2**
Transfer (to)/from other plans	(1.8)	1.8	**–**
At 31st December	**190.4**	**(207.2)**	**(16.8)**

17. PENSION PLANS *(continued)*

	Fair value of plan assets US$m	Present value of obligation US$m	Total US$m
2012			
At 1st January – as restated	169.7	(204.7)	(35.0)
Current service cost	–	(15.9)	(15.9)
Interest income/(expense)	8.2	(9.3)	(1.1)
Past service cost and gains/(losses) on settlements	–	(0.1)	(0.1)
	8.2	(25.3)	(17.1)
	177.9	(230.0)	(52.1)
Exchange differences	(1.0)	1.6	0.6
Remeasurements			
– return on plan assets, excluding amounts included in interest income/(expense)	12.8	–	12.8
– change in demographic assumptions	–	(0.2)	(0.2)
– change in financial assumptions	–	(18.3)	(18.3)
– experience losses	–	(0.1)	(0.1)
	12.8	(18.6)	(5.8)
Contributions from employers	17.3	–	17.3
Benefit payments	(15.7)	15.5	(0.2)
Transfer (to)/from other plans	(0.2)	0.2	–
At 31st December – as restated	191.1	(231.3)	(40.2)

The weighted average duration of the defined benefit obligation at 31st December 2013 is 8.8 years.

Expected maturity analysis of undiscounted pension benefits at 31st December is as follows:

	2013 US$m
Less than a year	**22.1**
Between one and two years	**18.1**
Between two and five years	**52.4**
Beyond five years	**641.7**
	734.3

The principal actuarial assumptions used for accounting purposes at 31st December are as follows:

	Hong Kong		Indonesia		Taiwan	
	2013 %	2012 %	**2013** %	2012 %	**2013** %	2012 %
Discount rate	**4.4**	3.4	**8.8**	5.9	**2.0**	2.0
Salary growth rate	**5.0**	5.0	**7.0**	8.0	**1.9**	1.6

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption US$m	Decrease in assumption US$m
Discount rate	1%	(15.8)	17.8
Salary growth rate	1%	17.3	(15.6)

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

17. PENSION PLANS *(continued)*

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

	Asia Pacific US$m	Europe US$m	North America US$m	Global US$m	Total US$m
2013					
Quoted investments					
Equity instruments	32.6	0.1	–	–	**32.7**
Debt instruments					
– government	18.1	–	–	–	**18.1**
– corporate bonds					
• investment grade	0.5	–	–	–	**0.5**
	18.6	–	–	–	**18.6**
Investment funds	1.9	20.6	42.8	2.5	**67.8**
	53.1	20.7	42.8	2.5	**119.1**
Unquoted investments					
Debt instruments					
– government	2.9	9.1	3.4	1.8	**17.2**
– corporate bonds					
• investment grade	0.5	2.9	6.6	0.1	**10.1**
• non-investment grade	–	0.2	1.0	–	**1.2**
	0.5	3.1	7.6	0.1	**11.3**
	3.4	12.2	11.0	1.9	**28.5**
Investment funds	0.3	–	–	40.2	**40.5**
	3.7	12.2	11.0	42.1	**69.0**
Total investments	56.8	32.9	53.8	44.6	**188.1**
Cash and cash equivalents					**6.9**
Benefits payable and other					**(4.6)**
					190.4
2012					
Quoted investments					
Equity instruments	39.6	0.1	–	–	39.7
Debt instruments					
– government	22.8	–	–	–	22.8
Investment funds	0.1	14.7	21.2	2.2	38.2
	62.5	14.8	21.2	2.2	100.7
Unquoted investments					
Debt instruments					
– government	5.3	15.9	7.8	2.0	31.0
– corporate bonds					
• investment grade	0.7	4.0	11.3	0.1	16.1
• non-investment grade	–	0.1	0.5	–	0.6
	0.7	4.1	11.8	0.1	16.7
	6.0	20.0	19.6	2.1	47.7
Investment funds	–	–	–	41.7	41.7
	6.0	20.0	19.6	43.8	89.4
Total investments	68.5	34.8	40.8	46.0	190.1
Cash and cash equivalents					4.2
Benefits payable and other					(3.2)
					191.1

17. PENSION PLANS *(continued)*

As at 31st December 2013, the assets for the Hong Kong plans were invested 59% and 41% in quoted and unquoted instruments respectively. In 2012, the split was 46% and 54%. The high percentage of quoted instruments provides liquidity to the portfolio to fund drawdowns and benefit payments. Within the quoted equity allocation, the plan is well diversified in terms of sectors, with the top three being financials, properties and technology with a combined fair value of US$17.7 million. In 2012 the top three sectors were financials, industrials, and properties with a combined fair value of US$20.1 million.

In Indonesia, under local pension regulations, the plan can only invest in domestic equities and debt. As of 31st December 2013 and 31st December 2012, the plan did not have any investments in PT Hero. All of PT Hero's investments are in quoted instruments for both 2013 and 2012, with fair values of US$18.9 million and US$23.0 million respectively.

The assets for the Taiwan plans were invested in quoted instruments in 2013 and 2012, with fair values of US$0.7 million and US$1.0 million respectively.

Through its defined benefit pension plans, the Group is expected to be exposed to a number of risks such as asset volatility, changes in bond yields and inflation risk, the most significant of which are detailed below:

Asset volatility
The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. The Group's defined benefit plans hold a percentage of equities, which are expected to outperform corporate bonds in the long-term, whilst providing volatility and risk in the short-term.

The strategic asset allocation is derived from the asset-liability modeling ('ALM') review, done triennially to ensure the plans can meet future funding and solvency requirements. The last ALM review was completed in 2012, with the new strategic asset allocations adopted in the first quarter of 2013. As a Group, we believe the long-term nature of the plan liabilities and the strength of the Group supports a level of equity investment as part of the Group's long-term strategy to manage the plans efficiently.

Changes in bond yields
A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risk
Although CPI has remained benign in 2013, the long-term outlook is for a higher inflation assumption. The majority of the Group's plan assets are unaffected by inflation.

Life expectancy
The Hong Kong, Indonesia and Taiwan plans provide for a lump-sum benefit payment at retirement, which are unaffected by the change in the longevity assumptions.

The Group ensures that the investment positions are managed within an asset-liability modeling ('ALM') framework that is developed to achieve long-term returns that are in line with the obligations under the pension schemes. Within the ALM framework, the Group's objective is to match assets to the pension obligations by investing in a well-diversified portfolio that generates sufficient risk-adjusted returns that match the benefit payments. The Group also actively monitors the duration and the expected yield of the investments to ensure it matches the expected cash outflows arising from the pension obligations.

Investments across the plans are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

The Group maintains an active and regular contribution schedule across all the plans. The contributions to all its plans in 2013 was US$17.0 million and the estimated amount of contributions expected to be paid to all its plans in 2014 is US$16.3 million.

18. BANK BALANCES AND OTHER LIQUID FUNDS

	2013 US$m	2012 US$m
Deposits with banks	**571.2**	497.1
Bank balances	**75.1**	65.6
Cash balances	**82.1**	104.5
	728.4	667.2

The weighted average interest rate on deposits with banks is 1.8% *(2012: 0.7%)* per annum.

19. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

At 31st December 2012, the non-current assets classified as held for sale represented a piece of land in Malaysia and a retail property in Singapore. The land in Malaysia was sold during 2013 at a profit of US$0.8 million while the retail property in Singapore remained unsold at year end.

At 31st December 2013, the non-current assets classified as held for sale mainly represented three retail properties in Singapore. The sale of these properties is expected to be completed in 2014 at amounts not materially different from their carrying values.

20. CREDITORS

	2013 US$m	2012 US$m
Trade creditors	**1,556.8**	1,557.7
Accruals	**734.0**	698.4
Rental and other refundable deposits	**22.8**	22.7
Derivative financial instruments	**0.1**	0.9
Other creditors	**9.7**	9.8
Financial liabilities	**2,323.4**	2,289.5
Rental and other income received in advance	**3.2**	3.6
	2,326.6	2,293.1
Non-current	**17.3**	17.6
Current	**2,309.3**	2,275.5
	2,326.6	2,293.1

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

21. BORROWINGS

	2013 US$m	2012 US$m
Current		
– bank overdrafts	**2.0**	2.3
– other bank advances	**37.4**	7.4
	39.4	9.7
Current portion of long-term bank borrowings	**8.5**	45.8
Long-term bank borrowings	**42.9**	90.9
	90.8	146.4

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

The Group's borrowings are further summarized as follows:

		Fixed rate borrowings			
By currency	Weighted average interest rates %	Weighted average period outstanding Years	US$m	Floating rate borrowings US$m	Total US$m
2013					
Brunei Dollar	1.9	–	–	3.0	**3.0**
Malaysian Ringgit	4.5	–	–	79.1	**79.1**
New Taiwan Dollar	1.7	–	–	8.7	**8.7**
			–	**90.8**	**90.8**
2012					
Brunei Dollar	2.0	–	–	4.4	4.4
Indonesian Rupiah	6.8	–	–	54.8	54.8
Malaysian Ringgit	4.9	0.2	62.1	18.7	80.8
New Taiwan Dollar	1.7	–	–	6.4	6.4
			62.1	84.3	146.4

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

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

	2013 US$m	2012 US$m
Within one year	**90.8**	146.4

22. PROVISIONS

	Closure cost provisions US$m	Obligations under onerous leases US$m	Reinstatement and restoration costs US$m	Total US$m
2013				
At 1st January	2.1	–	26.9	**29.0**
Exchange differences	(0.1)	(0.3)	(1.4)	**(1.8)**
Additional provisions	4.7	8.9	4.0	**17.6**
Unused amounts reversed	(0.2)	–	(0.5)	**(0.7)**
Utilized	(1.6)	–	(0.9)	**(2.5)**
At 31st December	**4.9**	**8.6**	**28.1**	**41.6**
Non-current	–	5.2	25.4	**30.6**
Current	4.9	3.4	2.7	**11.0**
	4.9	**8.6**	**28.1**	**41.6**
2012				
At 1st January	4.3	–	23.6	27.9
Exchange differences	–	–	0.8	0.8
Additional provisions	2.6	–	2.5	5.1
Unused amounts reversed	(1.2)	–	–	(1.2)
Utilized	(3.6)	–	–	(3.6)
At 31st December	2.1	–	26.9	29.0
Non-current	–	–	23.9	23.9
Current	2.1	–	3.0	5.1
	2.1	–	26.9	29.0

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

Provisions are made for obligations under onerous operating leases when the Group believes that the net costs of exiting from the leases exceed the economic benefits expected to be received.

Reinstatement cost provisions comprise the estimated costs of dismantling and removing an item of property, plant and equipment and restoring the site on which the asset is located.

23. SHARE CAPITAL

	2013 US$m	2012 US$m
Authorized:		
2,250,000,000 shares of US¢5 5/9 each	**125.0**	125.0
500,000 shares of US$800 each	**400.0**	400.0
	525.0	525.0

	Ordinary shares in millions **2013**	Ordinary shares in millions 2012	**2013** US$m	2012 US$m
Issued and fully paid:				
Ordinary shares of US¢5 5/9 each				
At 1st January	**1,350.6**	1,350.2	**75.0**	75.0
Issued under employee share option schemes	**1.5**	0.4	**0.1**	–
At 31st December	**1,352.1**	1,350.6	**75.1**	75.0

24. SENIOR EXECUTIVE SHARE INCENTIVE SCHEMES

The Senior Executive Share Incentive Schemes were set up in order to provide selected executives with options to purchase ordinary shares in the Company.

The exercise price of the granted options is based on the average market price for the five trading days immediately preceding the date of grant of the options. Options are vested in tranches over a period of up to three years and exercisable for up to ten years following the date of grant. Under the existing plan, ordinary shares may be issued upon exercise of the options.

Movements during the year:

	2013		2012	
	Weighted average exercise price US$	Options in millions	Weighted average exercise price US$	Options in millions
At 1st January	**7.1239**	**6.4**	5.8272	5.3
Granted	**12.1518**	**1.8**	10.2849	1.8
Exercised	**5.6562**	**(3.0)**	5.2177	(0.7)
Lapsed	**10.9605**	**(0.8)**	–	–
At 31st December	**7.1239**	**4.4**	7.1239	6.4

The average share price during the year was US$11.51 *(2012: US$10.60)* per share.

Outstanding at 31st December:

	Exercise price	Options in millions	
Expiry date	US$	**2013**	2012
2016	3.2497	**–**	0.1
2017	3.5569	**–**	0.9
2018	4.6280	**0.2**	0.5
2019	4.4640	**0.2**	0.5
2020	6.2500	**0.5**	1.1
2021	8.1940	**0.9**	1.5
2022	10.2420	**0.8**	1.5
2022	10.4925	**0.3**	0.3
2023	12.1580	**1.1**	–
2023	12.1300	**0.4**	-
Total outstanding		**4.4**	6.4
of which exercisable		**0.9**	2.0

The fair value of options granted during the year, determined using the trinomial valuation model, was US$5.3 million *(2012: US$4.1 million)*. The significant inputs into the model, based on the weighted average number of options issued, were share price of US$11.94 *(2012: US$10.25)* at the grant dates, exercise price shown above, expected volatility based on the last seven years of 27.72% *(2012: 27.92%)*, dividend yield of 1.95% *(2012: 3.1%)*, option life disclosed above, and annual risk-free interest rate of 1.3% *(2012: 1.3%)*. Options are assumed to be exercised at the end of the seventh year following the date of grant.

25. SHARE PREMIUM AND CAPITAL RESERVES

	Share premium US$m	Capital reserves US$m	Total US$m
2013			
At 1st January	25.8	27.3	**53.1**
Employee share option schemes			
– value of employee services	–	3.4	**3.4**
Transfer	4.7	(4.7)	**–**
At 31st December	**30.5**	**26.0**	**56.5**
2012			
At 1st January	19.6	30.6	50.2
Employee share option schemes			
– value of employee services	–	2.9	2.9
Transfer	6.2	(6.2)	–
At 31st December	25.8	27.3	53.1

Capital reserves comprise contributed surplus of US$20.1 million *(2012: US$20.1 million)* and other reserves of US$5.9 million *(2012: US$7.2 million)*, which represent the value of employee services under the Company's Senior Executive Share Incentive Schemes. The contributed surplus principally arose from the conversion of convertible preference shares in 1989 and, under the Bye-laws of the Company, is distributable.

26. DIVIDENDS

	2013 US$m	2012 US$m
Final dividend in respect of 2012 of US¢16.50 *(2011: US¢15.00)* per share	**223.1**	202.5
Interim dividend in respect of 2013 of US¢6.50 *(2012: US¢6.50)* per share	**87.9**	87.8
	311.0	290.3

A final dividend in respect of 2013 of US¢16.50 *(2012: US¢16.50)* per share amounting to a total of US$223.1 million *(2012: US$223.1 million)* is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the Annual General Meeting. This amount will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2014.

27. NON-CONTROLLING INTERESTS

Summarized financial information on subsidiaries with material non-controlling interests

The following is the summarized financial information for PT Hero, a subsidiary with a non-controlling interest that is material to the Group.

Summarized balance sheet at 31st December

	2013 US$m	2012 US$m
Current		
Assets	299.9	235.5
Liabilities	(184.1)	(345.3)
Total current net assets	115.8	(109.8)
Non-current		
Assets	333.3	308.1
Liabilities	(14.1)	(29.3)
Total non-current net assets	319.2	278.8
Net assets	435.0	169.0

Summarized profit and loss for the year ended 31st December

	2013 US$m	2012 US$m
Revenue	1,126.6	1,115.9
Cost of sales	(857.1)	(857.1)
Gross margin	269.5	258.8
Operating expenses	(232.3)	(213.2)
Operating profits	37.2	45.6
Net financing income/(charges)	0.7	(4.2)
Underlying profit before tax	37.9	41.4
Tax	(9.2)	(10.6)
Underlying profit after tax	28.7	30.8
Non-trading item, net of tax	27.7	–
Profit after tax	56.4	30.8
Other comprehensive expense	(92.6)	(12.5)
Total comprehensive income	(36.2)	18.3
Total comprehensive income allocated to non-controlling interests	(6.9)	1.3
Dividends paid to non-controlling interests	–	–

Summarized cash flows for the year ended 31st December

	2013 US$m	2012 US$m
Cash generated from operations	21.7	70.5
Interest received	5.0	0.6
Interest paid	(5.5)	(3.2)
Tax paid	(9.6)	(8.5)
Cash flows from operating activities	11.6	59.4
Cash flows from investing activities	(90.3)	(120.5)
Cash flows from financing activities	197.8	85.4
Net increase in cash and cash equivalents	119.1	24.3
Cash and cash equivalents at 1st January	25.6	2.1
Effect of exchange rate changes	(35.8)	(0.8)
Cash and cash equivalents at 31st December	108.9	25.6

The information above is the amount before inter-company eliminations.

28. GEOGRAPHICAL ANALYSIS OF NON-CURRENT ASSETS

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

	2013 US$m	2012 US$m
North Asia	**638.2**	581.8
East Asia	**841.5**	867.6
South Asia	**379.3**	397.8
At 31st December	**1,859.0**	1,847.2

29. NOTES TO CONSOLIDATED CASH FLOW STATEMENT

	2013 US$m	2012 US$m
(a) Depreciation and amortization		
Food	**160.2**	158.7
– Supermarkets/hypermarkets	**134.5**	135.2
– Convenience stores	**25.7**	23.5
Health and Beauty	**26.4**	24.9
Home Furnishings	**8.5**	7.2
Support Office	**1.0**	0.5
	196.1	191.3
(b) Other non-cash items		
By nature:		
Write down of stocks and work in progress	**20.4**	6.4
Reversal of write down of stocks and work in progress	**(0.7)**	(0.2)
Options granted under employee share option schemes	**3.3**	2.9
Loss on sale of intangible assets	**0.9**	–
Impairment of tangible assets	**(1.4)**	2.6
(Gain)/loss on sale of tangible assets	**(22.3)**	5.2
Supplier income adjustment relating to prior years	**–**	66.9
	0.2	83.8
(c) (Increase)/decrease in working capital		
(Increase)/decrease in stocks	**(101.2)**	3.9
(Increase)/decrease in debtors and prepayments	**(36.0)**	19.7
Increase in creditors and accruals	**126.7**	14.1
	(10.5)	37.7
(d) Purchase of a subsidiary		
Intangible assets		2.7
Tangible assets		2.8
Current assets		6.0
Current liabilities		(0.2)
Fair value of identifiable net assets acquired		11.3
Adjustment for non-controlling interests		(3.4)
Goodwill		25.3
Total consideration		33.2
Cash and cash equivalents acquired		(1.1)
Net cash outflow		32.1

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

In March 2012, the Group entered the Cambodian market with the acquisition of a 70% controlling interest in the Lucky supermarket chain for a total cash consideration of US$33.2 million. This was in line with the Group's strategy of expanding into new markets in Asia. The fair value of the identifiable assets and liabilities was finalized at the end of 2012 with no change to the provisional value.

The goodwill is not expected to be deductible for tax purposes.

(e) Purchase of associates and joint ventures in 2013 mainly related to the Group's investment for a 30% shareholding in Jutaria Gemilang Sdn Bhd which operates mini-marts in Malaysia.

Purchase of associates and joint ventures in 2012 mainly related to the Group's investment in a 50% shareholding in Rustan Supercenters, Inc, which operates hypermarkets and supermarkets in the Philippines.

(f) Sale of properties
Sale of properties in 2013 included disposal of a property in Indonesia, and a piece of land and a property in Malaysia for a total consideration of US$49.8 million.

In 2012, the Group disposed of two retail properties in Singapore for a cash consideration of US$4.1 million.

(g) Capital contribution from non-controlling interests
During the year, PT Hero completed a US$304.0 million rights issue to support its store expansion, repay its borrowings and fund its working capital requirements in Indonesia. Capital contribution from non-controlling interests amounted to US$56.4 million after issuance costs.

(h) Sale of interests in a subsidiary
In 2012, the Group reduced its interests in PT Hero from 94% to 81% for net proceeds of US$138.8 million.

	2013 US$m	2012 US$m
(i) Analysis of balances of cash and cash equivalents		
Bank balances and other liquid funds	**728.4**	667.2
Bank overdrafts *(note 21)*	**(2.0)**	(2.3)
Less: Bank deposits of three months or more	**(15.2)**	–
	711.2	664.9

30. DERIVATIVE FINANCIAL INSTRUMENTS

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

	2013		2012	
	Positive fair value US$m	Negative fair value US$m	Positive fair value US$m	Negative fair value US$m
Designated as cash flow hedges				
– forward foreign exchange contracts	**0.5**	**0.1**	0.1	0.8
– interest rate swaps	**–**	**–**	–	0.1
	0.5	**0.1**	0.1	0.9

Forward foreign exchange contracts
The contract amounts of the outstanding forward foreign exchange contracts at 31st December 2013 were US$98.4 million *(2012: US$90.5 million)*.

Interest rate swaps
There were no outstanding interest rate swap contracts at 31st December 2013 *(2012: US$62.1 million)*. At 31st December 2012, the fixed interest rates relating to interest rate swaps varied from 3.3% to 4.6% per annum. The fair values of interest rate swaps are based on the estimated cash flows discounted at market rates of 3.2% per annum.

31. COMMITMENTS

	2013 US$m	2012 US$m
Capital commitments		
Authorized not contracted	**119.3**	235.3
Contracted not provided	**62.4**	51.2
	181.7	286.5
Operating lease commitments		
Total commitments under operating leases		
– due within one year	**693.1**	652.0
– due between one and two years	**499.7**	480.1
– due between two and three years	**292.0**	296.9
– due between three and four years	**163.4**	191.2
– due between four and five years	**116.6**	131.9
– due beyond five years	**504.7**	618.9
	2,269.5	2,371.0

Total future sublease payments receivable relating to the above operating leases amounted to US$48.8 million *(2012: US$44.8 million)*.

In addition, the Group has operating lease commitments with rentals determined in relation to sales. It is not possible to quantify accurately future rentals payable under such leases.

32. CONTINGENT LIABILITIES

Various group companies are involved in litigation arising in the ordinary course of their respective businesses. Having reviewed outstanding claims and taking into account legal advice received, the Directors are of the opinion that adequate provisions have been made in the financial statements.

33. 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$2.5 million *(2012: US$2.3 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$0.4 million in 2013 *(2012: 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 2013 were US$3.2 million *(2012: US$5.4 million)*. The Group's 50%-owned associate, Maxim's Caterers Limited ('Maxim's'), also paid gross annual rentals of US$8.8 million *(2012: US$8.2 million)* to HKL in 2013.

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 2013 were US$2.2 million *(2012: US$2.1 million)*.

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 2013 amounted to US$8.9 million *(2012: US$6.2 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 amounted to US$5.5 million *(2012: US$5.2 million)*.

In addition, Maxim's supplies ready-to-eat products at arm's length to certain subsidiaries of the Group. In 2013, these amounted to US$21.5 million *(2012: US$17.8 million)*.

Amounts of outstanding balances with associates and joint ventures are included in debtors and creditors, as appropriate.

Balances with group companies of JMH as at 31st December 2013 and 2012 are immaterial, unsecured, and have no fixed terms of repayment.

34. SUMMARIZED BALANCE SHEET OF THE COMPANY

Included below is certain summarized balance sheet information of the Company disclosed in accordance with Bermuda law.

	2013 US$m	2012 US$m
Subsidiaries, at cost less provision	**1,371.4**	1,491.4
Current assets	**0.1**	0.1
Current liabilities	**(0.9)**	(0.7)
Net operating assets	**1,370.6**	1,490.8
Share capital *(note 23)*	**75.1**	75.0
Share premium and capital reserves *(note 25)*	**56.5**	53.1
Revenue and other reserves	**1,239.0**	1,362.7
Shareholders' funds	**1,370.6**	1,490.8

35. PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The principal subsidiaries, associates and joint ventures of the Group at 31st December 2013 are set out below.

Company name	Country of incorporation	Nature of business	Attributable interests 2013 %	Attributable interests 2012 %	Proportion of ordinary shares and voting powers at 31st December held by the Group %	Proportion of ordinary shares and voting powers at 31st December held by non-controlling interests %
Dairy Farm Management Limited**	Bermuda	Holding company	**100**	100	100	–
Dairy Farm Management Services Limited**	Bermuda	Group management	**100**	100	100	–
DFI Treasury Limited**	British Virgin Islands	Treasury company	**100**	100	100	–
Guangdong Sai Yi Convenience Stores Limited	Mainland China	Convenience stores	**65**	65	65	35
Mannings Guangdong Retail Company Limited	Mainland China	Health and beauty stores	**100**	100	100	–
Maxim's Caterers Limited*	Hong Kong	Restaurants	**50**	50	50	50
The Dairy Farm Company, Limited	Hong Kong	Investment holding, supermarkets, convenience, health and beauty and home furnishings stores	**100**	100	100	–
Wellcome Company Limited	Hong Kong	Property and food processing	**100**	100	100	–
Wellcome Taiwan Company Limited	Taiwan	Supermarkets	**100**	100	100	–
DFI Home Furnishings Taiwan Limited	Taiwan	Home furnishings stores	**100**	100	100	–
GCH Retail (Malaysia) Sdn Bhd	Malaysia	Supermarkets, hypermarkets and health and beauty stores	**100**	100	100	–
PT Hero Supermarket Tbk	Indonesia	Supermarkets, hypermarkets, convenience and health and beauty stores	**81**	81	81	19
Giant TMC (B) Sdn Bhd	Brunei	Supermarkets, hypermarkets and health and beauty stores	**100**	100	100	–
Cold Storage Singapore (1983) Pte Limited	Singapore	Supermarkets, hypermarkets, convenience and health and beauty stores	**100**	100	100	–
Shop N Save Pte Limited	Singapore	Supermarkets	**100**	100	100	–
DFI Lucky Private Limited	Cambodia	Supermarkets	**70**	70	70	30
Rustan Supercenters, Inc.*	Philippines	Supermarkets and hypermarkets	**50**	50	50	50
Foodworld Supermarkets Private Limited*	India	Supermarkets	**49**	49	49	51
Health and Glow Retailing Private Limited*	India	Health and beauty stores	**50**	50	50	50

All subsidiaries are included in the consolidation.

* Associates or joint ventures. All other companies are subsidiaries.

** Directly held by the Company.

Independent Auditors' Report

To the members of Dairy Farm International Holdings Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Dairy Farm International Holdings Limited (the 'Company') and its subsidiaries (the 'Group') which comprise the Consolidated Balance Sheet as at 31st December 2013 and the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and with the requirements of Section 90 of the Bermuda Companies Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31st December 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and with the requirements of the Bermuda Companies Act.

REPORT ON LEGAL AND REGULATORY REQUIREMENTS

We have nothing to report in respect of the following matters that under the UK Listing Rules we are required to review:

- Directors' Statement in relation to going concern; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review.

OTHER MATTER

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 90 of the Bermuda Companies Act and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London, United Kingdom

6th March 2014

Five Year Summary

	2013 US$m	2012 US$m restated	2011 US$m restated	2010 US$m restated	2009 US$m restated
Profit and Loss					
Sales	**10,357.4**	9,800.6	9,134.4	7,970.5	7,028.5
Sales including associates and joint ventures	**12,431.7**	11,540.5	10,449.0	9,113.1	8,052.6
Profit attributable to shareholders	**500.9**	446.5	480.5	408.0	362.2
Underlying profit attributable to shareholders	**480.1**	443.8	470.0	406.4	362.2
Underlying earnings per share (US¢)	**35.52**	32.86	34.81	30.12	26.88
Basic earnings per share (US¢)	**37.05**	33.07	35.59	30.24	26.89
Dividends per share (US¢)	**23.00**	23.00	21.00	18.00	16.00
Balance Sheet					
Total assets	**3,963.5**	3,850.7	3,538.9	3,257.8	2,805.9
Total liabilities	**(2,586.1)**	(2,611.5)	(2,608.3)	(2,523.2)	(2,277.9)
Net operating assets	**1,377.4**	1,239.2	930.6	734.6	528.0
Shareholders' funds	**1,281.0**	1,193.2	923.1	733.5	525.8
Non-controlling interests	**96.4**	46.0	7.5	1.1	2.2
Total equity	**1,377.4**	1,239.2	930.6	734.6	528.0
Net cash	**637.6**	520.8	466.1	223.4	33.6
Net asset value per share (US¢)	**94.74**	88.35	68.36	54.34	39.03
Cash Flow					
Cash flows from operating activities	**682.9**	697.7	730.3	676.5	481.3
Cash flows from investing activities	**(285.0)**	(496.0)	(241.5)	(237.9)	(244.2)
Cash flows before financing activities	**397.9**	201.7	488.8	438.6	237.1
Cash flow per share from operating activities (US¢)	**50.52**	51.67	54.09	50.15	35.73

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 this Report, including the Chairman's Statement, Group Chief Executive's 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 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

6th March 2014

Corporate Governance

Dairy Farm International Holdings Limited is incorporated in Bermuda. The Group's retailing interests are entirely in Asia. The Company's equity shares have a premium listing on the London Stock Exchange, and secondary listings in Bermuda and Singapore. A Special General Meeting has been convened for 8th April 2014 to seek shareholder approval for the transfer to a standard listing from a premium listing on the London Stock Exchange. The Company attaches importance to the corporate stability that is fundamental to the Group's ability to pursue a long-term strategy in Asian markets. It is committed to high standards of governance. Its approach, however, developed over many years, differs from that envisaged by the UK Corporate Governance Code (the 'UK Code'), which was originally introduced as a guide for United Kingdom incorporated companies listed on the London Stock Exchange. As provided in the Listing Rules issued by the Financial Conduct Authority in the United Kingdom (the 'FCA'), the Company's premium listed status requires that this Report address how the main principles of the UK Code have been applied by the Company, and explain the reasons for the different approach adopted by the Company as compared to the UK Code's provisions. The Company's governance differs from that contemplated by provisions of the UK Code on board balance and refreshment, director independence, board evaluation procedures, nomination and remuneration committees and the appointment of a senior independent director.

THE MANAGEMENT OF THE GROUP

The Company has its dedicated executive management under the Group Chief Executive. The Memorandum of Association of the Company, however, provides for the chairman of Jardine Matheson Holdings Limited ('Jardine Matheson') to be, or to appoint, the Managing Director of the Company. The managing director of Jardine Matheson has been so appointed. Reflecting this, and the 78% interest of the Jardine Matheson group in the Company's share capital, the Group Chief Executive and the Managing Director meet regularly. Similarly, the board of the Hong Kong-based Group management company, Dairy Farm Management Services Limited ('DFMS'), and its finance committee are chaired by the Managing Director and include Group executives as well as the deputy managing director, the group finance director, the group strategy director and the group general counsel of Jardine Matheson.

THE BOARD

The Company currently has a Board of 16 Directors: the Group Chief Executive and Group Finance Director; nine executives of Jardine Matheson; and five non-executive Directors. Their names and brief biographies appear on page 12 of this Report. The Chairman has been appointed in accordance with the provisions of the Bye-laws of the Company, which provide that the chairman of Jardine Matheson, or any Director nominated by him, shall be the Chairman of the Company. The composition and operation of the Board reflect the Company's commitment to its long-term strategy, shareholding structure and tiered approach to oversight and management as described in this Report. These factors explain the balance on the Board between executive and non-executive Directors, the stability of the Board, the absence of nomination and remuneration committees and the conduct of Board evaluation procedures. The Board regards Asian business experience and relationships as more valuable attributes of its non-executive Directors than formal independence criteria. Accordingly the Board has not designated a 'senior independent director' as set out in the UK Code. Recommendations and decisions on remuneration result from consultations between the Chairman and other Directors as he considers appropriate.

Among the matters which the Board of the Company decides are the Group's business strategy, its annual budget, dividends and major corporate activities. Responsibility for implementing the Group's strategy is delegated to the Company's executive management, with decision-making authority within designated financial parameters delegated to the DFMS finance committee. In addition, as part of the Company's tiered approach to oversight and management, certain Directors of the Company who do not serve on the board of DFMS and who are based outside Asia make regular visits to Asia and Bermuda where they participate in four annual strategic reviews. All of these reviews precede the Board meetings. These Directors are not directly involved in the operational management of the Group's business activities, but their knowledge and close oversight of the Group's affairs reinforces the process by which business is reviewed before consideration by the Board.

The Board is scheduled to hold four meetings in 2014 and ad hoc procedures are adopted to deal with urgent matters. In 2013 one meeting was held in Bermuda and three were held in Asia. All current Directors who held office in 2013 attended all four Board meetings, save that George J. Ho, Simon Keswick, Lord Leach of Fairford and Anthony Nightingale attended three meetings. Neil Galloway, who was appointed as a Director in October 2013, attended the one Board meeting held following his appointment to the Board. The Board receives high quality, up to date information for each of its meetings, which has previously been considered and approved at meetings of the board of DFMS. This information is also the subject of a strategy review in a cycle of meetings (in Bermuda or Asia, as appropriate) prior to consideration by the Board itself.

The division of responsibilities between the roles of Chairman, Managing Director and Group Chief Executive is well established. The role of the Chairman is to lead the Board as it oversees the Group's strategic and financial direction, while the principal role of the Managing Director is to act as chairman of DFMS and of its finance committee. The responsibility for running the Group's business and all the executive matters affecting the Group rests with the Group Chief Executive.

DIRECTORS' APPOINTMENT, RETIREMENT, REMUNERATION AND SERVICE CONTRACTS

Candidates for appointment as executive Directors of the Company, as executive directors of DFMS or as senior executives elsewhere in the Group may be sourced internally, from the Jardine Matheson group or externally using the services of specialist executive search firms. The aim is to appoint individuals who combine international best practice with adaptability to Asian markets.

Each new Director is appointed by the Board and, in accordance with Bye-law 92 of the Company's Bye-laws, each new Director is subject to retirement at the first Annual General Meeting after appointment. Thereafter, the Director will be subject to retirement by rotation pursuant to Bye-law 85 whereby one-third of the Directors retire at the Annual General Meeting each year. These provisions apply to both executive and non-executive Directors, but the requirement to retire by rotation pursuant to Bye-law 85 does not extend to the Chairman or Managing Director.

On 1st January 2013, Graham Allan succeeded Michael Kok as Group Chief Executive of the Company. Michael Kok remains as a non-executive Director. Lord Sassoon was appointed as a Director with effect from 23rd January 2013. Neil Galloway was appointed as Group Finance Director of the Company in place of Alec Tong with effect from 1st October 2013. In accordance with Bye-law 85, Simon Keswick, Dr George C.G. Koo, Lord Leach of Fairford and James Riley retire by rotation at the Annual General Meeting and, being eligible, offer themselves for re-election. In accordance with Bye-law 92, Neil Galloway will also retire, and, being eligible, offers himself for re-election. Neil Galloway has a service contract with a subsidiary of the Company that has a notice period of six months. None of the other Directors proposed for re-election has a service contract with the Company or its subsidiaries.

Simon Keswick stepped down as Chairman of the Company on 15th May 2013 and remains as a non-executive Director. He was succeeded as Chairman by Ben Keswick, who retains his position as Managing Director.

The Company's policy is to offer competitive remuneration packages to its senior executives. It is recognized that, due to the nature of the Group and its diverse geographic base, a number of its senior executives are required to be offered international terms and the nature of the remuneration packages is designed to reflect this.

Directors' fees, which are payable to all Directors other than the Group Chief Executive and the Group Finance Director, are decided upon by shareholders in general meeting as provided for by the Company's Bye-laws. For the year ended 31st December 2013, the Directors received from the Group US$5.8 million *(2012: US$7.7 million)* in Directors' fees and employee benefits, being US$0.7 million *(2012: US$0.6 million)* in Directors' fees, US$4.4 million *(2012: US$6.3 million)* in short-term employee benefits including salary, bonuses, accommodation and deemed benefits in kind, US$0.3 million *(2012: US$0.2 million)* in post-employment benefits and US$0.4 million *(2012: US$0.6 million)* in share-based payments. The information set out in this paragraph forms part of the audited financial statements.

Senior executive share incentive schemes have also been established to provide longer-term incentives for executive Directors and senior managers. Share options are granted by the scheme trustee after consultation between the Chairman and the Group Chief Executive as well as other Directors as they consider appropriate. Share options are granted at the then prevailing market prices and the scheme rules provide that they normally vest after the third anniversary of the date of grant. Grants may be made in a number of instalments. Share options are not granted to non-executive Directors.

The Company purchases insurance to cover its Directors against their costs in defending themselves in civil proceedings taken against them in that capacity and in respect of damages resulting from the unsuccessful defence of any proceedings. To the extent permitted by law, the Company also indemnifies its Directors. Neither the insurance nor the indemnity provides cover where the Director has acted fraudulently or dishonestly.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS AND ANNUAL REPORT

The Directors are required under the Bermuda Companies Act 1981 to prepare financial statements for each financial year and to present them annually to the Company's shareholders at the Annual General Meeting. The financial statements should present fairly in accordance with International Financial Reporting Standards ('IFRS') the financial position of the Group at the end of the year and the results of its operations and its cash flows for the year then ended. The Directors consider that applicable accounting policies under IFRS, applied on a consistent basis and supported by prudent and reasonable judgements and estimates, have been followed in preparing the financial statements. The Board is also responsible for preparing the annual report and financial statements in such a manner that they, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

CODE OF CONDUCT, INCLUSION AND DIVERSITY

The Group conducts business in a professional, ethical and even-handed manner. Its ethical standards are clearly set out in the Jardine Matheson group Code of Conduct, a set of guidelines to which every employee must adhere. The code requires that all Group companies comply with all laws of general application, all rules and regulations that are industry specific and proper standards of business conduct. The code prohibits the giving or receiving of illicit payments, and requires all employees to be treated fairly, impartially and with respect. It also requires that all managers must be fully aware of their obligations under the Code of Conduct and establish procedures to ensure compliance at all levels within their organizations. The Group has in place procedures by which employees can raise, in confidence, matters of serious concern in areas such as financial reporting or compliance.

Inclusion and diversity are encouraged within the Group. As a multinational Group with a broad range of businesses operating across Asia, the Group believes in promoting equal opportunities in recruiting, developing and rewarding its people regardless of race, gender, nationality, religion, sexual orientation or background. The scale and breadth of the Group's businesses necessitate that they seek the best people from the communities in which they operate most suited to their needs.

REPORT OF THE AUDIT COMMITTEE

The Board has established within DFMS an audit committee (the 'Audit Committee'), the members of which are Adam Keswick, Mark Greenberg, James Riley and Giles White; they have extensive knowledge of the Group while at the same time not being directly involved in operational management. Ben Keswick stepped down from the Audit Committee on 15th May 2013, upon his appointment as Chairman of the Company becoming effective, and was succeeded as chairman of the Audit Committee by Adam Keswick. The Board considers that the members of the Audit Committee have, collectively, the requisite skills, knowledge and experience to enable it to discharge its responsibilities in a proper manner. The two Audit Committee meetings held during the year were attended by all the then current members. The chairman, group chief executive and group finance director of DFMS, together with representatives of the internal and external auditors, also attend the Audit Committee meetings by invitation.

Prior to completion and announcement of the half-year and year-end results, a review of the financial information and of any issues raised in connection with the preparation of the results, including the adoption of new accounting policies, is undertaken by the Audit Committee with the executive management and a report is received from the external auditors. The Audit Committee also assesses any reports on frauds identified during the period under review. The external auditors also have access to the full Board, in addition to the Group Chief Executive, Group Finance Director and other senior executives.

At the request of the Board, the Audit Committee considered whether the annual report and financial statements of the Company for the year ended 31st December 2013, taken as a whole, were fair, balanced and understandable and provided the information necessary for shareholders to assess the Company's performance, business model and strategy. The Audit Committee is satisfied that this is the case.

The significant issues considered in relation to the financial statements, and for which the Audit Committee concluded appropriate and reasonable accounting estimates and judgements were made, are summarized below:

1. The Audit Committee considered whether it was appropriate for the financial statements to be prepared on the basis that the Company and the Group are going concerns. Comprehensive financial forecasts had been prepared and, based on these forecasts, cash resources and existing credit facilities, the Audit Committee considered that the Company and the Group have adequate resources to continue in business for the foreseeable future. Based on this review, the Directors continue to adopt the going concern basis in preparing the financial statements.

2. The Audit Committee received reports on management's assessment of the Group's assets for impairment. At each balance sheet date, assets with an indefinite useful life and any other assets with impairment indicators are tested for impairment. The Audit Committee considered and accepted the results of these assessments, including matters such as the amount by which the recoverable amount of the assets exceeded their carrying amount and the appropriateness of key and judgemental assumptions.

3. The Audit Committee reviewed and accepted the Group's accounting for its lease portfolio including the appropriateness of provisions made for reinstatement and onerous leases.

4. The Audit Committee received reports on the Group's inventory levels across all its businesses and provisioning in relation to such inventory based on ageing and saleability analysis from the operations. Underlying trends and risks associated with the management of inventory were noted and the Audit Committee agreed with the provisioning levels.

5. The Audit Committee received an update on developments in accounting standards and their current year impact on the Group, particularly IFRS 10 'Consolidated Financial Statements' and IAS 19 (amended 2011) 'Employee Benefits'. Developments that might impact future financial statements were noted and these will continue to be monitored and assessed.

The Audit Committee considered the external audit function with reviews conducted by the internal audit function and the Group Finance Director. The Audit Committee also considered the independence and objectivity of the external auditors, and as part of that process has reviewed and approved the level and nature of non-audit work performed. The Audit Committee found the performance, independence and objectivity of the external auditors to be satisfactory and recommended to the Board the re-appointment of the external auditors, PricewaterhouseCoopers, at the forthcoming Annual General Meeting. PricewaterhouseCoopers have been auditors of the Group since 1990 and the Board believes that their expertise, independence and understanding of the Group's extensive and complex business activities makes them best qualified to continue in their role.

The terms of reference of the Audit Committee can be found on the Company's website at www.dairyfarmgroup.com.

The Audit Committee keeps under review the nature, scope and results of the audits conducted by the internal audit function.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for the Group's system of risk management and internal control. The system of internal control is designed to manage, rather than eliminate, business risk; to help safeguard the Group's assets against fraud and other irregularities; and to give reasonable, but not absolute, assurance against material financial misstatement or loss.

The principal risks and uncertainties facing the Company are set out on page 70.

The Board has delegated to the Audit Committee responsibility for reviewing areas of risk and uncertainty, the operation and effectiveness of the Group's system of internal control and the procedures by which these are monitored. The Audit Committee considers the system and procedures on a regular basis, and reports to the Board semi-annually.

Executive management is responsible for the implementation of the system of internal control throughout the Group, and a series of audit committees at an operational level and the internal audit function monitor the effectiveness of the system. The internal audit function also monitors the approach taken by the business units to risk. The internal audit function is outside the operating businesses and reports its findings, and recommendations for any corrective action required, to the Audit Committee. The Audit Committee also reviews the effectiveness of the internal audit function.

The Group has in place an organizational structure with defined lines of responsibility and delegation of authority. There are established policies and procedures for financial planning and budgeting; for information and reporting systems; for assessment of risk; and for monitoring the Group's operations and performance. The information systems in place are designed to ensure that the financial information reported is reliable and up to date.

The Company's policy on commercial conduct underpins the Group's internal control process, particularly in the area of compliance. The policy, as set out in the Code of Conduct, is reinforced and monitored by an annual compliance certification process.

The Audit Committee has also been given the responsibility to oversee the effectiveness of the formal procedures for employees to raise any matters of serious concern, and is required to review any reports made under those procedures that are referred to it by the internal audit function.

The Group's 50% associate, Maxim's Caterers Limited ('MCL'), has a separate board, audit committee, risk management and internal audit structure. The Group is represented on the board of MCL, at which reviews of strategy, operations, budgets and major investments are undertaken. The MCL board has delegated to the MCL group's audit and risk management committees and its audit department responsibility for reviewing areas of major risk and the effectiveness of the internal control procedures.

DIRECTORS' SHARE INTERESTS

The Directors of the Company in office on 20th March 2014 had interests (within the meaning of the Disclosure and Transparency Rules ('DTRs') of the FCA) as set out below in the ordinary share capital of the Company. These interests include those notified to the Company in respect of the Directors' connected persons (as that term is used in the DTRs in relation to companies incorporated outside the United Kingdom).

George J. Ho	489,405
Simon Keswick	66,087
Michael Kok	782,688
Dr George C.G. Koo	100,329
Anthony Nightingale	34,183
Percy Weatherall	400,000

In addition, Graham Allan held options in respect of 700,000 ordinary shares issued pursuant to the Company's Senior Executive Share Incentive Schemes.

SUBSTANTIAL SHAREHOLDERS

As a non-UK issuer, the Company is subject to the DTRs pursuant to which a person must in certain circumstances notify the Company of the percentage of voting rights attaching to the share capital of the Company that he holds. The obligation to notify arises if that person acquires or disposes of shares in the Company which results in the percentage of voting rights which he holds reaching, exceeding or falling below 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75%.

The Company has been informed of the following holdings of voting rights of 5% or more attaching to the Company's issued ordinary share capital: (i) Jardine Strategic Holdings Limited ('Jardine Strategic') and its subsidiary undertakings are directly and indirectly interested in 1,049,589,171 ordinary shares carrying 77.63% of the voting rights and, by virtue of its interest in Jardine Strategic, Jardine Matheson is also interested in the same ordinary shares; and (ii) Franklins Resources, Inc and its subsidiary undertakings are directly and indirectly interested in 89,738,743 ordinary shares carrying 6.64% of the voting rights. Apart from these shareholdings, the Company is not aware of any holders of voting rights of 5% or more attaching to the issued ordinary share capital of the Company as at 20th March 2014.

There were no contracts of significance with corporate substantial shareholders during the year under review.

RELATIONS WITH SHAREHOLDERS

The 2014 Annual General Meeting will be held at Rosewood Tucker's Point, Bermuda on 7th May 2014. The full text of the resolutions and explanatory notes in respect of the meeting are contained in the Notice of Meeting which accompanies this Report. All shareholders are invited to attend the Annual General Meeting and participate in communicating with the Company. The Company holds regular meetings with institutional shareholders. A corporate website is maintained containing a wide range of information of interest to investors at www.dairyfarmgroup.com.

SECURITIES PURCHASE ARRANGEMENTS

At the Annual General Meeting held on 15th May 2013, shareholders renewed the approval of a general mandate authorizing the Directors to effect purchases by the Company or its subsidiaries of the Company's own ordinary shares of less than 15% in aggregate of its issued share capital.

RELATED PARTY TRANSACTIONS

Details of transactions with related parties entered into by the Company during the course of the year are included in note 33 to the financial statements on page 60. There were no transactions entered into by the Company during the course of the year to which the related party transaction rules of the FCA apply.

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 is set out in more detail on pages 68 and 69 of the Corporate Governance section of this Report. The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the Disclosure 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 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 are set out in the Financial Review on page 11 and note 2 to the financial statements on pages 28 to 32.

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.

Shareholder Information

FINANCIAL CALENDAR

2013 full-year results announced	6th March 2014
Share registers closed	24th to 28th March 2014
Annual General Meeting to be held	7th May 2014
2013 final dividend payable	14th May 2014
2014 half-year results to be announced	31st July 2014*
Share registers to be closed	25th to 29th August 2014*
2014 interim dividend payable	15th October 2014*

*Subject to change

DIVIDENDS

Shareholders will receive their 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 2013 final dividend by notifying the United Kingdom transfer agent in writing by 25th April 2014. The sterling equivalent of dividends declared in United States dollars will be calculated by reference to a rate prevailing on 29th April 2014. Shareholders holding their shares through The Central Depository (Pte) Limited ('CDP') in Singapore will receive United States dollars unless they elect, through CDP, to receive Singapore dollars.

REGISTRARS AND TRANSFER AGENT

Shareholders should address all correspondence with regard to their shareholdings or dividends to the appropriate registrar or transfer agent.

Principal Registrar
Jardine Matheson International Services Limited
P.O. Box HM 1068
Hamilton HM EX
Bermuda

Jersey Branch Registrar
Capita Registrars (Jersey) Limited
12 Castle Street
St Helier, Jersey JE2 3RT
Channel Islands

Singapore Branch Registrar
M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

United Kingdom Transfer Agent
Capita Asset Services
The Registry
34 Beckenham Road
Beckenham, Kent BR3 4TU
England

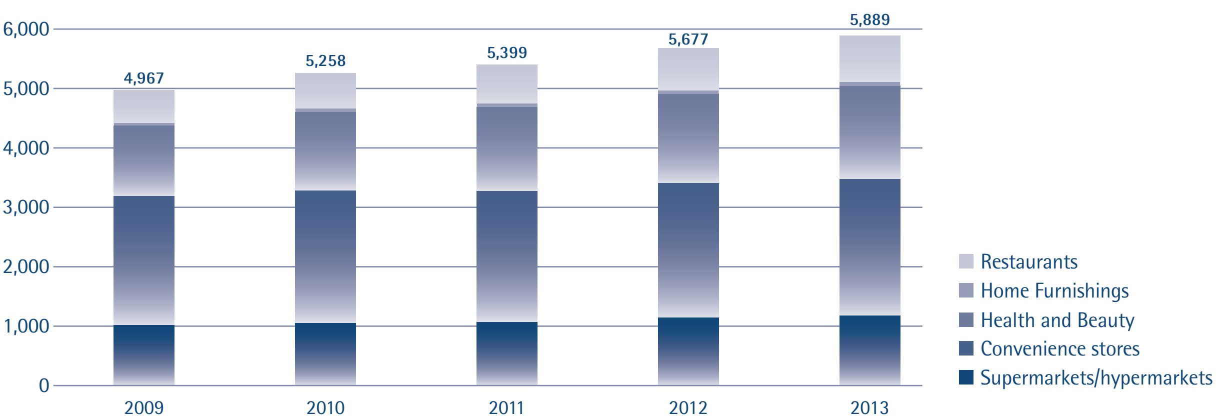
Press releases and other financial information can be accessed through the internet at www.dairyfarmgroup.com.

Retail Outlets Summary

2013	Food: Hypermarkets	Food: Supermarkets	Food: Convenience	Health and Beauty	Home Furnishings	Restaurants	Total	Net addition
Hong Kong	–	308	916	366	3	656	2,249	48
Macau	–	–	44	16	–	8	68	2
China	–	–	647	175	–	150	972	77
Singapore	8	116	537	154	–	–	815	(29)
Indonesia	51	158	157	316	–	–	682	77
Malaysia	78	72	–	414	–	–	564	16
Brunei	1	2	–	21	–	–	24	(1)
Taiwan	–	267	–	–	5	–	272	(5)
India	–	53	–	97	–	–	150	–
The Philippines	12	32	–	–	–	–	44	11
Vietnam	1	–	–	18	–	3	22	5
Cambodia	–	12	–	1	–	14	27	11
Total	**151**	**1,020**	**2,301**	**1,578**	**8**	**831**	**5,889**	**212**
Net addition	10	21	36	74	1	70	212	

2012	Food: Hypermarkets	Food: Supermarkets	Food: Convenience	Health and Beauty	Home Furnishings	Restaurants	Total	Net addition
Hong Kong	–	302	915	359	3	622	2,201	51
Macau	–	–	42	15	–	9	66	6
China	–	–	587	187	–	121	895	42
Singapore	8	115	570	151	–	–	844	18
Indonesia	46	142	151	266	–	–	605	72
Malaysia	75	73	–	400	–	–	548	27
Brunei	1	2	–	22	–	–	25	1
Taiwan	–	273	–	–	4	–	277	(7)
India	–	62	–	88	–	–	150	10
The Philippines	10	23	–	–	–	–	33	33
Vietnam	1	–	–	16	–	–	17	9
Cambodia	–	7	–	–	–	9	16	16
Total	141	999	2,265	1,504	7	761	5,677	278
Net addition	22	52	62	88	–	54	278	

Store Network by Format



Management and Offices

MANAGEMENT

Graham Allan	*Group Chief Executive*
Neil Galloway	*Group Finance Director*
Tongwen Zhao	*Group Human Resources Director*
Poh Seng Pol	*Group Business Development Director*
Keith Bartlett	*Group Supply Chain Director*
Charlie Wood	*Group Counsel*
Caroline Mak	*Group Director, Health and Beauty*
Alex Tay	*Regional Director, South Asia*
Jeff Shaw	*Regional Director, Malaysia and Brunei (Food)*
Philippe Broianigo	*President Director, PT Hero*
Choo Peng Chee	*Regional Director, North Asia (Food)*
Martin Lindström	*Group Director, IKEA*

CORPORATE OFFICE

11/F Devon House, Taikoo Place
979 King's Road, Quarry Bay
Hong Kong
P.O. Box 286, G.P.O.
Tel : (852) 2299 1888
Fax: (852) 2299 4888
Website: www.dairyfarmgroup.com

Brunei

Giant TMC (B) Sdn Bhd
Giant Hypermarket Tasik Rimba
Lot 58865 Kampong Rimba
Mukim Gadong
Bandar Seri Begawan
BE 3119
Negara Brunei Darussalam
Tel : (673) 246 0820
Fax: (673) 246 0821
Andre de Witt

Cambodia

DFI Lucky Private Ltd
#01, Street 55P
Sangkat Tuek Thla
Khan Sen Sok
Phnom Penh
Tel : (855 23) 885 722
Richard Seah

Hong Kong and Macau

The Dairy Farm Company, Ltd
5/F Devon House
Taikoo Place
979 King's Road
Quarry Bay
Tel : (852) 2299 3888
Fax: (852) 2299 2888
Caroline Mak / Choo Peng Chee

Maxim's Caterers Ltd*
28/F 1063 King's Road
Quarry Bay
Tel : (852) 2523 4107
Fax: (852) 2845 0715
Michael Wu

India

Foodworld Supermarkets Private Ltd*
Health and Glow Retailing Private Ltd*
740 Eswari Industrial Estate
Gate No. 2, Hulimavu
Bannerghatta Road
Bangalore 560076
Tel : (91 80) 3988 0707
Fax: (91 80) 3910 0611
Venkatesh Parthasarathy

Indonesia

PT Hero Supermarket Tbk
Graha Hero
KO. Bintaro Komersial CBD
Sektor VII B.7/A.7
Pondok Jaya
Pondok Aren
Tangerang Selatan
Banten 15224
Tel : (62 21) 8378 8388
Philippe Broianigo

Mainland China

Guangdong Sai Yi Convenience Stores Ltd
3/F Guangdong Mechanical Sub-Building
185 Yue Hua Road
Yue Xiu District
Guangzhou 510030
Tel : (86 20) 8364 7118
Fax: (86 20) 8364 7436
Jean-Francois Simon

Mannings Guangdong Retail Company Ltd
2/F Guangdong Mechanical Main-Building
185 Yue Hua Road
Yue Xiu District
Guangzhou 510030
Tel : (86 20) 8318 1388
Fax: (86 20) 8318 2388
Paul Sheldrake

Malaysia

GCH Retail (Malaysia) Sdn Bhd
Mezzanine Floor
Giant Hypermarket Shah Alam Stadium
Lot 2, Persiaran Sukan
Seksyen 13
40100 Shah Alam
Selangor Darul Ehsan
Tel : (603) 5544 8888
Fax: (603) 5511 0164
Jeff Shaw

The Philippines

Rustan Supercenters, Inc*
4/F to 6/F Morning Star Center
347 Sen. Gil Puyat Avenue
Makati City 1200
Tel : (63 2) 899 1055
Fax: (63 2) 899 6341
Bienvenido "Donnie" V. Tantoco III

Singapore

Cold Storage Singapore (1983) Pte Ltd
21 Tampines North Drive 2
#03-01
Singapore 528765
Tel : (65) 6891 8000
Fax: (65) 6784 3623
Alex Tay

Taiwan

Wellcome Taiwan Company Ltd
2/F 175 Hua Ling Street
Shi Lin
Taipei
Tel : (886 2) 2883 9489
Fax: (886 2) 2881 7050
Vanny Hsiao

DFI Home Furnishings Taiwan Ltd
4/F No. 1 Zhong Zheng Road
XinZhuang District
New Taipei City 24243
Tel : (886 2) 8069 9005
Fax: (886 2) 2276 0689
Adrian Worth

Vietnam

Asia Investment And Supermarket Trading Co. Ltd
2/F Phuong Long Building
506 Nguyen Dinh Chieu Street
Ward 4, District 3
Ho Chi Minh City
Tel : (84 8) 3832 8586
Fax: (84 8) 3832 8448
Stephane Deutsch

*Associates or joint ventures

DESIGN: FORMAT LIMITED

Bringing to Asian consumers

the benefits of modern retailing

www.dairyfarmgroup.com