Announcement

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

DFI RETAIL GROUP HOLDINGS LIMITED

Interim Management Statement

10th November 2022 – DFI Retail Group Holdings Limited today issues its Interim Management Statement for the third quarter of 2022.

The Group's underlying profitability improved in the third quarter, compared to the first half of the year. Within subsidiaries, Health and Beauty, Convenience and IKEA businesses all benefitted from stronger like-for-like sales growth in the third quarter compared to the first half and higher profits than in the equivalent period last year. The performance of these three divisions, however, was broadly offset by lower profitability in Grocery Retail.

Overall Grocery Retail like-for-like sales in the third quarter of 2021 were adversely impacted by the annualisation of movement restrictions which supported spikes in demand the prior year. Like-for-like sales in North Asia were flat compared with the prior year, while sales performance in Southeast Asia was impacted by a reduction in eating-at-home resulting from the easing of movement restrictions; store renovation disruptions in Singapore; and weaker consumer sentiment due to inflationary pressures. Overall profitability for Grocery Retail in the third quarter of the year continued to be impacted by the higher cost of goods sold; increasing operating costs (particularly electricity costs); and e-commerce investment costs.

The Group's Convenience business reported improving like-for-like sales over the course of the year, and like-for-like sales growth was higher in the third quarter relative to the first half of the year. Like-for-like sales performance in Hong Kong, Macau and Singapore improved as COVID-related movement restrictions were relaxed or removed. In South China, however,

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sales continued to be impacted by COVID-related restrictions and lockdowns. As a result of improving sales momentum, overall profitability for the division in the third quarter increased compared to the same period last year.

Health and Beauty reported double-digit like-for-like sales growth in the third quarter. Mannings Hong Kong saw strong sales performance, driven by effective in-store execution and market share gains. Guardian also reported strong like-for-like sales recovery, particularly in Malaysia and Indonesia. Underlying profitability for the division increased significantly in the third quarter compared to the same period last year, underpinned by a recovery in customer traffic, effective promotion management and cost control.

The performance of the Home Furnishings division in the third quarter also benefitted from increasing sales momentum. Like-for-like sales growth improved in the third quarter compared to the first half, as government restrictions eased, particularly in Indonesia. Stock availability also improved as global supply chain constraints reduced in the third quarter. Profit in the third quarter also increased relative to the equivalent period last year, due to stronger sales performance and cost control.

The profitability of Maxim's, the Group's 50%-owned associate, improved significantly in the third quarter compared to the first half, supported by improved restaurant patronage and good mooncake sales. Profitability was broadly in line with the prior year. Yonghui reported reduced net underlying losses in the third quarter compared to the same period last year, although its operations continued to be impacted by COVID-related restrictions and lockdowns. Robinsons Retail reported double-digit like-for-like sales growth in the third quarter compared to the same period last year, driven by a strong recovery in the department store, convenience store, DIY and specialty segments, with customer traffic increasing as restrictions eased.

The Group continues to execute its key transformation and growth initiatives to support its key strategic priorities. The *yuu* Rewards loyalty programme launched in Singapore in October 2022, with the Group entering partnerships with minden.ai, a tech venture founded by Temasek, as well as BreadTalk Group, DBS Bank, PAssion Card, Mandai Wildlife Group and Singtel. The coalition loyalty programme unites some of Singapore's most popular brands, offering customers an effortless way to earn rewards on everyday purchases across over 1,000 outlets.

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While the Group has been encouraged by improving financial performance in the third quarter of the year compared to the first half, ongoing movement restrictions, border controls and inflationary pressures continue to have a significant adverse effect on the Group's businesses. In addition, planned investments in digital capacity will continue to impact short-term profitability. The Group expects profits in the second half to significantly improve relative to the first half but, nevertheless, to be below those in the comparable period last year. Accordingly, full year profits are expected to be materially lower than in 2021.

The Group remains confident, however, in the strength of the Group's banners and believes that the Group's multi-year transformation and investments to advance digital capabilities and improve stores and operating standards will deliver sustainable growth as the impact of the pandemic recedes.

DFI Retail Group is a leading pan-Asian retailer. The Group, together with its associates and joint ventures, operates over 10,300 outlets – including supermarkets, hypermarkets, convenience stores, health and beauty stores, home furnishings stores and restaurants – employing over 220,000 people, and had total sales in 2021 exceeding US$27 billion. The Group's parent company, DFI Retail Group Holdings Limited, is incorporated in Bermuda and has a primary listing in the standard segment of the London Stock Exchange, with secondary listings in Bermuda and Singapore. DFI Retail Group is a member of the Jardine Matheson Group.

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This and other Group announcements can be accessed through the Internet at 'www.DFIretailgroup.com'.