DFI Retail Group Holdings Limited
Preliminary Financial Statements
For the Year Ended 31 December 2024

10 March 2025

Consolidated Profit and Loss Account

for the year ended 31 December 2024

	Note	**2024** Underlying business performance US$m	**2024** Non-trading items US$m	**2024** Total US$m	2023 Underlying business performance US$m	2023 Non-trading items US$m	2023 Total US$m
Revenue	*2*	**8,868.9**	**–**	**8,868.9**	9,169.9	–	9,169.9
Net operating costs	*3*	**(8,525.8)**	**(144.0)**	**(8,669.8)**	(8,876.1)	(131.2)	(9,007.3)
Operating profit	*4*	**343.1**	**(144.0)**	**199.1**	293.8	(131.2)	162.6
Impairment charge on interest in an associate	*14*	**–**	**(231.3)**	**(231.3)**	–	–	–
Loss relating to divestment of an associate	*20*	**–**	**(114.4)**	**(114.4)**	–	–	–
Financing charges		**(155.5)**	**–**	**(155.5)**	(151.8)	–	(151.8)
Financing income		**4.7**	**–**	**4.7**	7.9	–	7.9
Net financing charges	*5*	**(150.8)**	**–**	**(150.8)**	(143.9)	–	(143.9)
Share of results of associates and joint ventures	*6*	**42.5**	**42.1**	**84.6**	43.4	9.2	52.6
(Loss)/profit before tax		**234.8**	**(447.6)**	**(212.8)**	193.3	(122.0)	71.3
Tax	*7*	**(29.5)**	**2.9**	**(26.6)**	(41.9)	1.0	(40.9)
(Loss)/profit after tax		**205.3**	**(444.7)**	**(239.4)**	151.4	(121.0)	30.4
Attributable to:							
Shareholders of the Company		**200.6**	**(445.1)**	**(244.5)**	154.7	(122.5)	32.2
Non-controlling interests		**4.7**	**0.4**	**5.1**	(3.3)	1.5	(1.8)
		205.3	**(444.7)**	**(239.4)**	151.4	(121.0)	30.4
		US¢		**US¢**	US¢		US¢
(Loss)/earnings per share	*8*						
– basic		**14.91**		**(18.17)**	11.49		2.39
– diluted		**14.82**		**(18.17)**	11.43		2.38

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2024

	Note	**2024 US$m**	2023 US$m
(Loss)/profit for the year		**(239.4)**	30.4
Other comprehensive (expense)/income			
Items that will not be reclassified to profit or loss:			
Net exchange translation loss arising during the year		**(0.3)**	–
Remeasurements of defined benefit plans		**3.2**	(1.7)
Net revaluation surplus before transfer to investment properties			
– tangible assets	*11*	**–**	1.5
– right-of-use assets	*12*	**5.7**	63.2
Tax relating to items that will not be reclassified	*7*	**(0.3)**	0.3
		8.3	63.3
Share of other comprehensive (expense)/income of associates and joint ventures		**(0.8)**	2.4
		7.5	65.7
Items that may be reclassified subsequently to profit or loss:			
Net exchange translation differences			
– net loss arising during the year		**(40.4)**	(15.2)
– transfer to profit and loss		**8.4**	48.7
		(32.0)	33.5
Cash flow hedges			
– net gain arising during the year		**6.6**	6.7
– transfer to profit and loss		**(12.9)**	(34.3)
		(6.3)	(27.6)
Tax relating to items that may be reclassified	*7*	**(0.2)**	1.2
Share of other comprehensive expense of associates and joint ventures			
– exchange translation loss and other arising during the year		**(17.0)**	(3.0)
– exchange translation loss transfer to profit and loss		**0.4**	–
		(16.6)	(3.0)
		(55.1)	4.1
Other comprehensive (expense)/income for the year, net of tax		**(47.6)**	69.8
Total comprehensive income for the year		**(287.0)**	100.2
Attributable to:			
Shareholders of the Company		**(292.4)**	96.8
Non-controlling interests		**5.4**	3.4
		(287.0)	100.2

Consolidated Balance Sheet

at 31 December 2024

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

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

Approved by the Board of Directors

Scott Price
Tom van der Lee
Directors

10 March 2025

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

	Share capital US$m	Share premium US$m	Capital reserves US$m	Revenue and other reserves US$m	Attributable to shareholders of the Company US$m	Attributable to non-controlling interests US$m	Total equity US$m
2024							
At 1 January	75.2	39.6	33.2	832.2	980.2	7.9	**988.1**
Total comprehensive income	–	–	–	(292.4)	(292.4)	5.4	**(287.0)**
Dividends paid by the Company *(note 28)*	–	–	–	(114.3)	(114.3)	–	**(114.3)**
Unclaimed dividends forfeited	–	–	–	0.1	0.1	–	**0.1**
Share-based long-term incentive plans *(note 26)*	–	–	11.1	–	11.1	–	**11.1**
Shares purchased for a share-based long-term incentive plan	–	–	–	(2.7)	(2.7)	–	**(2.7)**
Change in interests in associates and joint ventures	–	–	–	(0.6)	(0.6)	–	**(0.6)**
Transfer	–	–	(8.3)	8.3	–	–	**–**
At 31 December	**75.2**	**39.6**	**36.0**	**430.6**	**581.4**	**13.3**	**594.7**
2023							
At 1 January	75.2	37.6	30.0	804.3	947.1	(5.7)	941.4
Total comprehensive income	–	–	–	96.8	96.8	3.4	100.2
Dividends paid by the Company *(note 28)*	–	–	–	(67.3)	(67.3)	–	(67.3)
Share-based long-term incentive plans *(note 26)*	–	–	12.4	–	12.4	–	12.4
Shares purchased for a share-based long-term incentive plan	–	–	–	(9.7)	(9.7)	–	(9.7)
Subsidiaries disposed of *(note 30(f))*	–	–	–	–	–	10.2	10.2
Change in interests in associates and joint ventures	–	–	–	0.9	0.9	–	0.9
Transfer	–	2.0	(9.2)	7.2	–	–	–
At 31 December	75.2	39.6	33.2	832.2	980.2	7.9	988.1

Revenue and other reserves at 31 December 2024 comprised revenue reserves of US$742.9 million *(2023: US$1,088.3 million)*, hedging reserves of US$5.6 million *(2023: US$12.2 million)*, revaluation reserves of US$98.8 million *(2023: US$98.5 million)* and exchange reserves of US$416.7 million loss *(2023: US$366.8 million loss)*.

Consolidated Cash Flow Statement

for the year ended 31 December 2024

	Note	2024 US$m	2023 US$m
Operating activities			
Operating profit	*4*	**199.1**	162.6
Depreciation and amortisation	*30(a)*	**837.4**	827.2
Other non-cash items	*30(b)*	**163.7**	148.1
(Increase)/decrease in working capital	*30(c)*	**(79.1)**	45.4
Interest received		**4.8**	8.7
Interest and other financing charges paid		**(153.9)**	(153.2)
Tax paid		**(50.7)**	(40.8)
		921.3	998.0
Dividends from associates and joint ventures		**51.6**	45.6
Cash flows from operating activities		**972.9**	1,043.6
Investing activities			
Purchase of associates and joint ventures	*30(d)*	**(6.4)**	(18.4)
Purchase of other investments	*30(e)*	**(46.5)**	–
Purchase of intangible assets		**(19.7)**	(22.9)
Purchase of tangible assets		**(153.3)**	(173.4)
Repayment from associates and joint ventures		**–**	1.2
Sale of subsidiaries	*30(f)*	**94.1**	(23.8)
Sale of associates and joint ventures	*30(g)*	**40.2**	–
Sale of other investments		**0.2**	–
Sale of supermarkets in Indonesia	*30(h)*	**7.3**	–
Sale of properties	*30(i)*	**18.9**	142.0
Sale of other tangible assets		**1.6**	0.7
Cash flows from investing activities		**(63.6)**	(94.6)
Financing activities			
Purchase of shares for a share-based long-term incentive plan	*30(j)*	**(2.7)**	(9.7)
Drawdown of borrowings	*22*	**1,490.0**	1,268.9
Repayment of borrowings	*22*	**(1,617.1)**	(1,486.1)
Net (decrease)/increase in other short-term borrowings	*22*	**(44.6)**	51.3
Principal elements of lease payments	*30(k)*	**(641.7)**	(624.7)
Dividends paid by the Company	*28*	**(114.3)**	(67.3)
Cash flows from financing activities		**(930.4)**	(867.6)
Net (decrease)/increase in cash and cash equivalents		**(21.1)**	81.4
Cash and cash equivalents at 1 January		**298.2**	213.7
Effect of exchange rate changes		**(3.3)**	3.1
Cash and cash equivalents at 31 December	*30(l)*	**273.8**	298.2

Notes to the Financial Statements

General Information

DFI Retail Group Holdings Limited (the Company) is incorporated in Bermuda and has a primary listing in the equity shares (transition) category of the London Stock Exchange, with secondary listings in Bermuda and Singapore.

The principal activities of the Company and its subsidiaries, and the nature of the Group's operations are set out on note 37.

1. Basis of Preparation

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

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

There are no amendments which are effective in 2024 and relevant to the Group's operations, that have a significant impact on the Group's results, financial position and accounting policies.

The Group has not early adopted any standards, interpretations or amendments that have been issued but not yet effective *(note 39)*.

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

The Group's reportable segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Executive Directors of the Company for the purpose of resource allocation and performance assessment. DFI Retail Group operates various divisions: Health and Beauty, Convenience, Food, Home Furnishings, Restaurants and Other Retailing. Health and Beauty represents the health and beauty businesses. Convenience is
the Group's 7-Eleven businesses. Food comprises the grocery retail businesses (including the Group's associates, Robinsons Retail and Yonghui, leading grocery retailers in the Philippines and on the Chinese mainland, respectively). Home Furnishings is the Group's IKEA businesses. Restaurants is the Group's associate, Maxim's, one of Asia's leading food and beverage companies. Other Retailing represents the department stores, specialty and Do-It-Yourself (DIY) stores of Robinsons Retail.

The Group's reportable segments are set out in notes 2, 4 and 6.

2. Revenue

	2024	2023
	US$m	US$m
Sales of goods		
Analysis by reportable segments:		
Health and Beauty	**2,457.3**	2,444.8
Convenience	**2,378.8**	2,441.4
Food	**3,130.6**	3,285.4
Home Furnishings	**701.2**	793.7
	8,667.9	8,965.3
Revenue from other sources	**201.0**	204.6
	8,868.9	9,169.9

The Group's revenue is further analysed as follows:

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

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

3. Net Operating Costs

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

3. Net Operating Costs continued

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

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

4. Operating Profit

	2024 US$m	2023 US$m
Analysis by reportable segments:		
Health and Beauty	**210.8**	212.5
Convenience	**102.3**	87.7
Food	**57.8**	45.3
Home Furnishings	**16.1**	18.5
	387.0	364.0
Selling, general and administrative expenses	**(138.7)**	(151.9)
Underlying operating profit before IFRS 16*	**248.3**	212.1
IFRS 16 adjustment†	**94.8**	81.7
Underlying operating profit	**343.1**	293.8
Non-trading items *(note 9)*:		
– business restructuring costs	**(21.6)**	(12.4)
– net gain on sale of subsidiaries	**8.8**	–
– net gain on sale of joint ventures	**43.6**	–
– profit on sale of supermarkets in Indonesia	**1.4**	–
– net profit on sale of properties	**3.7**	61.0
– impairment of intangible assets	**(133.4)**	(109.8)
– impairment of properties	**(0.2)**	–
– change in fair value of investment properties	**(13.6)**	(0.6)
– change in fair value of equity and debt investments	**(32.7)**	(15.0)
– divestment of Malaysia Grocery Retail business	**–**	(54.4)
	199.1	162.6

* This measure of profit and loss is regularly provided to management. Property lease payments and depreciation of reinstatement costs under the lease contracts were included in the Group's analysis of reportable and geographical segments' results.

† Represented the reversal of lease payments which were accounted for on a straight-line basis, adjusted by the lease contracts recognised under IFRS 16 'Leases', primarily for the depreciation charge on right-of-use assets.

4. Operating Profit continued

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

	2024 **US$m**	2023 US$m
North Asia	**339.8**	351.5
South East Asia	**47.2**	12.5
	387.0	364.0
Selling, general and administrative expenses	**(138.7)**	(151.9)
Underlying operating profit before IFRS 16*	**248.3**	212.1
IFRS 16 adjustment†	**94.8**	81.7
Underlying operating profit	**343.1**	293.8

5. Net Financing Charges

	2024 **US$m**	2023 US$m
Interest expense		
– bank loans and advances	**(35.5)**	(49.5)
– lease liabilities	**(113.5)**	(95.9)
– discounted liability on provisions	**(1.0)**	–
	(150.0)	(145.4)
Commitment and other fees	**(5.5)**	(6.4)
Financing charges	**(155.5)**	(151.8)
Financing income	**4.7**	7.9
	(150.8)	(143.9)

6. Share of Results of Associates and Joint Ventures

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

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

	2024* **US$m**	2023* US$m
Change in fair value of Maxim's investment property	**(1.7)**	(0.9)
Change in fair value of Yonghui's investment property	**(0.7)**	(0.2)
Change in fair value of Robinsons Retail's equity investments	**34.4**	20.8
Change in fair value of Yonghui's equity investments	**(8.0)**	(0.9)
Impairment charge of Yonghui's investments	**–**	(9.8)
Gain from sale of an associate by Robinsons Retail	**16.5**	–
Net gain from sale of debt investments by Robinsons Retail	**–**	0.2
Gain from partial sale of an investment by Yonghui	**1.6**	–
	42.1	9.2

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

In January 2024, Robinsons Retail disposed of its interest in an associate, Robinsons Bank Corporation (RBC) through a merger between RBC and Bank of the Philippine Islands (BPI), Robinsons Retail's equity investment. Upon the completion of merger, Robinsons Retail directly and indirectly owns approximately 6.5% interest of BPI. The Group shared a gain of US$16.5 million on this transaction. The fair value change of Robinsons Retail's equity investments largely represented the fair value change of BPI.

* Included 12 months results from 1 October 2023 to 30 September 2024 *(2023: 1 October 2022 to 30 September 2023)* for Robinsons Retail and Yonghui, based on their latest published announcements.

7. Tax

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

The Group is within the scope of the OECD Pillar Two model rules, and has applied the exception to recognising and disclosing information about deferred tax assets and liabilities relating to Pillar Two income taxes from 1 January 2023.

Pillar Two legislation has been enacted or substantially enacted in certain jurisdictions in which the Group operates. The legislation has become effective for the Group's financial year ended 31 December 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes.

The assessment of the potential exposure to Pillar Two income taxes is based on the latest financial information for the year ended 31 December 2024 of the constituent entities in the Group. Based on the assessment, the effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the effective tax rate is slightly below or close to 15%. The income tax expense related to Pillar Two income taxes in the relevant jurisdiction is assessed to be immaterial.

Share of tax charge of associates and joint ventures of US$26.0 million *(2023: US$23.4 million)* is included in share of results of associates and joint ventures.

† The applicable tax rate for the year was 19.3% *(2023: 18.2%)* and represented the weighted average of the rates of taxation prevailing in the territories in which the Group operates.

8. (Loss)/Earnings per Share

Basic (loss)/earnings per share are calculated on loss attributable to shareholders of US$244.5 million *(2023: profit of US$32.2 million)*, and on the weighted average number of 1,345.3 million *(2023: 1,346.1 million)* shares in issue during the year.

Diluted (loss)/earnings per share are calculated on loss attributable to shareholders of US$244.5 million *(2023: profit of US$32.2 million)*, and on the weighted average number of 1,345.3 million shares in issue during the year *(2023: 1,353.6 million shares in issue after adjusting for 7.5 million shares which were deemed to be issued or granted for no consideration under the share-based long-term incentive plans)*.

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

	Ordinary shares in millions	
	2024	2023
Weighted average number of shares in issue	**1,353.7**	1,353.6
Shares held by a subsidiary of the Group under a share-based long-term incentive plan	**(8.4)**	(7.5)
Weighted average number of shares for basic earnings per share calculation	**1,345.3**	1,346.1
Adjustment for shares deemed to be issued or granted for no consideration under the share-based long-term incentive plans	**8.4***	7.5
Weighted average number of shares for diluted earnings per share calculation	**1,353.7**	1,353.6

* Applicable for calculating diluted earnings per share for underlying profit attributable to shareholders only.

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

	2024			2023		
	US$m	**Basic (loss)/ earnings per share US¢**	**Diluted (loss)/ earnings per share US¢**	US$m	Basic earnings per share US¢	Diluted earnings per share US¢
(Loss)/profit attributable to shareholders	**(244.5)**	**(18.17)**	**(18.17)**	32.2	2.39	2.38
Non-trading items *(note 9)*	**445.1**			122.5		
Underlying profit attributable to shareholders	**200.6**	**14.91**	**14.82**	154.7	11.49	11.43

9. Non-trading Items

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

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

9. Non-trading Items continued

The Group continues to review and restructure its operation formats. In view of this, restructuring costs primarily relating to employee costs of US$17.0 million and business closure costs of US$6.2 million were charged to profit and loss during the year. In 2023, there were also US$12.5 million restructuring costs primarily relating to employee costs charged to profit and loss.

Net gain on sale of subsidiaries in 2024 related to the Group's disposals of its wholly-owned subsidiaries, Jelita Property Pte Ltd (Jelita Property), a property holding company in Singapore and DFI Properties Taiwan Limited (DFI Properties), a property holding company in Taiwan with a gain of US$14.4 million and a loss of US$5.6 million, respectively. Following the disposals, the Group immediately leased back certain portions of the tangible and right-of-use assets from Jelita Property and DFI Properties.

Net gain on sale of joint ventures comprised a gain of US$44.1 million on sale of 41.5% interest in Retail Technology Asia Limited (RTA) to a joint venture partner, and a loss of US$0.5 million on sale of the Group's interest in All Guardian Company Limited (All Guardian), a health and beauty joint venture in Thailand during the year. The Group has no interest in these joint ventures upon the completion of the transactions.

In June 2024, the Group disposed of its supermarkets in Indonesia with the assets and liabilities supporting the business sold at a profit of US$1.4 million.

In 2023, the Group exited the Grocery Retail business in Malaysia through disposals of certain of its subsidiaries and associated properties to a third-party. The shareholdings in GCH Retail (Malaysia) Sdn. Bhd. (GCH), Jutaria Gemilang Sdn. Bhd., and Jupiter Lagoon Sdn. Bhd. (Jupiter Lagoon), were disposed. A loss on sale of subsidiaries amounting to US$49.1 million, including a cumulative exchange translation loss of US$48.7 million, was recorded. There were also impairment charge of US$3.0 million on certain tangible assets in the business upon the reclassification to assets held for sale and a profit on disposal of associated properties of US$3.3 million was recorded. Together with other charges, a total of US$54.4 million was charged to profit and loss in regard of the divestment in 2023.

10. Intangible Assets

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

10. Intangible Assets continued

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

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

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

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

10. Intangible Assets continued

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

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

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

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

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

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

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

10. Intangible Assets continued

Other intangible assets comprise mainly trademarks.

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

The remaining amortisation periods for intangible assets are as follows:

Computer software	up to 7 years
Trademarks	up to 7 years

11. Tangible Assets

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

11. Tangible Assets continued

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

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

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

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

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

12. Right-of-use Assets

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

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

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

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

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

13. Investment Properties

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

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

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

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

All investment properties are leasehold properties.

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

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

13. Investment Properties continued

Fair value measurements of residential property using no significant unobservable inputs

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

Fair value measurements of commercial properties using significant unobservable inputs

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

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

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

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

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

13. Investment Properties continued

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

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

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

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

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

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

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

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

14. Associates and Joint Ventures

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

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

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

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

The impairment charge in 2024 related to the Group's interest in Robinsons Retail. At 31 December 2024, the fair value of Robinsons Retail was US$196.3 million, compared to its carrying amount of US$471.9 million, indicating a deficit of US$275.6 million. Management conducted an impairment review on the carrying value by determining the recoverable amount using a value-in-use calculation and concluded that an impairment charge of US$231.3 million was required. This was charged to profit and loss and reduced the amount of interest in Robinsons Retail to US$247.7 million, in addition to the US$170.8 million impairment charge recognised in 2022.

14. Associates and Joint Ventures continued

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

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

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

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

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

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

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

14. Associates and Joint Ventures continued

(a) Investment in associates

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

Nature of investments in material associates in 2024 and 2023:

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

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

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

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

14. Associates and Joint Ventures continued

(a) Investment in associates continued

Summarised financial information for material associates

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

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

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

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

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

14. Associates and Joint Ventures continued

(a) Investment in associates continued

Summarised financial information for material associates continued

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

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

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

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

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

14. Associates and Joint Ventures continued

(a) Investment in associates continued

Reconciliation of the summarised financial information

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

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

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

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

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

Contingent liabilities relating to the Group's interests in associates

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

(b) Investment in joint ventures

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

Commitments and contingent liabilities in respect of joint ventures

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

15. Other Investments

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

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

All equity and debt investments are non-current assets.

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

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

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

16. Debtors

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

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

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

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

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

16. Debtors continued

Impairment of trade and other debtors

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

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

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

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

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

Movements in the provisions for impairment are as follows:

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

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

17. Deferred Tax Assets/(Liabilities)

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

17. Deferred Tax Assets/(Liabilities) continued

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

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

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

18. Pension Plans

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

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

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

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

18. Pension Plans continued

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

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

18. Pension Plans continued

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

18. Pension Plans continued

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

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

The principal actuarial assumptions at 31 December are as follows:

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

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

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

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

18. Pension Plans continued

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

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

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

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

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

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

19. Cash and Bank Balances

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

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

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

	2024 US$m	2023 US$m
Tangible and right-of-use assets	**3.7**	6.5
Investment properties *(note 13)*	**7.7**	–
Interest in an associate	**1,662.1**	–
Assets included in disposal group held for sale	**–**	41.3
Assets held for sale	**1,673.5**	47.8
Liabilities associated with assets held for sale	**–**	(19.8)
	1,673.5	28.0

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

Tangible and right-of-use assets

At 31 December 2024, the tangible and right-of-use assets held for sale represented a property in Indonesia. The sale of this property is considered to be highly probable in 2025.

At 31 December 2023, the tangible and right-of-use assets held for sale represented two properties in Indonesia. These properties were sold at a profit of US$4.6 million during the year.

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

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

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

Investment properties

At 31 December 2024, the investment properties held for sale represented two properties in Indonesia. The sale of these properties is considered to be highly probable in 2025.

Interest in an associate

At 31 December 2024, the interest in an associate classified as held for sale represented the Group's 21.44% interest in Yonghui.

Movements in the interest in Yonghui are as follows:

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

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

Interest in an associate continued

On 23 September 2024, the Group entered into a share transfer agreement (the Agreement) with a third-party for the disposal of 1,913.1 million shares of Yonghui at CNY2.35 per share, representing the Group's entire interest in Yonghui, for a total consideration of CNY4,495.9 million (approximately US$622.7 million). A total loss relating to the divestment of US$114.4 million was recognised in the year.

On entering the Agreement, management considered the divestment was highly probable within one year, and accordingly, the interest in Yonghui was reclassified to assets held for sale, and the equity basis of accounting for this investment was discontinued in September 2024. An impairment charge of US$149.3 million was recognised to reduce the US$758.9 million carrying value of Yonghui to its fair value less costs to sell.

As part of its financial risk management strategy (price risk under note 40), the Group designated the Agreement, representing a forward contract, as the hedge instrument to mitigate the changes in fair value of the shares associated with its interest in Yonghui, the hedged asset. As a result, fair value hedge accounting has been applied, with changes in the fair value of both the forward contract and the Group's interest in Yonghui recognised in profit and loss.

At 31 December 2024, Yonghui's share price indicated a fair value gain of US$1,081.8 million on the Yonghui interest classified under held for sale. Simultaneously, a corresponding fair value loss of US$1,050.7 million was recorded on the forward contract.

To mitigate the potential losses from the Chinese yuan versus the United States dollar, forward foreign exchange contracts were secured in December 2024. At 31 December 2024, there was a total fair value gain of US$7.8 million arose from these forward foreign exchange contracts and the gain was credited to profit and loss.

The loss relating to divestment of Yonghui for the year ended 31 December 2024 is summarised as below:

	US$m
Impairment charge upon reclassification to assets held for sale	**(149.3)**
Fair value gain on interest in Yonghui	**1,081.8**
Fair value loss on a forward contract *(note 31)*	**(1,050.7)**
Fair value gain on forward foreign exchange contracts	**7.8**
Transaction costs provided	**(4.0)**
Loss relating to the divestment *(note 9)*	**(114.4)**

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

Interest in an associate continued

Additional information on the impact to the consolidated balance sheet relating to the divestment at 31 December 2024 is also set out below:

	US$m
Current debtors	**7.8**
Assets held for sale	**1,662.1**
Current creditors	**(1,053.4)**
Assets and liabilities relating to the divestment	**616.5**

The divestment was completed with proceeds of CNY4,495.9 million received on 26 February 2025. The assets held for sale and current creditors described above were therefore settled on the completion date. Based on a preliminary assessment, a further loss of approximately US$130.0 million, mainly from the realisation of exchange translation differences, will be charged to profit and loss in the year ending 31 December 2025. The total loss relating to the divestment is approximately US$244.0 million.

Disposal group held for sale

	2023 US$m
Tangible assets *(note 11)*	19.5
Right-of-use assets *(note 12)*	17.7
Deferred tax assets *(note 17)*	1.0
Debtors	0.2
Cash and bank balances *(note 30(l))*	2.9
Assets held for sale	41.3
Creditors	(0.1)
Lease liabilities *(note 23)*	(19.5)
Tax liabilities	(0.2)
Liabilities associated with assets held for sale	(19.8)
	21.5

In December 2023, the Group entered into a sale and purchase agreement with a third-party to dispose of its subsidiary, DFI Properties. Upon completion of the disposal, the Group immediately leased back a portion of the tangible and right-of-use assets from DFI Properties. The transactions were completed during the year *(note 9)*.

The disposal group held for sale represented the portion of the tangible and right-of-use assets that would not be leased back, and other assets and liabilities, with a total carrying value of US$21.5 million attributable to DFI Properties at 31 December 2023.

21. Creditors

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

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

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

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

22. Borrowings

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

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

The Group's borrowings are further summarised as follows:

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

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

22. Borrowings continued

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

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

Movements in borrowings are as follows:

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

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

23. Lease Liabilities

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

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

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

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

24. Provisions

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

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

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

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

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

25. Share Capital

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

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

26. Share-based Long-term Incentive Plans

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

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

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

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

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

26. Share-based Long-term Incentive Plans continued

Movements of the outstanding conditional awards during the year:

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

Outstanding conditional awards at 31 December:

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

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

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

Outstanding conditional awards in dollars at 31 December:

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

26. Share-based Long-term Incentive Plans continued

Movements of the outstanding options during the year:

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

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

Outstanding options at 31 December:

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

27. Share Premium and Capital Reserves

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

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

28. Dividends

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

A final dividend in respect of 2024 of US¢7.00 *(2023: US¢5.00)* per share amounting to a total of US$94.8 million *(2023: US$67.7 million)* is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the 2025 Annual General Meeting and will be accounted for as an appropriation of revenue reserves in the year ending 31 December 2025.

29. Geographical Analysis of Non-current Assets

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

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

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

30. Notes to Consolidated Cash Flow Statement

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

(d) Purchase of associates and joint ventures in 2024 related to the Group's capital injections of US$4.5 million to Minden International Pte. Ltd. (Minden), an associate in Singapore and US$1.9 million to Pan Asia Trading and Investment One Member Company Limited (PATI), a joint venture in Vietnam.

Purchase in 2023 related to the Group's capital injections of US$8.3 million to RTA, US$5.1 million to Minden, US$2.2 million to All Guardian and US$2.8 million to PATI.

(e) Purchase of other investments in 2024 related to the Group's subscription of 1.14% equity shares in Dmall, amounted to US$39.6 million and the Group's investment in Tecsa Limited, a company founded in the United Kingdom, providing customer data and loyalty analytics consultancy services, for US$6.9 million.

30. Notes to Consolidated Cash Flow Statement continued

(f) Sale of subsidiaries

	2024 **US$m**	2023 US$m
Non-current assets	**79.3**	102.2
Current assets	**42.9**	174.2
Current liabilities	**(19.8)**	(177.9)
Non-current liabilities	**(35.3)**	(120.8)
Non-controlling interests	**–**	10.2
Net assets/(liabilities) disposed of	**67.1**	(12.1)
Deferred gain on sale and leaseback of properties	**11.6**	–
Cumulative exchange translation losses	**8.4**	48.7
Net gain/(loss) on disposals	**8.8**	(49.1)
Total consideration	**95.9**	(12.5)
Non-cash items:		
– consideration settled	**–**	41.8
– consideration receivable	**–**	(1.1)
– transaction costs settled	**–**	2.2
– transaction costs payable	**2.0**	4.4
	2.0	47.3
Cash and cash equivalents of the subsidiaries disposed of	**(3.8)**	(58.6)
Net cash inflows/(outflows)	**94.1**	(23.8)
Total consideration of the transactions is further analysed as follows:		
Net sale proceeds	**97.9**	59.6
Consideration paid and settled	**–**	(49.2)
Consideration receivable	**–**	1.1
Transaction costs paid and settled	**–**	(19.6)
Transaction costs payable	**(2.0)**	(4.4)
	95.9	(12.5)

Net cash inflows for sale of subsidiaries in 2024 related to the Group's disposal of its 100% interest in DFI Properties and Jelita Property for net cash inflows of US$57.4 million and US$36.7 million, respectively *(note 9)*.

There was no revenue recognised by the subsidiaries disposed of during the year. Loss after tax in respect of the subsidiaries disposed of during the year amounted to US$1.3 million.

In 2023, the Group completed the disposals of its interests in subsidiaries operating the Malaysia Grocery Retail business, and the associated properties, to a third-party. Included within the consideration, an amount of US$41.8 million was due to be paid to the third-party after completion to cover certain liabilities incurred by GCH. The amount was subsequently settled via an offset against a loan receivable from GCH.

The cash received from the divestment of the Malaysia Grocery Retail business in 2023 was US$19.3 million, representing the cash outflows related to disposals of subsidiaries of US$23.8 million and proceeds from the disposal of associated properties of US$43.1 million *(note 30(i))*.

30. Notes to Consolidated Cash Flow Statement continued

(g) Sale of associates and joint ventures in 2024 mainly related to the proceeds from the Group's disposal of 41.5% interest in RTA amounted to US$38.9 million and its interest in All Guardian amounted to US$2.2 million.

(h) Sale of supermarkets in Indonesia in 2024 represented the net proceeds from the Group's disposal of its supermarket business amounting to US$7.3 million. Assets mainly tangible assets and inventories, and liabilities supporting the business were sold at a profit of US$1.4 million *(note 9)*.

(i) Sale of properties in 2024 related to disposal of four properties in Indonesia for a total cash consideration of US$18.9 million, and a net profit on disposal amounted to US$3.7 million *(note 9)* was recognised.

Sale of properties in 2023 related to disposal of properties in Singapore, Indonesia and Malaysia amounted to US$142.0 million. A property in Singapore and three properties in Indonesia were sold with proceeds of US$98.9 million, and a profit on disposal amounted to US$61.0 million *(note 9)* was recognised. Four properties in Malaysia were sold through the divestment of Malaysia Grocery Retail business with proceeds of US$43.1 million *(note 30(f))*, and a profit of US$3.3 million *(note 9)* was recognised.

(j) Purchase of shares for a share-based long-term incentive plan in 2024 related to the purchase of 1,432,716 ordinary shares from the stock market by a subsidiary of the Group for a total consideration of US$2.7 million. In 2023, 3,976,300 ordinary shares were purchased for US$9.7 million.

(k) Cash outflows for leases

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

(l) Analysis of balances of cash and cash equivalents

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

31. Derivative Financial Instruments

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

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

Forward foreign exchange contracts

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

Interest rate swaps

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

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

32. Commitments

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

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

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

33. Contingent Liabilities

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

34. Related Party Transactions

The parent company of the Group is Jardine Strategic Limited and the ultimate parent company is Jardine Matheson Holdings Limited (JMH). Both companies are incorporated in Bermuda.

In the normal course of business, the Group undertakes a variety of transactions with certain subsidiaries, associates and joint ventures of JMH (Jardine Matheson group), and the Group's associates and joint ventures. The more significant of such transactions are described below.

	2024 US$m	2023 US$m
Management services provided by Jardine Matheson Limited (JML)		
– management consultancy services	**0.4**	0.2
– directors' fees	**0.3**	0.3
Property, purchases and other services provided by Jardine Matheson group		
– lease payments	**3.0**	4.0
– motor vehicles	**1.5**	0.9
– accounting, and repairs and maintenance services	**8.2**	2.4
Purchases and services received from associates and joint ventures		
– ready-to-eat products	**45.6**	47.3
– point-of-sale system implementation and consultancy services	**19.5**	16.9
– customer loyalty programme launched in Singapore	**4.7**	4.7

The management fees paid to JML, a wholly-owned subsidiary of JMH, are under the terms of a Management Services Agreement.

The fees relating to the point-of-sale system implementation and consultancy services paid to RTA group represented the amounts paid before the Group's divestment of RTA during the year.

There were no other related party transactions that might be considered to have a material effect on the financial position or performance of the Group that were entered into or changed during the year.

Amounts of outstanding balances with associates and joint ventures are included in creditors.

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

35. Summarised Balance Sheet of the Company

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

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

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

36. Post Balance Sheet Event

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

37. Principal Subsidiaries

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

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

All subsidiaries are included in the consolidation.

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

* Directly held by the Company.

38. Material Accounting Policies

Basis of consolidation

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

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

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

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

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

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

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

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

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

38. Material Accounting Policies continued

Foreign currencies

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

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

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

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

Impairment of non-financial assets

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

Intangible assets

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

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

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

38. Material Accounting Policies continued

Tangible assets and depreciation

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

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

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

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

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

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

Leases

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

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

(i) As a lessee

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

38. Material Accounting Policies continued

Leases continued

(i) As a lessee continued

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

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

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

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

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

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

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

38. Material Accounting Policies continued

Leases continued

(ii) As a lessor

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

Investment properties

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

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

Other investments

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

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

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

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

Stocks

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

Debtors

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

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

38. Material Accounting Policies continued

Cash and cash equivalents

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

Provisions

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

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

Borrowings and borrowing costs

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

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

Current and deferred tax

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

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

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

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

38. Material Accounting Policies continued

Employee benefits

(i) Pension obligations

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

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

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

Past service costs are recognised immediately in profit and loss.

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

(ii) Share-based compensation

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

Assets held for sale

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

38. Material Accounting Policies continued

Derivative financial instruments

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

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

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

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

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

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

Offsetting financial instruments

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

38. Material Accounting Policies continued

Non-trading items

Non-trading items are separately identified to provide greater understanding of the Group's underlying business performance. Items classified as non-trading items include fair value gains and losses on revaluations of investment properties, and equity and debt investments which are measured at fair value through profit and loss; gains and losses arising from the sale of businesses, investments and properties; impairment of non-depreciable intangible assets, properties, and associates and joint ventures; provisions for the closure of businesses; acquisition-related costs in business combinations; and other credits and charges of a non-recurring nature, that require inclusion in order to provide additional insight into underlying business performance.

Earnings per share

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

Dividends

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

Revenue recognition

(i) Sales of goods

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

(ii) Revenue from other sources

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

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

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

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

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

Rental income from investment properties is accounted for as earned.

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

38. Material Accounting Policies continued

Buying income

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

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

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

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

39. Standards and Amendments Issued But Not Yet Effective

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

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

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

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

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

40. Financial Risk Management

Financial risk factors

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

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

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

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

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

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

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

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

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

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

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

40. Financial Risk Management continued

Financial risk factors continued

(i) Market risk

Foreign exchange risk

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

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

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

Interest rate risk

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

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

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

40. Financial Risk Management continued

Financial risk factors continued

(i) Market risk continued

Interest rate risk continued

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

Price risk

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

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

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

40. Financial Risk Management continued

Financial risk factors continued

(ii) Credit risk

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

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

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

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

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

(iii) Liquidity risk

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

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

40. Financial Risk Management continued

Financial risk factors continued

(iii) Liquidity risk continued

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

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

40. Financial Risk Management continued

Capital management

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

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

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

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

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

Fair value estimation

(i) Financial instruments that are measured at fair value

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

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

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

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

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

40. Financial Risk Management continued

Fair value estimation continued

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

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

There were no changes in valuation techniques during the year.

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

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

40. Financial Risk Management continued

Fair value estimation continued

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

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

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

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

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

40. Financial Risk Management continued

Fair value estimation continued

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

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

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

Financial instruments by category

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

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

40. Financial Risk Management continued

Fair value estimation continued

Financial instruments by category continued

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

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

41. Critical Accounting Estimates and Judgements

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

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

Significant areas of estimation uncertainty

Investment properties

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

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

Impairment of assets

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

Pension obligations

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

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

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

Buying income

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

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

41. Critical Accounting Estimates and Judgements continued

Significant areas of judgement

Income taxes

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

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

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

Leases

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

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

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

41. Critical Accounting Estimates and Judgements continued

Significant areas of judgement continued

Leases continued

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

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

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

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

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

Non-trading items

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