



SERVING EVERYDAY MOMENTS



Annual Report 2025

Sustainably serve Asia for generations with everyday moments

Our Businesses



Front cover (clockwise from top):
Guo Ziyi, at the Holland Shopping Centre Guardian store in Singapore; 7-Eleven team member Cherry Guo at the new concept store in Causeway Bay, Hong Kong; Wellcome team member Wang Shuning at Causeway Bay, Hong Kong store; Santi Herawati at the IKEA Alam Sutera, Indonesia store



Health and Beauty

DFI's health and beauty business operates across Asia through well-established and trusted brands such as Mannings and Guardian, serving customers with a comprehensive range of health, beauty, personal care and baby care products. Our extensive network spans more than 1,500 stores across the region.



Convenience

DFI operates the global convenience chain 7-Eleven in Hong Kong, Macau, Guangdong and Singapore with a network of over 3,500 stores. In addition to everyday essentials, it offers Own Brand ready-to-eat products, unique collectibles and a wide range of convenient services, designed to meet customers' daily needs.

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Food

DFI operates trusted grocery retail brands across the region, offering quality products and great value. From fresh food to household essentials, our well-known brands — including Wellcome in Hong Kong, San Miu in Macau and Lucky in Cambodia, are committed to making everyday shopping accessible and dependable.



Home Furnishings

DFI operates IKEA in Hong Kong, Macau, Taiwan and Indonesia. Renowned for design, functionality and quality at affordable prices. IKEA offers a comprehensive range of well-designed home furnishing products, underpinned by a solid commitment to sustainability and to creating a better everyday life for the many people.



Restaurants

DFI holds a 50% ownership interest in Maxim's Caterers Limited. Founded in 1956, Maxim's has more than 2,000 outlets across Asia, offering a diverse range of Chinese, Asian and Western dining options, alongside its award-winning Hong Kong MX Mooncakes. It is also the licensee of brands such as Genki Sushi, Shake Shack, Starbucks Coffee and The Cheesecake Factory.

Corporate Information

for the year ended 31 December 2025 and up to 28 February 2026

Directors

Lincoln Pan

Chairman

(joined the Board on 1 November 2025)

John Witt

Chairman

(stepped down on 1 November 2025)

Scott Price

Group Chief Executive

Tom van der Lee

Group Chief Financial Officer

Graham Baker

Elaine Chang

(joined the Board on 17 February 2025)

Dave Cheesewright

Weiwei Chen

Christian Nothhaft

Ben Keswick

(stepped down on 17 February 2025)

Company Secretary

Sean Ward

Registered Office

Jardine House
33-35 Reid Street
Hamilton
Bermuda

Management Committee

Scott Price

Group Chief Executive

Tom van der Lee

Group Chief Financial Officer

Martin Lindström

Chief Executive Officer, DFI IKEA

Curtis Liu

Chief Executive Officer, Food

Yoep Man

Chief Executive Officer, 7-Eleven

Andrew Wong

Chief Executive Officer, Health & Beauty

Crystal Chan

Group Chief Technology and Information Officer

Ella Chan

Group Chief Strategy Officer

(appointed on 1 April 2025)

Erica Chan

Group Chief Legal, Sustainability and

Corporate Affairs Officer

Wee Lee Loh

Group Chief Digital and yuu Rewards Officer

Joy Jinghui Xu

Group Chief People & Culture Officer

DFI Retail Group At-a-Glance

12 Asian Markets

7,580 Outlets

(including associates)



Geographical Locations

● Health and Beauty
 ● Convenience
 ● Food
 ● Home Furnishings
 ● Restaurants

Figures as at December 2025

* Cross-border business

Highlights

- Underlying profit reached the high-end of guidance at US\$270 million, up 35% year-on-year
- Reported profit of US\$235 million, up US\$480 million year-on-year
- Health and Beauty delivered strong like-for-like (LFL) sales and profit growth
- Convenience returned to profit growth in the second half of 2025, supported by a favourable mix shift towards higher-margin, non-cigarette categories
- Strengthening value-driven, omnichannel proposition in Food and Home Furnishings
- Divestments of Yonghui, Robinsons Retail and Singapore Food underscored the Group's transition from a portfolio to a focused operating company and strengthened balance sheet to a net cash position
- Returned approximately US\$740 million to shareholders for the full year 2025, including a US\$600 million special dividend
- Final dividend of US¢10.50 per share based on a new 70% payout policy announced in December 2025

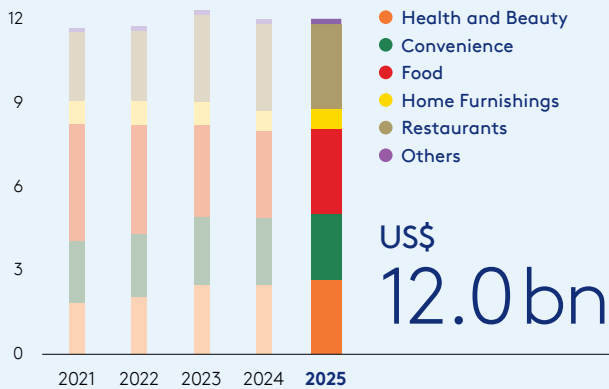
	2025	2024	Change
Results	US\$m	US\$m	%
Revenue	8,869	8,869	–
Underlying profit attributable to shareholders*	270	201	35
Net non-trading items attributable to shareholders	(36)	(445)	n/a
Profit/(loss) attributable to shareholders	235	(245)	n/a
Net cash/(debt)	70	(468)	n/a
	US¢	US¢	%
Underlying earnings per share*	20.05	14.91	35
Earnings/(loss) per share	17.41	(18.17)	n/a
Ordinary dividend per share	14.00	10.50	33
Special dividend per share	44.30	–	n/a
Net asset value per share†	20.54	42.95	(52)
Store Network‡	2025	2024	Net change
Health and Beauty	1,533	1,524	+9
Convenience	3,527	3,436	+91
Food	443	429	+14
Home Furnishings	26	26	–
Restaurants	2,051	2,023	+28
	7,580	7,438	+142

* The Group uses 'underlying profit' in its internal financial reporting to distinguish between ongoing business performance and non-trading items, as more fully described in note 36 to the financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group's underlying business performance.

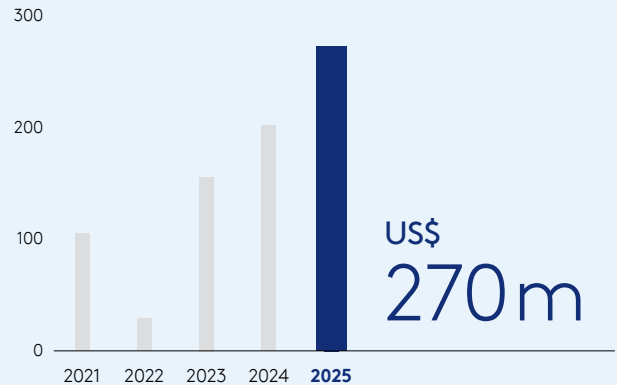
† Net asset value per share is based on the book value of shareholders' funds.

‡ Including 2,051 associates and joint ventures stores in 2025 (2024: 2,023), on a comparable and continuing basis.

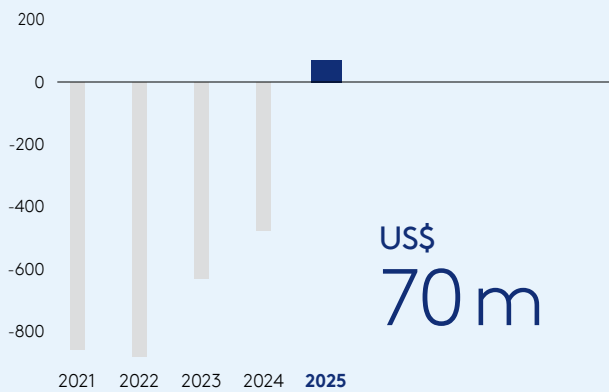
Revenue – Include Maxim’s (US\$bn)



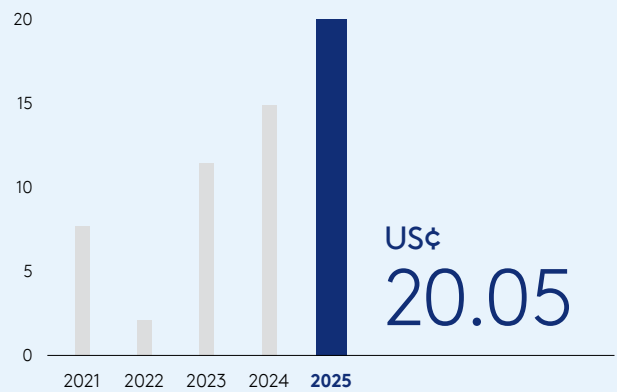
Underlying Profit Attributable to Shareholders (US\$m)



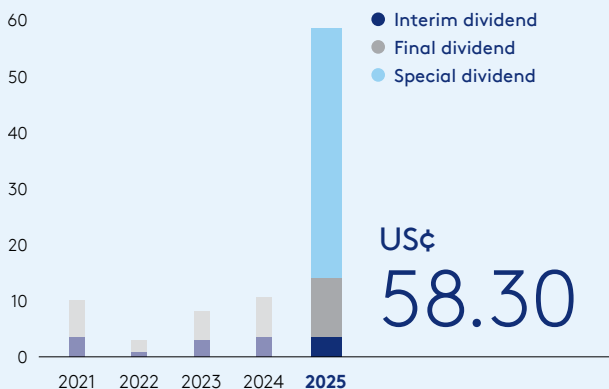
Net Cash/ (Debt) (US\$m)



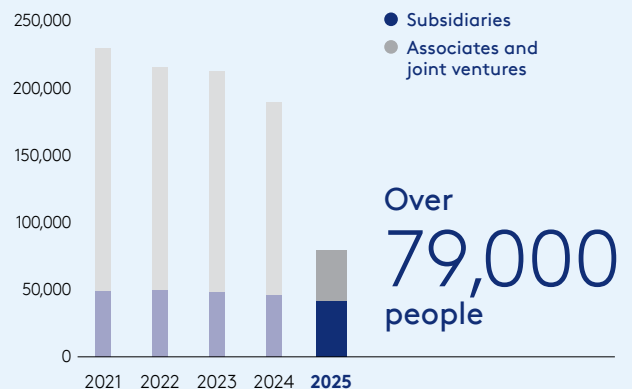
Underlying Earnings per Share (US¢)



Total Dividends per Share (US¢)



Number of Employees



Ordinary Dividend per Share

+33%

Underlying Profit

+35%

Number of Stores[‡]

7,580

Chairman's Statement

Effective execution of our strategy drove strong financial performance and higher shareholder returns in 2025, despite a challenging retail environment. Our significant progress made in portfolio simplification creates investment capacity for strategic priorities, enabling greater value for our customers and accretive inorganic opportunities to drive sustainable growth and returns.

Introduction

It is my honour and privilege to join DFI Retail Group ('DFI' or the 'Group') as Chairman of the Board, supporting Group Chief Executive, Scott Price, and his leadership team in executing its strategic priorities and delivering shareholder returns. On behalf of the Board, I would also like to express our gratitude to John Witt for his invaluable contributions to DFI over many years.

As Asia's leading multi-format retail platform, DFI has a unique set of assets – strong customer trust, an extensive store network across markets, deep data insights from a powerful loyalty programme, and a strengthening Own Brand portfolio – that will serve as a foundation for growth over the coming years.

Amid macroeconomic volatility and evolving consumer needs, the Group has been responding effectively through a stronger value proposition and enhanced omnichannel capabilities. This strategy is yielding early and encouraging results, demonstrated by a 35% increase in underlying profit in 2025. We remain particularly optimistic about the growth prospects in Health & Beauty and Convenience, as well as the opportunities emerging in digital.

I am confident that under the capable leadership of Scott and his team, DFI will continue to deliver retail excellence to customers across Asia while driving long-term value creation and growth.

Under a new 70% dividend payout policy announced in December 2025, the Board recommends a final dividend of US\$10.50 per share (2024 final dividend: US\$7.00).

Strategic Highlights

Over the course of 2025, the Group executed effectively against its strategic framework of *Customer First, People Led, Shareholder Driven*. This approach enables DFI to navigate market challenges while capturing opportunities that build on its strong platform for sustainable growth.

The retail landscape is rapidly evolving, driven by shifting consumer behaviour and digitalisation. The Group remains focused on strategic priorities that place customers first – delivering quality, value and convenience in everyday moments. Across its businesses, the Group made good progress in strengthening value propositions, expanding customer reach in growth markets, driving deeper customer engagement with data-driven insights and accelerating digital monetisation. These initiatives enhance its ability to better serve customers and supplier partners while delivering returns to shareholders.

Investing in talent development remains at the top of the agenda. During the year, the Group achieved an improved team member engagement score. Inclusive leadership, a purpose-driven culture and engaged team members are critical to driving stronger performance and delivering exceptional customer experience. In parallel, the Group continues to enhance its organisational agility in meeting customer needs while reducing overhead costs.

In 2025, the Group completed the divestments of minority stakes in Yonghui and Robinsons Retail, as well as Singapore Food business, enabling reinvestment in subsidiary businesses and strategic priorities with stronger growth and return potential.



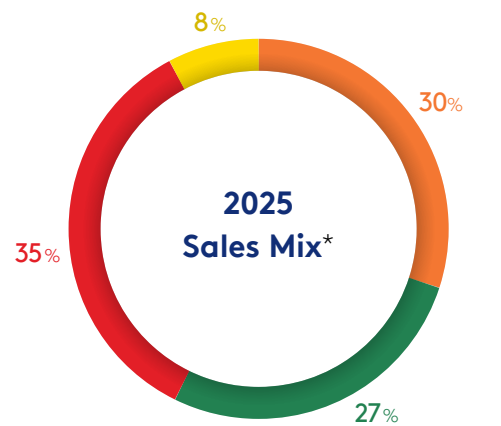
This approach, combined with a sharpened business focus and a strengthened balance sheet, delivered a total shareholder return exceeding 90% in 2025, including the distribution of a US\$600 million special dividend in October.

Prospects

Transformation is an ongoing journey for today's retailers. Serving diverse communities across Asia, where economic conditions and consumer expectations vary widely, the Group must stay agile and locally relevant guided by a customer-first mindset and a disciplined focus on growth opportunities that further build on its competitive advantages. Over the year, DFI has invested in delivering better outcomes for customers through price reinvestment, Own Brand innovation, omnichannel expansion and data-driven personalisation – focus areas that will remain central to its growth plans in the years ahead. An expanded digital ecosystem also unlocks new avenues to drive deeper value for supplier partners and enhance shareholder returns.

I would like to end by expressing the Board's appreciation to our team members. We could not be more proud of the work they have done over the year, particularly in responding to the deeply tragic Tai Po fire in Hong Kong. Their unwavering dedication to serving our customers across Asia is what will continue to drive our business forward and build long-term value for shareholders.

Lincoln Pan
Chairman
3 March 2026



- Health and Beauty
- Convenience
- Food
- Home Furnishings

* Sales of goods.

† Based on operating profit before effect of IFRS 16, excluding selling, general and administrative expenses and non-trading items.

Group Chief Executive's Review

We are pleased to close 2025 on a strong note, underpinned by a recovery in LFL subsidiary sales, improved margins and proactive portfolio actions. Looking into 2026 and beyond, I am confident that DFI has developed a renewed foundation as we execute against our strategic priorities to deliver sustained, profitable growth, drive market share gains across our formats and generate long-term returns for our shareholders.

Introduction

We are pleased to close 2025 on a strong note, with underlying profit attributable to shareholders up 35% year-on-year to US\$270 million, reaching the high end of our guidance range. This strong performance was driven by a recovery in LFL subsidiary sales, improved margins and proactive portfolio actions, including the divestment of our minority stake in Yonghui.

Customers across Asia, including in our home market of Hong Kong, are increasingly seeking quality and convenience at great value. While macro challenges remain, we are encouraged to see early signs of recovery in key retail segments, including 3% growth in health and beauty sales in Hong Kong, supported by a 12% increase in tourist arrivals. As Asia's leading multi-format omnichannel retail platform, we are uniquely positioned to meet customers' evolving needs effectively across all channels through relevant and compelling customer propositions.

With a renewed focus on balancing profitability with capital discipline, the Group ended the year in a net cash position, after distributing a US\$600 million special dividend, and delivered a significantly improved return on capital employed (ROCE) of 9.4%. Our strengthened balance sheet allows us to reinvest for growth as we deepen our focus on higher-return subsidiary businesses and strategic priorities that sustain value creation for shareholders. For the full year 2025, we returned a total of approximately US\$740 million to shareholders, including the special dividend.

In December, we held our inaugural Investor Day where DFI announced a new dividend policy with an increased payout ratio of 70%. Dividends paid during the year, combined with a share price increase of more than 70%, resulted in a total shareholder return exceeding 90% in 2025. We also outlined our three-year plan for realising our financial ambitions and accelerated growth goals, including a target of US\$310-350 million in underlying profit (representing 11% CAGR at the mid-point compared to 2025*) and an improved ROCE of at least 15% by 2028.

As we enter the new financial year, we remain firmly focused on executing our strategic priorities to drive sustained, profitable growth.

Strategic deliverables – key progress

Over the past year, we have made significant progress in our transformation from a portfolio business into a strategically focused operating company. We have been advancing our strategy across five key deliverables to create greater value for our customers, supplier partners and shareholders.

Retail Excellence

By delivering best-in-class customer propositions, we see a wide range of opportunities for driving higher store sales density and market share gain across all business segments.

* Excluding Singapore Food business and minority stake in Robinsons Retail upon completion of divestment in 2025.



Health & Beauty

Mannings and Guardian continue to strengthen their position as the trusted advisor for wellness, unlocking strong cross-category growth opportunities through an assortment with high functional value across supplements, derma skin care and hair care. Customers across Asia are increasingly shifting to retailers that best fulfil their broad, diverse and unique wellness goals. Our technology-enabled personalised services – including skin, scalp and health assessments – drive higher purchase conversion and basket size by deepening customer understanding of their wellness needs. These capabilities will be expanded to 25% of our Health & Beauty store network to enhance our competitive differentiation and leadership in wellness.

Convenience

7-Eleven is broadening its shopper missions towards higher-margin, non-cigarette categories with a strategic focus on ready-to-eat (RTE) offerings, which accounted for 24% of Convenience sales in 2025. Across markets, consumers are seeking more convenient, high-quality and value-driven meal solutions. The expansion of Food Bars to 1,250 locations in South China and the rollout of RTE-focused store revamp across the entire Hong Kong network by 2028 will further strengthen 7-Eleven's RTE proposition.

Food

Given consumers' pivot towards value, continued northbound travel and increasing competition from Chinese mainland e-commerce platforms, the Wellcome team has focused on enhancing food

basket value for customers by advancing our Everyday Low Price strategy. Investment in reduced pricing through strategic direct sourcing of core basket items, particularly in fresh, has resulted in a 2% growth in volume driven by higher footfall and increased items per basket. Direct sourcing allowed us to reduce prices while protecting gross profit, resulting in a 30-basis point gross margin improvement. These efforts further supported the narrowing basket price gap compared to the Greater Bay Area to a currently low single-digit price difference†.

Home Furnishings

Similar to Food, IKEA has focused on enhancing its affordability and accessibility by reinvesting in the pricing of high-volume products, broadening the range of entry price points, rationalising the tail of slow-selling assortment, and further expanding digital touchpoints through third-party marketplaces. We are also strengthening IKEA Food as a key draw for customers seeking exciting and affordable food experiences as part of their store journey. These efforts are supported by significant cost transformation initiatives across our operating markets.

Own Brand

Our reset in Own Brand strategy across Food and Health & Beauty is driving higher customer loyalty and sales penetration through greater exclusivity and value. By refining our product range to align closely with customer needs and maximising cross-selling across our formats, we achieved meaningful improvements in margins and sales productivity.

† Based on a third-party assured price comparison of a 200-item comparable basket between DFI and Greater Bay Area.

Access to Customers

We continue to strategically expand our network in high-growth, profitable markets, primarily through a capex-light franchise model, with 114 net new openings[‡] in 2025. In particular, we will deepen 7-Eleven's presence in Guangdong province to around 2,400 stores and expand Guardian's footprint in Indonesia to approximately 750 stores by 2028.

Omnichannel and Data Ecosystem

DFI's expanded omnichannel ecosystem is elevating our relevance and engagement with customers, providing us deep data insights across daily consumer needs that few peers in Asia can match. This ecosystem now allows our customers to engage with DFI brands across more than 90 digital channels, including apps, websites, third-party marketplaces, quick-commerce partnership with food delivery platforms and click-and-collect services. Our strengthened digital proposition was underpinned by a 140-basis point increase in online sales penetration to 6.4%[^] as at year-end 2025, with order volume more than doubled year-on-year. Our overall digital ecosystem, comprising e-commerce, retail media, insights monetisation and yuu, continues to drive improved financial returns for the Group.

Retail Media (DFIQ Media)

Positioned to become Asia's leading omnichannel retail media network, DFIQ Media offers a differentiated online and offline advertising proposition, enabling brands to execute cross-format campaigns through our digital assets and more than 10,000 in-store digital screens across markets. DFIQ Media delivered strong sales growth, albeit from a low starting base, achieving a fourfold increase in revenue over 2024, supported by proprietary data insights from over 7 million monthly active users across our growing digital portfolio.

DFIQ Portal

We aim to empower our supplier partners with actionable insights that drive greater business impact and better outcomes for customers. The DFIQ Portal – a vendor platform combining DFIQ Media, DFIQ Insights and trade capabilities – was launched in December 2025, providing suppliers real-time access to critical analytics that enables optimised inventory management and more effective strategic planning.

Retail Analytics

Leveraging cross-format data insights from over 5 million yuu Rewards members in Hong Kong, we continue to enhance our assortment and promotional decisions to help expand both in-store sales and gross profit.

Lean & Agile Model

Maintaining a lean and agile operating model is essential to ensuring efficient decision-making in a rapidly evolving retail landscape. Continued cost optimisation and better product sourcing will support both strategic price reinvestment and sustainable margin expansion in the coming years. Overhead reductions are expected to translate into lower SG&A costs beginning 2026. We remain disciplined in capex, driving network growth primarily through a franchise model with a strong focus on paybacks.

Strategic pivot from portfolio to a focused operating company

We conduct strategic reviews of our businesses guided by return on capital and total shareholder return priorities. During the year, we completed the divestment of our minority stakes in Yonghui and Robinsons Retail, as well as our Singapore Food business, generating total gross proceeds of approximately US\$1 billion in cash consideration. In line with our capital allocation priorities, these proceeds were redeployed towards debt repayment, resulting in a net cash position of US\$70 million as at year-end 2025. In addition, a special dividend of US\$600 million was distributed to shareholders in October 2025. The Group remains focused on maximising total shareholder return while maintaining strategic flexibility for inorganic growth opportunities that are accretive to long-term shareholder value.

2025 performance

Total revenue from subsidiaries in 2025 was US\$8.9 billion, up 1% on a LFL basis, excluding cigarettes. Organic revenue, excluding divested businesses[§] for the comparable period, grew 0.5%. Strong sales growth in the Health & Beauty division was offset by lower contributions from other segments.

Excluding the impact of the minority stake divestments in Yonghui and Robinsons Retail completed in 2025, total revenue for the Group, including 100% of associates and joint ventures, remained broadly stable.

[‡] Excluding Singapore Food. Divestment of business was completed in early December 2025.

[^] Excluding Singapore Food, cigarettes under Convenience and IKEA food.

[§] Excluding financial contribution from Singapore Food (December 2024) and Hero Supermarket (2024) for comparison purpose.

The Group reported total underlying profit attributable to shareholders of US\$270 million for the year, up 35% year-on-year. This was supported by improved profitability from subsidiary businesses, lower financing costs and higher underlying profit from associates following the divestment of Yonghui.

Underlying profit from subsidiaries was US\$183 million, 15% higher than the prior year. This was driven by strong Health & Beauty performance in addition to earnings recovery in Singapore Food and Home Furnishings segment, partially offset by lower contribution from Convenience due to reduced cigarette volume.

The Group's share of underlying profit from associates was US\$88 million, an improvement of US\$45 million compared to the prior year, primarily due to the divestment of minority stake in loss-making Yonghui and higher contribution from Maxim's as a result of improved mooncake sales and restaurant performance in Southeast Asia. Despite challenging trading conditions in Hong Kong and Chinese mainland, Maxim's delivered profit growth in these regions through cost optimisation.

The Group reported operating cash flow after lease payments of US\$430 million, 30% higher than the prior year, supported by underlying operating profit growth. Free cash flow^{††} for the period was US\$281 million, up 78% year-on-year. As at 31 December 2025, the Group's net cash was US\$70 million, compared to US\$468 million net debt at 31 December 2024.

Sustainability

We remain firmly committed to our purpose to sustainably serve Asia for generations with everyday moments – with a focused, balanced, collaborative approach taking into account the macroeconomic environment and consumer sentiment. We are driving progress on our pathway to reduce our Scope 1 and 2 emissions by 50% by 2030 from a 2021 baseline, with our targeted investments in refrigerant emissions management, energy efficiency, and behaviour-change initiatives across our operations gaining momentum throughout the year. From 2025 to 2030, we will further increase the share of renewable energy use in our portfolio, helping to accelerate the energy transition in the key markets where we operate.

As advocates for our customers and the communities we serve, we are committed to delivering affordable, sustainable products. In 2025, we delivered 380 tonnes of Own Brand low-carbon rice to our Hong Kong markets and added multiple products through our Grounds to Green programme to our 7-Eleven RTE range. These award-winning initiatives demonstrate our ability to anticipate customer expectations and deliver on market demands. We maintained strong discipline in waste and packaging management, keeping us on track to meet our 2030 targets.

Outlook

2025 marked a year of strong progress for DFI, with the strategic reset across our businesses driving improved underlying profitability in both subsidiaries and associates, a stronger ROCE and enhanced shareholder returns. Our strengthened balance sheet and disciplined use of capital provides capacity to reinvest for growth both organically and inorganically, laying a strong foundation as we pursue our financial ambitions of achieving a US\$310-350 million underlying profit (+11% CAGR at midpoint compared to 2025[#]) and a 7-10% online sales mix by 2028.

At our inaugural Investor Day, we outlined clear strategic priorities which include strengthening our value proposition, enhancing omnichannel capabilities, accelerating Own Brand innovation, deepening digital monetisation, and leveraging data to deliver better outcomes for both customers and supplier partners.

For the full year of 2026, the Group expects organic revenue growth of approximately 2-3%** and underlying profit attributable to shareholders to be between US\$270 million and US\$300 million. Excluding the divestment impact of Singapore Food and Robinsons Retail, this would represent a year-on-year growth of 13-25%.

Looking into 2026 and beyond, I am confident that DFI has developed a renewed foundation as we execute against our strategic priorities to deliver sustained, profitable growth, drive market share gains across our formats and generate long-term returns for our shareholders.

Scott Price

Group Chief Executive
3 March 2026

[#] Excluding Singapore Food business and minority stake in Robinsons Retail upon completion of divestment in 2025.

^{**} Excluding Singapore Food business.

^{††} Free cash flow is equivalent to cash flows from operating activities after lease payments minus normal capital expenditure.

HEALTH AND BEAUTY

Sales for the Health and Beauty division grew 7% year-on-year or 5% on an LFL basis to US\$2.6 billion. Underlying operating profit was US\$228 million for the year, representing an increase of 8% compared to 2024.

Sales for the Health & Beauty division grew 7% year-on-year or 5% on an LFL basis. Underlying operating profit was US\$228 million for the year, representing an increase of 8% compared to 2024.

Both Mannings and Guardian achieved strong LFL sales performance, supported by growing wellness sales penetration towards the mid-term target of over 35%. To further strengthen our leadership in wellness – a cross-category opportunity spanning health, beauty and personal care – Mannings and Guardian complemented their wellness-focused assortment with in-store health, skin and scalp assessments in selected outlets. Our personalised consultations and tailored product recommendations deepen our engagement with customers, supporting larger basket sizes and higher purchase conversion.

In Hong Kong and Macau, LFL sales increased by 5%, driven by strong growth in tourist store sales from higher arrivals. Own Brand strategy reset resulted in a 35% improvement in gross profit per SKU through a refined product range that better aligns with customer needs. Sales of Mannings China declined due to the closure of majority of its offline store network as the business pivots towards a cross-border e-commerce model.

Sales of Goods

US\$ 2.6 billion

Operating Profit

US\$ 228 million

Store Network

1,533 stores



● Chinese mainland

● Macau

● Hong Kong

● Vietnam

● Malaysia

● Brunei

● Singapore

● Indonesia

Group Sales*

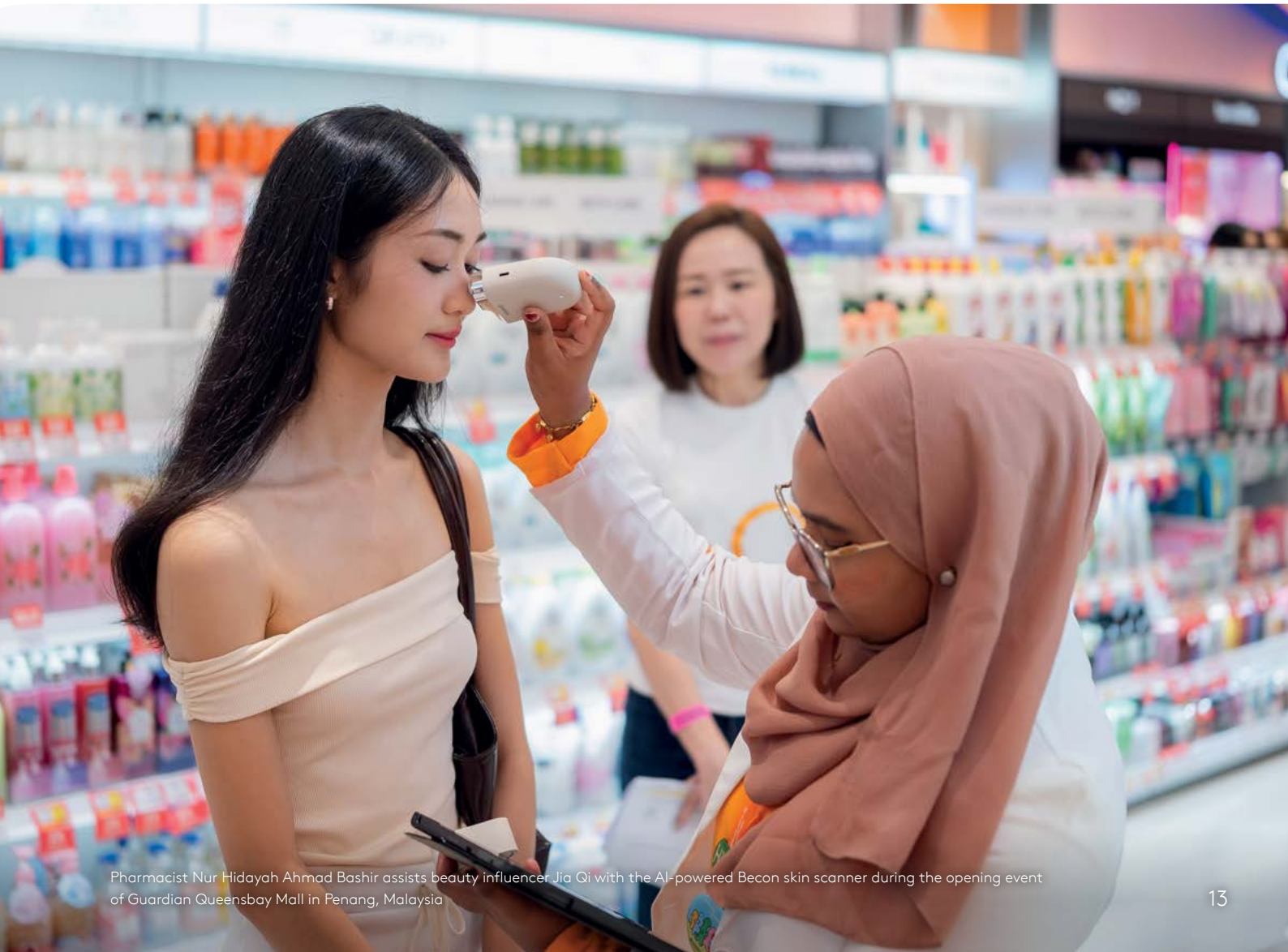
30%

Group Profit†

55%

* Sales of goods.

† Based on operating profit before effect of IFRS 16, excluding selling, general and administrative expenses and non-trading items.



Pharmacist Nur Hidayah Ahmad Bashir assists beauty influencer Jia Qi with the AI-powered Becon skin scanner during the opening event of Guardian Queensbay Mall in Penang, Malaysia



Both Mannings and Guardian achieved strong LFL sales performance, supported by growing wellness sales penetration towards the mid-term target of over 35%.

Ophelia Kwan, a Mannings team member, engages with the interactive 'Mannings' Picks' display featuring curated best-selling skincare products



Mannings Guardian Own Brand relaunched its top-selling products with a refreshed look in 2025



Mannings' Chinese Medicine Practitioner, Tao Wu, provides consultation to a customer at the Tuen Mun Town Plaza store, Hong Kong



Guardian's newly revamped flagship store at Plaza Indonesia, located in Central Jakarta

Guardian in Southeast Asia reported 5% LFL sales increase, driven by growth in basket sizes across key markets and an expanding e-commerce presence, including the Guardian Malaysia loyalty programme launched in March 2025 and a new Guardian

Singapore app in July 2025. Indonesia and Vietnam delivered LFL sales growth exceeding 10%, supported by strong traffic gains. Gross margin expansion and operating leverage contributed to operating profit growth of 16% in the region.

CONVENIENCE

Total Convenience sales were US\$2.3 billion. Excluding cigarettes, sales were up 1% compared to 2024 and marginally lower on an LFL basis. Favourable sales mix shift towards higher-margin non-cigarette categories drove a return to positive profit growth in the second half of 2025.

Total Convenience sales were US\$2.3 billion, representing a decline of 2% year-on-year or 3% on an LFL basis, due to lower-margin cigarette volume reductions following tax increases in Hong Kong in February 2024. Excluding cigarettes, overall Convenience sales grew 1% compared to 2024 and were marginally lower on an LFL basis. Underlying operating profit was US\$97 million, down 6% year-on-year. Favourable sales mix shift towards higher-margin non-cigarette categories drove a return to a positive profit growth in the second half of 2025.

In Hong Kong, the Group expects to mitigate financial impact from declining cigarette sales in 2026 and beyond through continued growth in higher-margin non-cigarette categories, including RTE which accounted for 18% of sales for the full year, up from 16% in 2024.

Sales of Goods

US\$ 2.3 billion

Operating Profit

US\$ 97 million

Store Network

3,527 stores

● Chinese mainland

● Macau ● Hong Kong

● Singapore

Group Sales*

27%

Group Profit†

24%

* Sales of goods.

† Based on operating profit before effect of IFRS 16, excluding selling, general and administrative expenses and non-trading items.

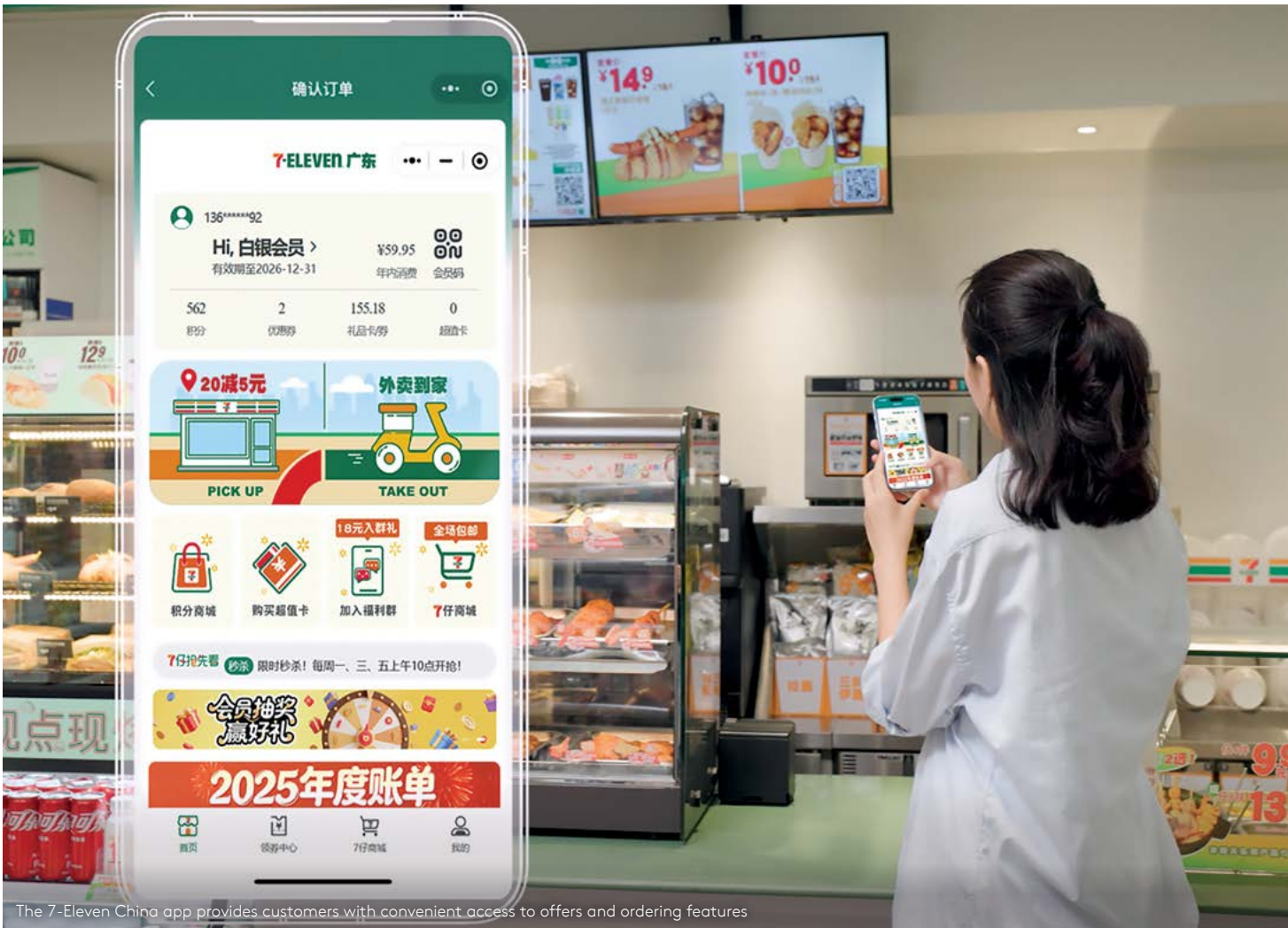


7-Eleven team member Liu Jingyi at the Tat Chee Avenue, Hong Kong store



The 7-Eleven team remains focused on driving footfall through innovative RTE and accelerated Food Bar expansion to a target of 1,250 stores in South China by the end of 2028.

7-Eleven Hong Kong launched its new concept store in Causeway Bay, Hong Kong, showcasing a modern and innovative retail design



The 7-Eleven China app provides customers with convenient access to offers and ordering features



7-Eleven Singapore launched its 'Together We Care' CSR partnership with Singapore Children's Society at the inaugural 7-Eleven Run and Quest 2025

7-Eleven Singapore reported robust LFL sales growth driven by a stronger RTE proposition and effective promotional campaigns. In South China, continued store network expansion through a capex-light franchise model, including 99 net increase in store number, contributed to 3% sales growth. LFL sales, however, were down 2% largely due to intense subsidy competition from food delivery platforms, primarily in the first half of the year. The focus remains on driving footfall through innovative RTE and Food Bar expansion to 1,250 stores by the end of 2028, compared to 325 as of year-end. Both markets saw meaningful profit growth, supported by a favourable product mix shift and disciplined cost control.

FOOD

Reported sales for the Food division were US\$3.0 billion, remaining stable compared to 2024 on an LFL basis. Underlying operating profit reached US\$62 million for the year, up 6% year-on-year, driven by earnings recovery in Singapore Food following the distribution of government consumption vouchers in 2025.

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In Hong Kong, the Wellcome team strengthened its fresh and value proposition through pricing reinvestment supported by strategic direct sourcing. These efforts included a new partnership with Dingdong Maicai (DDL) since May 2025 for a wider selection of price-competitive fresh produce, as well as the Everyday Value campaign launched in September 2025, offering up to 40% savings on 100 core basket items. The team also accelerated omnichannel growth through broader digital channels – including a quick-commerce partnership with foodpanda and click-and-collect services – and a shortened delivery time to same or next day delivery, driving a more than 20% sales growth in Hong Kong Food online sales. Despite a 1% LFL sales decline compared to the prior year, total volume grew 2% driven by increased transactions and items per basket.

Sales of Goods

US\$ 3.0 billion

Operating Profit

US\$ 62 million

Store Network

443 stores



Macau ● Hong Kong

● Cambodia

Group Sales*

35%

Group Profit†

15%

* Sales of goods.

† Based on operating profit before effect of IFRS 16, excluding selling, general and administrative expenses and non-trading items.



Wellcome's Everyday Value campaign, which fixes low prices on 100 everyday essentials for customers in Hong Kong



Wellcome strengthened its fresh and value proposition through price reinvestment supported by strategic direct sourcing.

Cheung Yu Shun, our team member at Wellcome, serving a customer at Causeway Bay, Hong Kong store



Sokhavady Chhor (L) and Pesoeu Loem (R) from Lucky Supermarket Angkor store, located in Phnom Penh, Cambodia



Lucky Express Tela Khmer Chamka Morn, in Phnom Penh, Cambodia



Oliver's The Delicatessen unveiled a new store concept at Landmark Prince's, Hong Kong

Southeast Asia Food sales performance benefited from multiple rounds of government consumption voucher distribution in Singapore during the year, including S\$800 vouchers for each household and S\$600 vouchers for individuals in celebration of the nation's 60th anniversary. These vouchers, which were redeemable at supermarkets and heartland merchants, drove stronger sales in the Food segment. Convenience and Health & Beauty did not see a

similar uplift in sales as the vouchers were not applicable to these outlets. Divestment of Singapore Food business was completed in early December 2025. Post-completion, the Group continues to serve the Singapore market through its Guardian and 7-Eleven brands. As the only nationwide modern trade operator in Cambodia, Lucky reported robust LFL sales growth with strong margin expansion on scale benefits.

HOME FURNISHINGS

IKEA reported sales of US\$677 million, down 3% year-on-year and 5% on an LFL basis, compared to an 11% LFL sales decline in 2024. Operating profit was US\$26 million, representing a meaningful improvement from US\$16 million in the prior year, driven by effective cost control measures across markets.

IKEA reported sales of US\$677 million, down 3% year-on-year and 5% on an LFL basis, compared to an 11% LFL sales decline in 2024. Operating profit was US\$26 million, representing a meaningful improvement from US\$16 million in the prior year, driven by effective cost control measures across markets.

Amid a challenging macro environment and reduced consumer demand for big-ticket items due to subdued real estate market activity, the IKEA team has prioritised enhancing its value proposition and omnichannel presence. Key initiatives include price reductions on high-volume products, rationalisation of non-core assortment, and a broader range of entry price points. In Indonesia, the team has further expanded digital partnerships with third-party marketplaces to improve accessibility, supporting continued progress towards its overall online sales penetration target of 18-20% by 2028. IKEA Food remains a critical traffic and revenue driver, representing 14% of total sales.

These combined with significant cost optimisation efforts in labour, supply chain and infrastructure across markets contributed to a US\$10 million improvement in overall profitability.

Sales of Goods

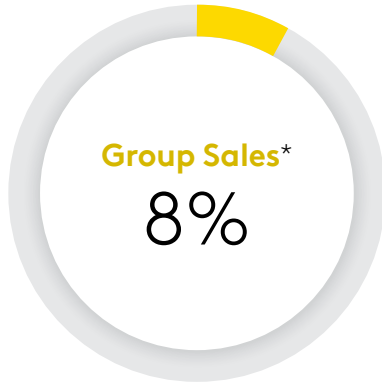
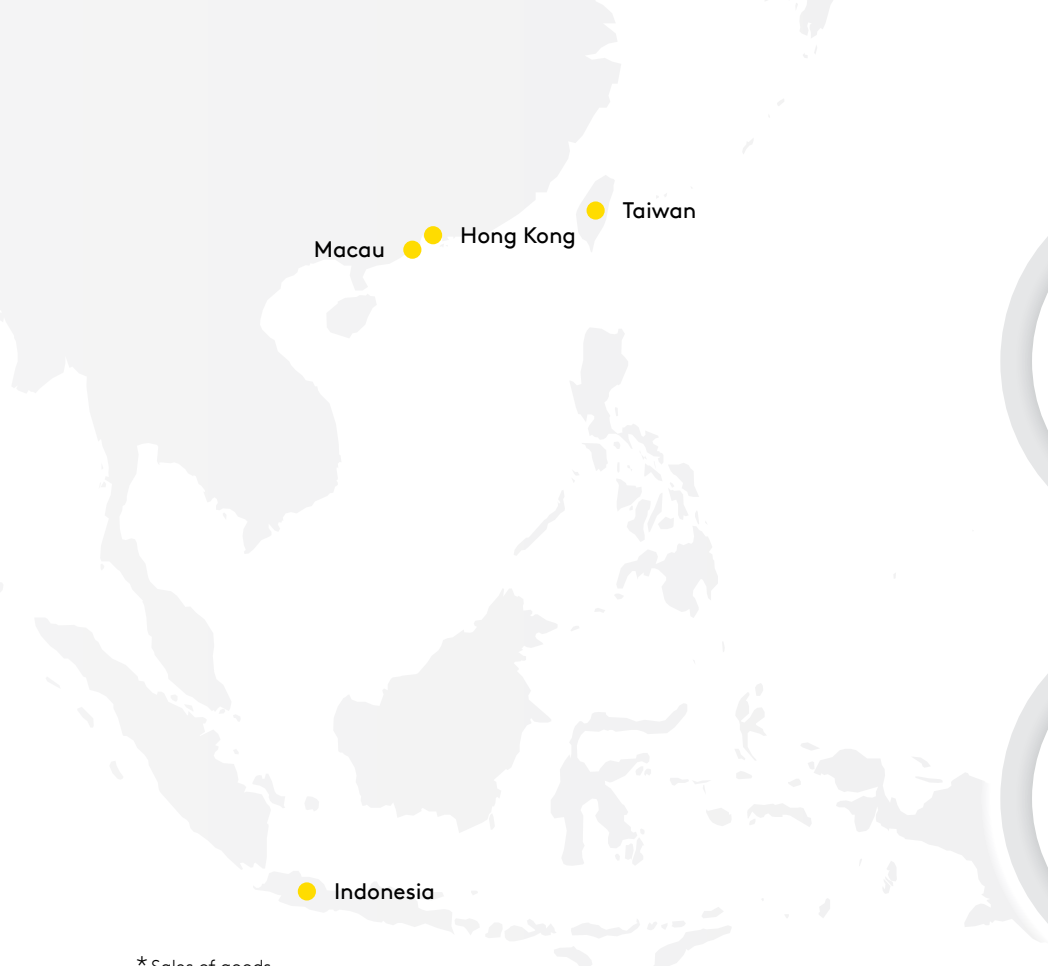
US\$ 677 million

Operating Profit

US\$ 26 million

Store Network

26 stores



* Sales of goods.

† Based on operating profit before effect of IFRS 16, excluding selling, general and administrative expenses and non-trading items.



Galvin Matthew at the IKEA Surabaya store in Mall Ciputra World, Indonesia

RESTAURANTS

The Group's share of Maxim's underlying profits was US\$72 million in 2025, up 9% year-on-year, supported by resilient sales performance and ongoing cost optimisation.

The Group's share of Maxim's underlying profits was US\$72 million in 2025, an increase of 9% year-on-year, supported by resilient sales of US\$3.1 billion, up 0.4% year-on-year, and ongoing cost optimisation. Improved mooncake sales during the Mid-Autumn Festival and stronger restaurant performance in Southeast Asia was offset by challenging trading environment in Hong Kong and the Chinese mainland. Cost management in these markets also supported overall profit growth. During the year, Maxim's continued to expand its Southeast Asia network with 84 net new stores added, mainly in Thailand and Vietnam.



Hong Kong MX Lava Custard Mooncakes

Revenue

US\$ 3.1 billion

Share of Underlying Results

US\$ 72 million

Store Network

2,051 stores



● Chinese mainland

● Macau ● Hong Kong

● Laos

● Thailand

● Cambodia

● Vietnam

● Malaysia

● Singapore



Maxim's Cakes at Admiralty MTR station, Hong Kong



Sandy Leung, at wellwellwell, a multi-concept Cantonese restaurant at Pacific Place, Hong Kong

Financial Review

The Group delivered strong financial performance in 2025, achieving a 35% growth in underlying profit and a materially strengthened balance sheet through disciplined execution and portfolio optimisation. With a sharpened focus on profitability, capital efficiency and shareholder returns, the Group is well positioned to deliver sustainable growth in the years ahead.

Results

DFI Retail Group delivered a strong financial performance in 2025, with underlying profit attributable to shareholders increasing by 35% year-on-year to US\$270 million, reaching the high end of the Group's guidance. The improvement was driven by better subsidiary performance, including stronger Health and Beauty results, earnings recovery in Singapore Food, along with lower financing costs and a material uplift in associate contributions following the divestment of the Group's minority stake in loss-making Yonghui. These encouraging outcomes reflect disciplined execution of the Group's strategic priorities and stronger profitability across subsidiaries following portfolio optimisation.

Revenue from subsidiaries was broadly stable at US\$8.9 billion. On a LFL basis excluding cigarettes, revenue increased 1%, with strong sales growth in Health and Beauty partially offset by softer performance in other segments.

Higher profitability in Health and Beauty was supported by strong LFL sales performance. In Convenience, a continued decline in lower-margin cigarette sales weighed on overall performance; however, non-cigarette categories delivered improvements in both value and margin contribution. Food recorded improved profitability, supported by earnings recovery in Singapore. Profitability in Home Furnishings also improved, supported by continued cost-efficiency initiatives.

Net financing charges reduced by US\$26 million year-on-year, mainly due to lower interest expense on external borrowings and higher interest income. The Group ended the year with a net cash of US\$70 million, following the divestment of Yonghui completed in February 2025. This compared to a net debt of US\$468 million at end of 2024.

The Group's share of underlying profit from associates rose to US\$88 million, up US\$45 million from the prior year, bolstered by stronger contributions from Maxim's and an improved earnings mix following portfolio optimisation.



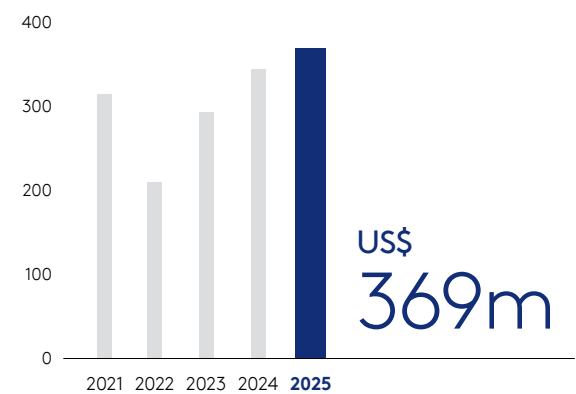
The Group's tax charge increased to US\$58 million in 2025, compared to US\$27 million in 2024. The higher charge primarily reflected the increase in underlying profit during the year, and the one-off impact in 2024 relating to the new Hong Kong tax rule allowing the deduction of reinstatement costs, which came into effect in late 2024.

Net non-trading items of US\$36 million were recorded in 2025, mainly attributable to the loss on the divestments of Yonghui and Robinsons Retail, an impairment charge relating to an associate in Singapore, partly offset by a gain from the divestment of the Singapore Food business.

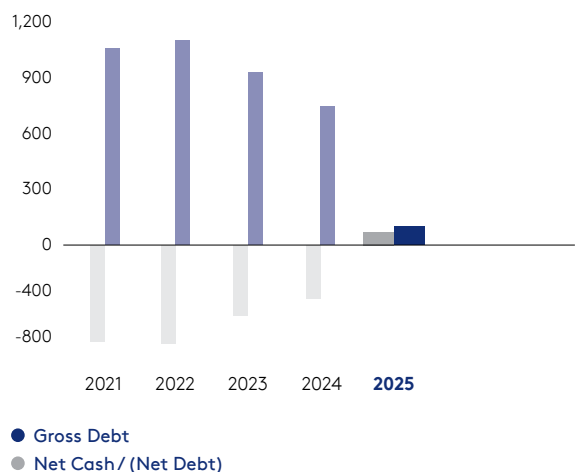
Reported profit attributable to shareholders for the year rose to US\$235 million, compared with a loss of US\$245 million in 2024. Underlying profit attributable to shareholders increased to US\$270 million, up 35% year-on-year. Underlying earnings per share also increased by 35%, to US\$20.05.

Overall, the Group's performance underscores its strong operational momentum and disciplined execution as a strategically focused operating company.

Underlying Operating Profit (US\$m)



Gross Debt and Net Cash/ (Debt) (US\$m)



Cash flow

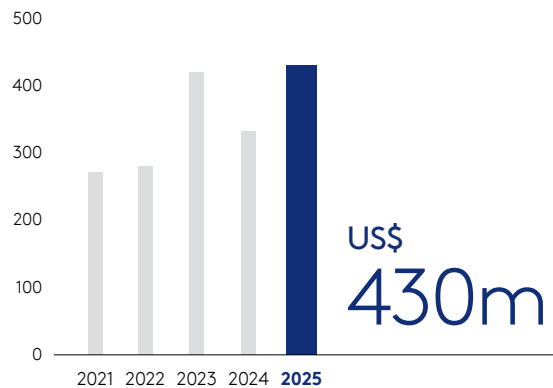
Summarised Cash Flow	2025 US\$m	2024 US\$m
Underlying operating profit	369	343
Depreciation and amortisation	839	837
Increase in working capital	(35)	(79)
Net interest and other financing charges paid	(125)	(149)
Tax paid	(48)	(51)
Dividends received from associates	48	52
Other	51	20
Cash flows from operating activities	1,099	973
Principal elements of lease payments	(669)	(642)
Cash flows from operating activities after lease payments	430	331
Normal capital expenditure	(149)	(172)
Investments	–	(53)
Reclassification of a joint venture as a subsidiary*	6	–
Disposals	992	162
Cash flows from investing activities	849	(63)
Cash flows before financing but after lease payments	1,279	268

* Refer to note 29(d) to the financial statements.

The Group generated operating cash flow after lease payments of US\$430 million, an increase of 30% from 2024. The improvement was driven primarily by stronger underlying operating profit across key business units, and lower interest paid.

Normal capital expenditure was below guidance at US\$149 million, however, US\$200 million to US\$220 million in annual investment remains

Cash Flows from Operating Activities after Lease Payments (US\$m)

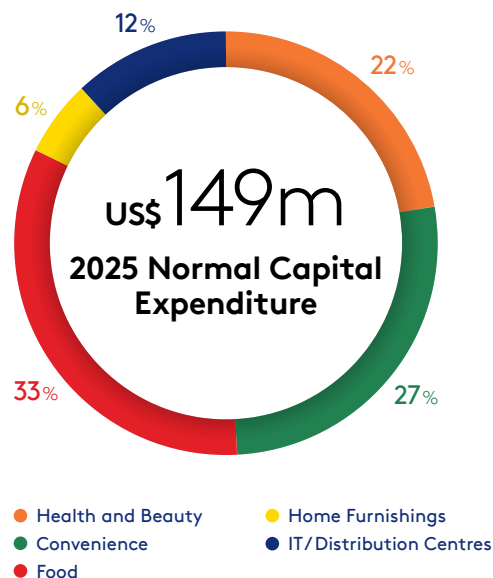


dedicated to strategic priorities, including store expansion, store remodels, and technology initiatives in AI and supply chain automation.

Following the completion of the portfolio actions including the divestments of the Group's interests in Yonghui, Robinsons Retail and the Singapore Food business, the Group generated a total of approximately US\$1.0 billion in cash proceeds.

Balance sheet

Net operating assets were US\$297 million at end of 2025, a 50% drop compared with the prior year. The reduction was as a result of the



return of approximately US\$740 million to shareholders, including a special dividend of US\$600 million.

The Group recorded net cash of US\$70 million at end of 2025, compared with a net debt of US\$468 million at 31 December 2024, marking the Group's strongest financial position in recent years. This strengthened financial position provides the Group with greater flexibility to reinvest in higher-return strategic initiatives for inorganic growth opportunities.

As at 31 December 2025, the Group and its associate operated 7,580 stores across all formats in 12 Asian markets, compared with 7,438 stores at the end of 2024 on a continuing basis.

Dividend

Following the announcement of the Group's new dividend policy with an increased payout ratio of 70%, the Board is recommending a final dividend of US¢10.50 per share, giving a total dividend of US¢14.00 per share for the year. Including the special dividend and interim dividend, total dividends announced in 2025 was US¢58.30 per share, returning approximately US\$740 million to shareholders.

Financing

Borrowings to support daily operations and working capital needs are typically arranged in local currencies and managed by operating subsidiaries, while borrowings for strategic initiatives are managed centrally.

The Group maintains healthy liquidity through its cash pooling arrangements and committed credit facilities, ensuring resilience and strategic flexibility.

Financial risk management

A comprehensive discussion of the Group's financial risk management policies is set out in note 38 to the financial statements. The Group manages its exposure to financial risks using a variety of techniques and instruments. The main objectives are to limit

exchange and interest rate risks and to provide a degree of certainty on costs. It is our policy not to engage in speculative derivative transactions. The investment of the Group's cash resources is managed to minimise risk while seeking to enhance yield.

Overall, the Group's funding arrangements are designed to keep an appropriate balance between equity and debt (short- and long-term), to maximise total shareholder return while maintaining strategic flexibility for inorganic growth opportunities that are accretive to long-term shareholder value.

Principal risks and uncertainties

The Group continues to face risks arising from macroeconomic conditions, evolving consumer sentiment, competitive intensity in core markets, and foreign currency volatility.

Operational risks, including supply chain disruption, labour availability and regulatory developments, remain a priority for management. These risks are mitigated through sourcing diversification, cost transformation initiatives, and strengthened organisational agility.

A comprehensive review of the principal risks and uncertainties is set out on pages 128 to 137 of the Annual Report.

Accounting policies

The accounting policies adopted by the Group in 2025 are consistent with those applied in the prior year. The Directors continue to review the appropriateness of the accounting policies adopted by the Group with regard to developments in International Financial Reporting Standards (IFRS Accounting Standards). There are no new accounting standards and amendments, which are effective in 2025 and relevant to the Group's operations, that have a significant impact on the Group's results, financial position and accounting policies.

Tom van der Lee

Group Chief Financial Officer
3 March 2026

Sustainability Disclosure

Introduction

This Sustainability Disclosure outlines the approach of the DFI Retail Group ('the Group' or 'DFI') to managing sustainability-related risks and opportunities across our operations and value chain. The report covers the financial year ended 31 December 2025. The consolidated sustainability information applies to the same reporting entity as our consolidated financial statements for subsidiaries, but excludes associates, joint ventures and franchisees unless otherwise stated. The disclosure aims to provide investors and stakeholders with decision-useful information on our governance, strategy, risk management, and the metrics and targets associated with each of our sustainability pillars.

Our reporting approach is developed with reference to leading international frameworks and standards, including the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and the IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2) issued by the International

Sustainability Standards Board (ISSB). These frameworks guide the structure and content of our disclosures to ensure transparency, consistency and comparability with global best practices. Where relevant, we also reference the Global Reporting Initiative (GRI) Standards and the SASB Standards for the food and multiline retail sectors to provide industry-specific metrics.

This report builds on the foundation shared in our previous Sustainability Reports and reflects our continued progress in integrating sustainability into our business strategy and financial planning. It includes updates on our double materiality assessment, climate scenario analysis, and transition planning, as well as enhanced disclosures on governance and risk management processes. Cross-references to sections of the Annual Report are provided to enable stakeholders to relate our sustainability disclosures to our broader financial and business reporting.

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Sustainability Framework

At DFI, our purpose is to sustainably serve Asia for generations with everyday moments. We are committed to transforming Asia’s retail landscape through sustainable choices that benefit both people and the planet. Our sustainability strategy is anchored in three strategic pillars: **People**, **Products**, and **Planet**, with **Governance** as the cornerstone, ensuring robust leadership and oversight.



Group Chief Legal, Sustainability and Corporate Affairs Officer's Review

Guided by our purpose to 'Sustainably Serve Asia for Generations with Everyday Moments', 2025 marked another year of steady progress in delivering on our sustainability ambitions. During the year, we continued to strengthen governance, embed sustainability into our business strategy, and deliver measurable progress across our three pillars — People, Products, and Planet.

Governance, strategy and risk management

Our Board and Sustainability Committee maintain strong oversight of our progress and priorities. We uphold our key principles of being **'focused, balanced and collaborative'** in delivering our strategy, concentrating our efforts on our most material issues and working with our team members, suppliers, partners, and communities.

This year, we streamlined our sustainability disclosure, and enhanced our double materiality assessment, climate scenario analysis, and transition plan, further improving transparency and alignment with IFRS S1 and S2.

People

We continue to create value for our customers through a wide range of health, wellness and nutritional products to help them live healthier lives. Across banners, our community giveback programmes supported over 1.25 million beneficiaries, empowering lives through health, wellness and community initiatives. Our new platform for learning and development (DFILEARN) and structured leadership development

programmes strengthened capability building for our team members. We maintained 100% approved ethical audits for Own Brand factories in high-risk countries, reinforcing our commitment to human rights in our supply chain.

Products

Our Own Brand strategy continued to make sustainable choices accessible and affordable. We expanded our offerings with sustainability certifications, such as Rainforest Alliance-certified coffee and responsibly sourced seafood. We launched Own Brand Low-Carbon Rice and 7-Eleven products that embraced circularity through our 'Grounds to Green' programme. By the end of 2025, we successfully transitioned 83% of our Own Brand product plastic packaging components to be reusable, recyclable, or compostable.

Planet

We are proud of our decarbonisation achievements across our operations and supply chains. As of 2025, we achieved a 22% reduction in Scope 1 and 2 emissions compared to our 2021 baseline, marking clear progress towards our 50% reduction target by 2030. This reflects the cumulative impact



of our initiatives, ranging from investments in refrigeration upgrades to energy-efficiency projects across our stores.

Our focus on four key commodities in our Scope 3 portfolio is also yielding results. We launched 380 tonnes of Low-Carbon Rice, surpassing our 200-tonne target and demonstrating that sustainable options can be affordable and scalable by advancing collaboration across value chains. We achieved 100% certified deforestation-free sourcing for coffee beans used by 7CAFÉ in Hong Kong, Macau and Singapore, as well as IKEA. We initiated a systematic supplier engagement programme and launched a Sustainability Innovation Challenge to support decarbonisation for the beef and dairy industries.

Waste diversion improved to 66% from 61% across the Group, driven by enhanced recycling and reduction practices across our distribution centres and stores, and the expansion of food donation partnerships.

Recognition and collaboration

Our efforts have been recognised through multiple accolades and most importantly by our customers and shareholders. We continue to invest in industry

collaboration by participating in the Consumer Goods Forum (CGF)'s Climate Transition and Plastic Waste Coalitions, and the World Economic Forum First Movers Coalition for Food, reinforcing our belief that systemic transformation can only be delivered through collective action.

Looking ahead

As we look ahead to 2026 and beyond, we remain focused on delivering our plans across our priorities within the People, Products and Planet pillars. These include continuing to embed sustainability into learning and governance frameworks across the Group, scaling our low-carbon rice programme, amplifying supplier engagement and innovation across key commodities, accelerating energy-efficiency and renewable energy procurement in priority markets, and progressing on waste diversion programmes. These initiatives will continue to position the Group as 'Customer First, People Led, Shareholder Driven' to support our long-term success.

Erica Chan

Group Chief Legal, Sustainability
and Corporate Affairs Officer
3 March 2026

Performance Highlights

	Our Commitment	2025 Progress
<p>Scope 1 and 2 reduction for continuing businesses from 2021 baseline</p>	<p>≥50% by 2030</p> <p>Net zero by 2050</p>	<p>22%</p>
<p>Scope 3</p>	<p>4 key commodities</p> <p>Drive decarbonisation across supply chains of Rice, Coffee, Dairy, Beef</p>	<p>380 tonnes</p> <p>Low-Carbon Rice launched with ≥30% emission reductions in the rice fields</p> <hr/> <p>100%</p> <p>Coffee beans for 7CAFÉ Hong Kong, Macau and Singapore, and IKEA with certification for deforestation-free sourcing</p> <hr/> <p>DFI Sustainability Innovation Challenge</p> <p>launched to source global decarbonisation innovations for Beef and Dairy</p>
<p>Waste Diversion</p>	<p>≥80% by 2030</p>	<p>66%</p>
<p>Plastic packaging Own Brand plastic packaging components to be Recyclable, Reusable or Compostable (RRC) by design</p>	<p>≥85% by 2030</p> <p>by weight of all plastic packaging components sold</p>	<p>83%</p>
<p>Ethical Sourcing Own Brand factories in high-risk countries with approved ethical audits</p>	<p>100%</p>	<p>100%</p>



Curtis Liu, Chief Executive Officer, Food (Right) and Mr. Chaikun Tepkasetkul, President of Toumi Foods and Product Co., Ltd. (Left) attended the signing ceremony to announce the strategic partnership



DFI and The Mills Fabrica launched the Sustainability Innovation Challenge to drive decarbonisation in beef and dairy



Sustainability Month 2025, themed 'Sustainability – Today, Tomorrow, Together', engaged 3,000+ team members across 32 activities to bring ambitions to life

External Engagement through Memberships

Our sustainability efforts are strengthened through active participation in global and local initiatives, coalitions and task forces, and through adherence to recognised standards.

- The Consumer Goods Forum (CGF) – Towards Net Zero Coalition, Plastic Waste Coalition
- World Economic Forum – First Movers Coalition for Food
- Business Environment Council in Hong Kong – Climate Change Business Forum Advisory Group, Circular Economy Advisory Group
- Hong Kong General Chamber of Commerce – Environment & Sustainability Committee
- Hong Kong Retail Management Association – Sustainability Task Force
- Food Wise Hong Kong Steering Committee – Member
- WWF-Hong Kong – Sustainable Seafood Business Membership Programme
- amfori BSCI (Business Social Compliance Initiative) – Member

Major Awards and Recognition

Across our markets, we have received more than 60 awards reflecting our achievements in the People, Products, and Planet pillars. A selection of our key awards is highlighted here.

People

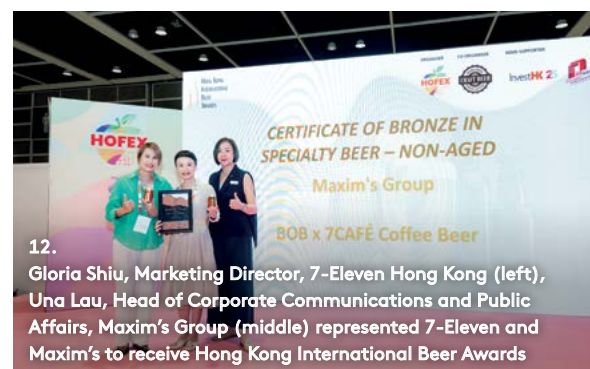
- 1. Retail Asia Awards 2025: ESG Initiative of the Year**
Mannings Hong Kong's 'Safe Disposal of Unused Medicines' Programme
- 2. People's Association Community Spirit Awards 2025: Merit Award**
Cold Storage, Giant, Guardian, and 7-Eleven's community giveback programmes
- 3. Business Awards of Macau 2025: Corporate Social Responsibility Award**
Mannings' PharmaCare Programme provides health and wellbeing benefits for team members and their family members
- 4. Company of Good, National Volunteer & Philanthropy Centre (NVPC): 1 Heart**
DFI community contributions and commitment to meaningful, long-term social impact in Singapore
- 5. HR Asia Best Companies to Work For In Asia Award: (i) Diversity, Equity, and Inclusion Award, Best Companies to Work For in (ii) Hong Kong and (iii) Cambodia**
Recognitions for DFI Retail Group, and Hong Kong and Cambodia teams for people and culture performance
- 6. Hong Kong Management Association: Award for Excellence in Training and Development 2025**
Pioneering Qualifications Framework Level 6 Programme for the Hong Kong retail industry
- 7. Equal Opportunities Commission Racial Diversity & Inclusion Employers Award Scheme: (i) Racial Equity in Hiring (Gold), (ii) Inclusive Workplace Culture (Gold) and (iii) Community Engagement (Silver)**
DFI Hong Kong team received three recognitions for fostering inclusion across our workplace

Products

- 8. UNSDG Achievements Award Hong Kong 2025: Individual SDG Award for Goal 13: Climate Action**
DFI's low-emissions rice pilot delivered emissions reductions for a key commodity
- 9. FMCG Asia Awards 2025, Sustainability Initiative of the Year – Hong Kong**
DFI's low-emissions rice pilot achieved a successful launch in Hong Kong's retail market
- 10. ESGBusiness Awards 2025: Supply Chain Partnership Award**
DFI's supply chain collaboration helped deliver low emissions rice to consumers
- 11. ESGBusiness Awards 2025: (i) Circular Economy Award, (ii) Initiative Award**
7-Eleven Hong Kong & Macau's Grounds to Green Upcycling Programme
- 12. HK International Beer Awards 2025: Certificate of Bronze in Specialty Beer, Non-Aged**
7-Eleven collaborated with Maxim's to launch 'BOB x 7CAFÉ Coffee Beer,' brewed using upcycled coffee grounds from 7CAFÉ and surplus bread from Maxim's
- 13. Global Wine & Spirits Awards Asia: Silver Award 2025 in Beer, Specialty**
Global recognition of 'BOB x 7CAFÉ Coffee Beer' for its quality and sustainability attributes
- 14. Asia 100 Sustainable Agri-food Development Forum: Circular Economy Innovation Award**
Maxim's WeGen farming's closed-loop model

Planet

- 15. 2024 Hong Kong Awards for Environmental Excellence: Shops and Retailers – Bronze Award**
DFI's outstanding environmental performance was recognised by the Environmental Campaign Committee in Hong Kong
- 16. CLP Smart Energy Award 2025: Sustainable Carbon Neutral Award, Excellence Award (Services)**
Maxim's strong performance in energy efficiency and the adoption of renewable energy sources across its operations
- 17. HKMA Sustainability Award 2025: Excellence in Environmental Sustainability Initiative (Large Organisation Category), Certificate of Excellence**
DFI's initiatives elevated sustainability performance and demonstrated excellence in environmental sustainability
- 18. Hong Kong Sustainable Development Innovation and Technology Awards 2025: Towards Net Zero Innovation and Technology, Excellent Award**
Maxim's SmartOps, a digital transformation initiative, enhanced production line efficiency and strengthened food traceability
- 19. TVB ESG Awards 2025: ESG Special Recognition Award – with Merit**
Both DFI and Maxim's received the award in recognition of our ESG performance and industry leadership
- 20. World Green Organisation Climate Action Award 2025: Climate Action Award**
Recognition for Maxim's efforts in ESG integration and carbon management



Sustainability Governance

Our Approach to Sustainability Governance

Sustainability governance is a cornerstone of our sustainability framework and underscores our commitment to robust oversight of sustainability-related risks and opportunities. Through well-defined governance processes, DFI ensures an integrated approach to sustainability strategy planning and implementation.

The Board is accountable for the governance processes, controls, and procedures that monitor, manage, and oversee sustainability-related risks and opportunities. Oversight is supported by the Management Committee, which translates strategic direction into operational execution and continuously monitors progress through established controls. Our overall governance approach is detailed in the Corporate Governance section of the Annual Report.

This section outlines DFI's sustainability governance structure in more detail, including the roles of the Board, Board Committees, the Sustainability Committee, and key working teams. Each committee or management team comprises individuals with the relevant skills and competencies to fulfil their roles. Responsibilities are delegated and integrated across relevant functions and formats within the Group.

To ensure the Board remains appropriately skilled, we monitor and disclose the competencies of our Board members in industry-specific and sustainability issues, as outlined in our Board Composition and Operational Management section.

In 2025, the Board convened two sessions – in March and November – to review progress, performance, and plans on sustainability matters. Additionally, our Sustainability Committee held 11 meetings during the year to assess the progress of our sustainability initiatives. Each meeting focused on different material sustainability topics outlined in the Sustainability Strategy section of this report. We continue to review and adapt the governance cadence of our Sustainability Committee to align with the maturity of our journey.

Our remuneration and rewards programmes – covering short-term and long-term incentive plans – are designed to support our overall business strategy, including sustainability objectives and performance. Relevant sustainability objectives are formally integrated into the annual objective-setting process, and performance against those objectives is considered during reviews. This approach cascades top-down, from the Management Committee to all team members. More information about our remuneration philosophy for senior leaders is in the Corporate Governance section of our Annual Report.

Board of Directors

- Oversees significant sustainability-related risks, opportunities, and impacts by ensuring that sustainability considerations are integrated into DFI's purpose, governance, strategy, decision-making, and risk management processes.
- Provides oversight of our risk management framework, including sustainability-related risks.

Bi-annual Progress Update

Audit Committee

- Oversees and assesses the effectiveness of the Group's risk management framework.
- Oversees the integrity, accuracy and reliability of sustainability data and disclosures.
- Oversees compliance with sustainability reporting regulations and standards.
- Reviews assurance of sustainability metrics provided by external independent practitioner.

Sustainability Committee

- Comprises Group Chief Executive (Chair), Group Chief Financial Officer, Group Chief Legal, Sustainability and Corporate Affairs Officer, and Chief Executive Officer of Food.
- Leads the strategic direction and approves DFI's sustainability targets.
- Provides governance oversight to ensure alignment of sustainability initiatives with business priorities.
- Monitors and reviews progress in sustainability

Risk Management Committee

- Oversees principal and material risks including sustainability-related risks, and integrates into the risk management framework.
- Assesses risk appetite, tolerance, and promotes a strong risk culture.
- Reviews and monitors controls in place to mitigate such risks.

ESG Reporting Team

- Manages sustainability data collection for internal and external reporting.
- Maintains data quality and integrity.
- Reviews and maintains compliance with sustainability reporting regulations and standards.

Sustainability Team

- Develops and drives implementation of sustainability strategy and action plans.
- Coordinates execution of initiatives with internal and external stakeholders to achieve sustainability targets.
- Monitors external developments and responds to emerging risks and opportunities.

Sustainability Working Groups

- Leads execution of sustainability initiatives in specific focus areas to achieve sustainability targets and objectives.
- Provides progress updates, challenges and solutions to the Sustainability Committee.

Sustainability Strategy

Our Sustainability Framework

DFI Retail Group's Sustainability Framework is anchored on three strategic pillars—**People, Products, and Planet**—with **Governance** as the foundational cornerstone across all our sustainability policies and practices.

Sustainably Serve Asia for Generations with Everyday Moments



People

We empower lives across Asia by promoting health, safety, and wellbeing for customers, team members, suppliers and communities.



Products

We enable sustainable choices by integrating sustainability into our own product design and packaging, increasing the range of products with sustainability certifications, and ensuring affordability without compromising quality.



Planet

We play our part in reducing our environmental impact through carbon reduction across our value chain and continuing to minimise waste.

Double Materiality Assessment




Our strategic focus areas are informed by a double materiality assessment, which evaluates sustainability issues from two perspectives: **financial materiality** and **impact materiality**. Our annual assessment process incorporates:

- 1. Identification:** In 2025, we identified 22 relevant sustainability-related risks and opportunities that cover both potential dependencies and areas of impact at an industry and operational level. This process referenced leading reporting standards, including IFRS S1 and S2, GRI, and SASB.
- 2. Evaluation:** We assessed the materiality of these topics on their dependencies, impacts, risks, and opportunities through internal and external stakeholder engagement. The evaluation considered both the likelihood of the event occurring and the magnitude of impact. For **impact materiality**, senior management and selected stakeholders, including our suppliers, investors, and NGO partners, participated in a survey to rate the materiality of risks and opportunities. For **financial materiality**, we refreshed last year's assessment through workshops and interviews with senior members of the finance and sustainability teams. Based on the assessment, 13 issues are considered to have higher financial and impact materiality.
- 3. Validation:** Key members of senior management reviewed and validated the results of the double materiality assessment. We also compared the results with previous assessments to ensure continued relevance.

Scope of our assessment




Value chain

Our assessment takes a holistic view across our entire value chain, with the following key considerations.

Value Chain	 Upstream	 Own Operations	 Downstream
Key Considerations	<ul style="list-style-type: none"> Operating in Asia, DFI procures products from numerous fragmented suppliers, who depend on raw materials and international and local supply chain networks. We are also dependent on our landlords, non-trade suppliers and service providers as part of our upstream ecosystem. 	<ul style="list-style-type: none"> Products are sent to our distribution centres, where they are organised for delivery to stores, e-commerce fulfilment centres, pick-up locations, and directly to customers' homes. Our local banners have a network of outlets delivering a quality shopping experience both in-store and online. Our 42,000+ team members are key to delivering smooth operations across our businesses. 	<ul style="list-style-type: none"> We are strongly committed to delivering high-quality products and exceptional service to our customers. We are expanding our business across media and data insights, presenting digital advertising opportunities for B2B partners, creating more personalised and relevant experiences for customers. We are an integral part of the local communities that we serve.

Time horizon

When considering our risks and opportunities, we assess their materiality in the short-, medium-, and long-term. These time horizons are determined by aligning with DFI's planning horizons and broader long-term commitments, as follows.

Time Horizon	Short-Term	Medium-Term	Long-Term
Key Considerations	 <p>Aligning with DFI's three-year planning cycle</p>	 <p>Aligning with DFI's sustainability target and addressing more complex challenges</p>	 <p>Aligning with DFI's Net Zero target and the Paris Agreement, and addressing long-term risks</p>
Years		2026 – 2028	Up to 2030
			Up to 2050

Our Material Sustainability Issues

This materiality assessment process was designed to identify and prioritise sustainability-related risks and opportunities that could affect and influence our prospects. Based on this process, we focus on 13 issues with the highest financial and impact materiality. While other issues ranked relatively lower in the materiality assessment, they remain actively considered across our operations and value chain management practices where appropriate. These include addressing emerging issues such as managing biodiversity risks and water conservation.

Material Issue	Impact Materiality: <i>DFI's Impact on Society</i>	Financial Materiality: <i>Risk and Opportunity to DFI</i>	Value Chain	Time Horizon
Governance				
Data privacy and cybersecurity	Robust data protection and cybersecurity measures safeguard the data security and privacy of our operations and consumers.	Risks <ul style="list-style-type: none"> Operational and sales disruptions, potential revenue loss and legal costs associated with data breaches or other cybersecurity incidents. Reputational damage due to the loss of trust in cybersecurity integrity. 	◀ ● ▶	▶▶▶
Ethics and anti-corruption	Strong policies and practices that prevent corruption and bribery, foster fair competition and protect intellectual property rights across our markets.	Risks <ul style="list-style-type: none"> Financial losses from fraud, bribery, or misappropriation of funds. Increased compliance and monitoring costs to address corruption risks. Reputational damage that reduces credibility in global markets. 	◀ ● ▶	▶▶▶
◀ Upstream ● Own Operations ▶ Downstream ▶▶▶ Short-term ▶▶▶ Medium-term ▶▶▶ Long-term				

Material Issue	Impact Materiality: DFI's Impact on Society	Financial Materiality: Risk and Opportunity to DFI	Value Chain	Time Horizon
People				
Customer value creation	Addressing societal demands for value-driven products and services that enhance personal wellbeing to meet evolving customers' needs.	Risks <ul style="list-style-type: none"> • Lower market share if customers switch to competitors with better offerings. • Capital investment needed for infrastructure and service enhancements. Opportunities <ul style="list-style-type: none"> • Attract value-focused customers and expand market share. • Strengthen customer loyalty through exceptional service. 		
Community giveback	Providing support to local communities enhances social resilience and builds momentum in addressing societal issues.	Opportunities <ul style="list-style-type: none"> • Strengthen customer and brand loyalty through stronger community engagement. • Improve brand reputation as a community-friendly organisation. 		
Team member success	As a major retailer with a large workforce, DFI can provide competitive benefits, professional development and career advancement opportunities.	Risks <ul style="list-style-type: none"> • Increased challenges to attract and retain team members. • Impact on capability development from misaligned skills leading to inefficiencies and higher costs. Opportunities <ul style="list-style-type: none"> • Increased productivity through investments in training and mentorship initiatives. • Improved culture of creativity and continuous improvement through opportunities for professional growth. 		
Health, safety and wellbeing	Providing a safe and healthy working environment can safeguard the physical and mental wellbeing of team members, reducing the risk of workplace accidents, injuries and illnesses.	Risks <ul style="list-style-type: none"> • Increased costs for medical treatment, rehabilitation, and compensation for workplace injuries or illnesses. • Operational disruption caused by workplace incidents leading to downtime and decreased productivity. • Increased costs for fines and penalties from non-compliance with health and safety regulations. • Reputational damage from work-related safety incidents. 		
Ethical sourcing and supply chain management	Ethical sourcing and supply chain transparency can enhance supply chain resiliency and allow customers to purchase responsibly sourced products.	Risks <ul style="list-style-type: none"> • Increased costs from supply chain interruptions stemming from suppliers' violations of social issues. • Reduced market share associated with consumer boycotts due to violations of social standards. 		

Material Issue	Impact Materiality: DFI's Impact on Society	Financial Materiality: Risk and Opportunity to DFI	Value Chain	Time Horizon
Products				
Sustainable choices	<p>Providing a growing range of affordable sustainable products accelerates the adoption of sustainable consumption practices by consumers.</p> <p>Developing and offering products with high nutritional quality and health benefits to improve public health and address growing consumer demand for healthier lifestyles.</p>	<p>Risks</p> <ul style="list-style-type: none"> • Consumer backlash and brand damage from greenwashing allegations. • Inability to offer relevant products to eco-conscious customers. <p>Opportunities</p> <ul style="list-style-type: none"> • Increased revenue opportunity from shifting consumer preferences towards low-carbon and sustainable choices. • Improved market differentiation through strong positioning on sustainable products. 		
Sustainable packaging	<p>Adopting sustainable packaging for Own Brand products reduces plastic waste, improves recyclability, and promotes the use of recycled materials to support a circular economy.</p>	<p>Risks</p> <ul style="list-style-type: none"> • Potential compliance challenges with packaging regulations may result in increased costs and pose risks to product quality and customer preferences. <p>Opportunities</p> <ul style="list-style-type: none"> • Increased market share from eco-conscious consumers attracted to innovative packaging solutions that are both sustainable and functional. • Cost savings associated with materials and transportation due to lighter and more compact sustainable packaging. 		
Product quality and safety	<p>Rigorous product quality and safety standards enable us to deliver reliable goods that protect our customers.</p>	<p>Risks</p> <ul style="list-style-type: none"> • Increased costs and reputational damage associated with regulatory breaches and product recalls. <p>Opportunities</p> <ul style="list-style-type: none"> • Improved market differentiation through strong positioning on high-quality products. 		

Upstream
 Own Operations
 Downstream
 Short-term
 Medium-term
 Long-term

Material Issue	Impact Materiality: DFI's Impact on Society	Financial Materiality: Risk and Opportunity to DFI	Value Chain	Time Horizon
Planet				
Climate change: carbon reduction	Food retail and distribution centres use energy for refrigeration, heating, ventilation and air conditioning (HVAC), contributing to energy and greenhouse gas (GHG) emissions, while consumer goods are also a source of GHG emissions.	<p>Transition risks</p> <ul style="list-style-type: none"> Increased costs associated with compliance with new climate-related regulations and carbon mechanisms. <p>Opportunities</p> <ul style="list-style-type: none"> Increased revenue opportunity from shifting consumer preferences towards low-carbon choices. Cost savings from successful investments in low-carbon technologies that enhance energy efficiency. 		
Climate change: climate resilience	As a major food retailer in several Asian markets, our ability to continue operations during extreme weather events is critical to ensuring a stable food supply to our customers.	<p>Physical risks</p> <ul style="list-style-type: none"> Increased costs from physical damage to goods and properties caused by extreme weather events. Decreased revenue from business disruptions caused by store closures during severe weather events. Increased cooling energy operating costs to maintain comfortable shopping and working temperatures. Increased disruptions and costs from supply chain disruptions due to crop failures. 		
Waste recycling and reduction	Food and general retail can generate food and product waste due to unfit or damaged products and unsold goods, or waste from transporting and storing our products.	<p>Risk</p> <ul style="list-style-type: none"> Increased operating costs to comply with environmental regulations and standards on waste management. <p>Opportunities</p> <ul style="list-style-type: none"> Cost savings related to the collection, processing, recycling, and disposal of waste from effective resource management practices. 		

Our Strategic Response

Three guiding principles shape our strategic response to material sustainability issues:

- **Focused:** We concentrate on areas where we can create the most significant impact, such as our Own Brand products and key product categories, while strategically addressing value chain challenges unique to our operational context.
- **Balanced:** We carefully navigate the price-sensitive nature of our markets while pursuing sustainability goals. Our approach prioritises practical, equitable solutions that deliver value for all stakeholders – customers, shareholders, and the environment – without compromising either affordability or long-term progress.
- **Collaborative:** We actively partner with industry coalitions to tackle systemic challenges, leveraging shared resources and expertise to amplify impact, drive efficiencies, and foster a sustainable future.

Building on these principles, the subsequent sections – **People, Products, and Planet** – illustrate how these commitments translate into actions and measurable progress in the reporting period. Additionally, responses to our principal risks and key Governance matters, including the Code of Conduct, anti-corruption, data privacy, and cybersecurity, are covered in the Corporate Governance section.

Material issue	Our commitment and strategic response
Governance	
Data privacy and cybersecurity	We are committed to being a responsible custodian of the data entrusted to us by customers, team members, business partners, and other stakeholders, keeping it secure and processing it in accordance with legal requirements and stakeholder expectations.
Ethics and anti-corruption	We are dedicated to conducting our business with a strong commitment to ethical responsibility and adherence to laws and regulations in all the regions where we operate.
People	
Customer value creation	Our customer-centric approach creates value by offering products and services that enhance personal wellbeing while addressing emerging needs.
Community giveback	We support community growth through programmes and investments that promote health and development.
Team member success	We invest in our team members' development, promote diversity, equity and inclusion, and prioritise their health and safety.
Health, safety and well-being	
Ethical sourcing and supply chain management	We are committed to ethical sourcing practices to safeguard human rights in our supply chains.
Products	
Sustainable choices	We offer our customers a growing range of sustainable products while deepening sustainable consumption practices and education within our industry.
Sustainable packaging	Starting with our Own Brand products, we are committed to enhancing packaging recyclability and introducing more sustainable packaging materials.
Product quality and safety	With the extensive range of products we offer and the markets we serve, we are deeply committed to rigorous product quality and safety standards to protect our customers.
Planet	
Climate change: carbon reduction	We prioritise the decarbonisation of our operations and value chains by adopting more eco-friendly refrigerants, reducing energy consumption, and developing low-carbon choices for our key product categories.
Climate change: climate resilience	We are actively assessing and managing climate-related risks to prevent adverse impacts on society and the environment, ensuring long-term resilience and sustainability.
Waste recycling and reduction	We continue to progress and strengthen our comprehensive initiatives for a cleaner planet.

Climate-Related Risk and Opportunity Disclosures

This section provides a deeper dive into our climate-related risks and opportunities, with reference to the Task Force on Climate-Related Financial Disclosures (TCFD) and IFRS S2.

Climate-Related Risks and Opportunities and Resilience Analysis

Climate change creates physical and transition risks for our business. We have identified and assessed these risks, along with potential opportunities, and conducted climate scenario analysis to assess their potential impacts and our resilience.

DFI Retail Group initiated climate scenario analysis in 2022 to understand how climate-related risks and opportunities could impact our business model, strategy, and financial planning across the short-, medium-, and long-term horizons, using both qualitative and quantitative approaches. The scenario analysis is reviewed annually to incorporate updates from external climate projections, changes in our business model and value chain, and methodological changes.

In our 2025 review, we incorporated quantitative assessments of the changing impacts of potential extreme weather events, drawing on climate projections by the World Bank Climate Change Knowledge Portal, the Aqueduct and AgriAdapt platforms from the World Resources Institute (WRI), and the CGIAR Climate Resilience Platform. We also updated projections on relevant transition risk indicators, such as electricity price projections in our different markets, by the Network for Greening the Financial Systems (NGFS). Qualitative assessments were used to supplement data gaps through market research and expert judgment. Assessments were conducted at the relevant geographical level for each risk and aggregated to form a Group-wide perspective, recognising limitations in data availability and the inherent uncertainty in the information used to estimate potential financial effects.

Insights from scenario analysis are integrated into DFI's broader strategic and financial planning processes. These insights help shape our sustainability roadmap, prioritise capital allocation, and guide product innovation.

We have selected a set of climate-related scenarios to represent diverse pathways relevant to both physical and transition risks, reflecting the latest international developments on climate-related scenario sources and assumptions. The key scopes, parameters and assumptions are outlined below.

Scenarios	Warming by 2100	~1.5°C	>3°C
	Physical	SSP1-2.6	SSP2-4.5
	Transition	Net zero 2050 (Orderly)	Current policies (Hot House World)
	Assumptions on policy and technology developments	Ambitious policy implementation accelerates decarbonisation.	Only currently implemented policies are preserved, leading to severe climate impacts globally.
External data sources	Physical risks: <i>World Bank Climate Change Knowledge Portal (WBCKKP) – CMIP6 projections</i> <i>Climate Resilience Portal – Impacts on agricultural commodities</i> <i>WRI Aqueduct – Water stress impacts</i> Transition risks: <i>Network for Greening the Financial System (NGFS)</i>		
Time horizon	Short-, medium- and long-term (see section on Materiality Assessment)		
Geographical	National, sub-national and local as appropriate: Our geographical assessment depends on context. We consider risks of potential asset damage at the local level, and assess impacts at the national or sub-national levels.		
Coverage	Own operations, downstream, upstream: Our review of potential supply chain risks is constrained by data availability. We look to expand this analysis as more decision-useful data becomes available.		

There remain inherent uncertainties in our scenario analysis due to the wide variability and uncertainty in climate projections, challenges in isolating the effects of multiple contributing factors, and evolving non-climate-related risks and trends. The results indicate that, although we are exposed to multiple physical and transition risks that are expected to intensify over time, we have begun implementing mitigation measures to address them. Beyond the risks and opportunities disclosed, we also evaluated other risk factors, such as operational exposure to drought and water stress, which were assessed to be at lower risk levels and therefore not discussed in further detail.

Baseline Risk: Financial effects

Less than US\$2m per year Between US\$2m and US\$20m per year Greater than US\$20m per year

Increase in impact compared to current period

<5% 5-20% >20%

Short-term Medium-term Long-term

Risks and opportunities (risk type)	Potential business and financial effects	Primary financial effect	Value Chain	Baseline materiality
Physical risks				
Typhoon (acute)	Increased frequency and severity of typhoons can lead to storm surges and asset damages, operational delays, transport and supply chain disruptions, and increased safety risks for employees and customers.	<ul style="list-style-type: none"> Revenue Operating expenses 	◀●▶	Yellow
Heavy rainfall and flooding (acute)	Heavy rainfall days can lead to localised flooding, operational delays, transport and supply chain disruption, and increased safety risks for employees and customers.		◀●▶	Green
Heatwaves and high temperatures (acute and chronic)	High heat events (heat index above 35°C) can increase the risk of heat-related illnesses to team members and customers; reduce crop yields and affect animal welfare.	<ul style="list-style-type: none"> Operating expenses Cost of Goods Sold (COGS) 	◀●▶	Green
	Higher temperatures can lead to higher cooling needs, leading to higher energy costs.	<ul style="list-style-type: none"> Operating expenses 	◀●▶	
Availability and price of commodities (acute and chronic)	Increased extreme weather events can lead to potential disruption in availability and/or price fluctuations of key agricultural commodities.	<ul style="list-style-type: none"> COGS 	◀●▶	Green
Transition risks				
Climate-related regulations (policy)	While our operations and activities are currently not directly regulated by a carbon pricing system, mandatory carbon pricing regulations on electricity and energy use can indirectly lead to higher operating costs.	<ul style="list-style-type: none"> Operating expenses 	◀●▶	Yellow
Increased production cost (policy and market)	Rising commodity and energy prices from regulations can increase production costs.	<ul style="list-style-type: none"> COGS 	◀●▶	Green
Increased investor and consumer concerns (market and reputation)	Compliance with growing volume and complexity of mandatory climate-related disclosure requirements, and risk of fines and reputational damage from inaccurate climate disclosures or greenwashing allegations.	<ul style="list-style-type: none"> Cost of capital 	◀●▶	Green
Opportunities				
Consumer preferences change to low carbon products (market)	Increasing availability of sustainable products may lead to improved customer loyalty and increased revenue as eco-conscious preferences rise.	<ul style="list-style-type: none"> Revenue 	◀●▶	Yellow
Low carbon technologies transition (technology)	Advancing low-carbon technology adoption could improve energy efficiency and reduce carbon emissions, hence improving competitiveness.	<ul style="list-style-type: none"> Capital expenses 	◀●▶	Yellow

Current Financial Effects from Climate Risks and Opportunities

For FY25, the financial effects experienced by DFI from climate-related risks and opportunities include the following:

- Capital investment of US\$7.7 million into refrigeration upgrades and energy efficiency projects to reduce our emissions and improve operational energy efficiency.
- Increased revenue from the launch of low-emissions rice, offered at price levels comparable to conventional rice. This led to higher product sales year-on-year, demonstrating strong consumer interest in sustainable products without compromising affordability.
- Business interruptions faced during extreme weather events in Hong Kong, Macau and Guangdong. Three typhoons at Signal 8 or above (wind speed over 118 km/h) led to reduced footfall in our retail outlets, offset by increased e-commerce and food grocery revenue, as consumers shifted their purchasing and consumption behaviour during the events. The overall impact is financially immaterial.

Change in risk over time under

~1.5°C scenario	> 3°C scenario	Most affected markets	Assessment approach	Our responses to minimising risks and maximising opportunities
		HKG, VNM	Quantitative, based on climate projections in markets (WBCKP).	<ul style="list-style-type: none"> • Developed business continuity plans, standard operating procedures and evacuation plans to prioritise the safety of team members and asset protection during flood events. • Implementing security of supply initiatives and resilient sourcing practices to minimise disruptions to the availability of products and raw materials. • Adopt energy-saving equipment to mitigate cooling cost increase.
		SE Asia, HKG, CHN		
		All markets		
		HKG, TWN		
		All markets	Semi-quantitative, based on climate projections of key crops.	<ul style="list-style-type: none"> • Improve understanding and assessment of at-risk commodities and regions to inform sourcing strategy. • Diversify supply source to regions with more sustainable farming practices.
		All markets	Quantitative, based on climate projections in markets (NGFS).	<ul style="list-style-type: none"> • Allocate US\$14-28 million for 2026 – 2030 on Scope 1 and 2 projects to reduce emissions. • Integrate internal carbon pricing into decision making process on investment projects on emissions reduction.
		All markets	Semi-quantitative, based on price projections of selected crops (NGFS).	<ul style="list-style-type: none"> • Engage suppliers to improve on energy, water and resource management to increase supplier efficiency. • Diversify supply source to regions with more sustainable farming practices.
		All markets	Qualitative, based on internal subject matter expertise.	<ul style="list-style-type: none"> • Integrate climate risks into enterprise risk management. • Maintain and improve data quality standards on emission data disclosed. • Ongoing monitoring, updating of policies and procedures to ensure adherence to evolving regulations.
		All markets	Quantitative, based on internal cost simulation of key technologies.	<ul style="list-style-type: none"> • Develop a structured transition plan for Scope 3, concentrating on four priority categories (rice, dairy, beef, and coffee). • Promote innovation through our Sustainable Innovation Programme. • Launch or procure new products with improved packaging, emissions or other sustainability credentials.
		All markets	Semi-quantitative, based on consumer survey and internal subject matter expertise.	<ul style="list-style-type: none"> • Allocate US\$14-28 million for 2026 – 2030 on Scope 1 and 2 projects to reduce emissions. • Deploy low-carbon energy efficiency and carbon reduction technologies in line with internal carbon pricing threshold.

Climate Transition Plan

In response to the identified risks and opportunities, we are committed to supporting a climate transition that protects our planet, meets customers' needs, and aligns with our long-term purpose. To achieve this, we have set clear targets and developed implementation and engagement strategies to drive progress. The Metrics and Targets section provides further detail on our progress.

Strategic ambition		
<p>2030 Target: 50% Reduction in Group Scope 1 & 2 greenhouse gas (GHG) emissions relative to FY21 baseline 2050 Target: Achieve Net Zero Greenhouse Gas (GHG) emissions</p>		
Implementation strategy		
	Short- and medium- term (Now – 2030)	Long-term (Up to 2050)
Business operations	<ul style="list-style-type: none"> Transition to lower GWP refrigerants and implement energy efficiency projects. Ongoing behavioural change and energy monitoring for reduced usage. Increase renewable energy procurement in selected markets, to support the local transition towards sustainable energy. 	<ul style="list-style-type: none"> Increase renewable energy procurement in our key markets to close residual gaps. Transition to lower emissions vehicles.
Products and services	<ul style="list-style-type: none"> Scale up Own Brand low-emissions rice to 1,000 tonnes in 2026. Conduct supplier engagement to drive action and carbon measurements. 	<ul style="list-style-type: none"> Increase the proportion of sustainable and low-emissions products.
Policies and standards	<ul style="list-style-type: none"> Energy and sustainability assessment for new store expansion. Use an internal carbon price, benchmarked to prevailing renewable energy certificate (REC) prices, as an input to the annual capital expenditure budgeting process. Update sustainable procurement policies. 	<ul style="list-style-type: none"> Periodic review and update to policies.
Financial planning	<ul style="list-style-type: none"> Allocate US\$14 to 28 million for 2026 – 2030 on Scope 1 and 2 projects to reduce emissions. Investment in pilots for low-carbon and sustainable technologies. Support Sustainable Innovation Challenge to catalyse solutions. 	<ul style="list-style-type: none"> Periodic evaluation of financial allocation towards sustainability.
Engagement strategy		
Suppliers	Drive supplier actions through capacity building and support in decarbonisation planning, product carbon footprinting, and innovation funding.	
Industry	Collaborate in international industry fora, including the Consumer Goods Forum and the World Economic Forum First Movers Coalition for Food, to drive and share industry best practices, promote collaboration and provide demand signals to suppliers.	
Consumers and civil society	Provide sustainable product choices with lower emissions, supported by consumer education and awareness initiatives to improve understanding of product choices.	
Governments	Participate in government and public sector-led initiatives to manage emissions, including innovation funding, energy and carbon savings initiatives and waste reduction programmes.	

Dependencies: Our targets are set to align with a science-based approach, the latest international agreement on climate change and the national commitments of our markets. Our transition plan depends on continued and progressive policy, technology, and market developments, based on our principles of a focused, balanced, and collaborative approach, and aligns with our corporate strategy of 'Customer First, People Led, Shareholder Driven'. As our business portfolio evolves through acquisitions and disposals, our capital investment will be adjusted accordingly.

Sustainability Risk and Opportunity Management

Integration of Sustainability into Overall Risk Management

Our ability to respond to and manage risks is critical to sustaining growth and operational resilience. We align our risk management approach with international principles and standards, including ISO 31000 and COSO. We recognise the interconnectivity between climate, nature, social, and financial risks, and address them in an integrated manner in our enterprise risk management approach.

In 2025, we enhanced our annual risk review process. This process includes identifying, assessing, reprioritising, and reporting risks to the Board, with input from all business units, the Management Committee, and the Board, ensuring a comprehensive and integrated approach.

Climate-related risks—both physical and transition—are identified and assessed alongside other key risks and incorporated into the consolidated Group risk register. The revised process aligns risk assessment with business strategy, defines risk appetite, and embeds these considerations into business planning and operational management. Each Management Committee member is accountable for the key risks within their area, including climate-related risks, as identified through this assessment (see Risk Management and Governance, and Principal Risks and Uncertainties sections for an integrated risk disclosure).

Risk Management Process for Sustainability Risks and Opportunities

Since 2022, DFI has regularly identified, assessed, and reviewed our transition and physical climate and environmental risks, referencing the TCFD and IFRS S1 and S2 standards, and aligning with the Group's overall risk assessment approach. The risk assessment on sustainability and climate risks and opportunities covers our direct operations, as well as upstream and downstream risks and opportunities along our value chain, and across the short-, medium-, and long-term timeframes, across all markets where we operate (see Double Materiality Assessment for a description of scope and coverage). We use climate-related scenario analysis to inform risk identification and resilience planning, covering a diverse set of scenarios, assessing risks by type, likelihood, and magnitude, and combining qualitative and quantitative methods.

On an annual basis, we review and update the risk assessment based on changing macroeconomic, political, and scientific developments, and disclose the results in our Sustainability Disclosure, with reference to the TCFD and IFRS S1 and S2 standards (see Climate-Related Risks and Opportunities and Resilience Analysis).

To manage material sustainability and climate-related risks and opportunities, we maintain business continuity and risk management plans. Depending on the nature of the risk, we assign risk owners within the Group accountable for managing and mitigating the relevant risk. We link climate-related targets to capital allocation decisions to contribute towards our climate transition plan. We also apply an internal carbon price in the budgeting process at a portfolio level (see Climate Transition Plan).

People

People are at the heart of DFI's long-term success. Every day, we serve millions of customers with high-quality, affordable essentials in convenient locations and with exceptional service. We are committed to making a difference for our communities. Our purpose is powered by a talented, healthy and diverse workforce, supported by a robust supply chain network.

To support our customers, communities, team members and supply chain networks, we are committed to supporting our people through creating value for customers, giving back to communities, ensuring team members' success and sourcing ethically.

Customer Value Creation

Expanding access for customers to health and wellness through Own Brand offerings and innovative services such as preventive health assessments, pharmacy-led care programmes, and nutritional solutions.

Community Giveback

Driving impact through initiatives that promote health and wellbeing, alleviate poverty, as well as strengthening and restoring resilience, including large-scale donation programmes and emergency relief efforts.

Team Member Success

Investing in learning and development through digital platforms and academies, strengthening leadership capability, and fostering health and safety, wellbeing, and inclusion across all markets.

Ethical Sourcing

Upholding rigorous standards for human and labour rights through comprehensive supplier assessments, audits, and engagement to ensure responsible practices across our supply chains.

Related SDGs:



16.1
average training hours
per FTE (Target: 14)

>1.25 million
beneficiaries supported by community
giveback initiatives

43%
female representation
among senior leadership

100%
ethical audits
of Own Brand factories in high-risk countries

Customer Value Creation

As a leading retailer in Asia, we are committed to creating value for our customers. This includes offering a wide range of health, wellness, and nutritional products to help them live healthier lives.

Within our Health and Beauty segment, our expertise in wellness helps deliver products and services that are built on trust and guided by expert advice. This includes products in derma care, hair care, and supplements that have clinically proven efficacy, are recommended by health professionals, and are proven to minimise irritation, long-term side effects, and exposure to synthetic chemicals. We aim to increase customers' access to professional wellness services, enabled by technology and informed by consumer analytics.

In 2025, we progressed several initiatives across our health, wellness, and nutritional offerings:

- Launched professional health services at Mannings and Guardian across more than 450 pharmacies in all markets.
- Mannings introduced Chinese Wellness Hubs combining modern technology with traditional Chinese medicine, offering consultations with registered Chinese medicine practitioners.
- Rolled out Health Pods at Mannings providing assessments of 20+ wellness metrics with personalised nutritionist consultations to support preventive care.
- Mannings expanded skin and scalp assessment services such as My Skin Lab, offering micro-precision analysis using advanced Korean technology and personalised beauty-advisor consultations.

A core part of our Own Brand and ready-to-eat strategy is to make essential health and nutritional products more affordable and accessible to our customers. Within our Own Brand food products, we maintain strict standards to meet local regulatory requirements in the markets we operate in. For example, all health and nutrition information and claims must be validated through test reports or internationally recognised scientific evidence. Disclosure of supplementary nutritional information, nutritional profiling, and claims of health benefits are strictly aligned with national regulatory and applicable guidance and benchmarks, and are validated by our dedicated Group Technical team with experience in food science, health and nutrition.

Over the year:

- 7-Eleven Hong Kong launched the light and healthy range with a total of 100 SKUs, including ready-to-eat products such as sandwiches, wraps, salads, ready meals, and high-protein snacks and drinks.
- We also launched new Own Brand food products targeting customers seeking affordable and accessible healthy and nutritional food, for example, products which contain lower or no sugar, fat, sodium, or artificial ingredients. The products currently carry nutrition information panel, and specific nutritional icons will be added in 2026 to further enhance communication and transparency for our customers.



- We continued to expand our Own Brand offering of personal care, household and other non-food products, including products containing natural or organic ingredients and minimising the use of artificial or controversial ingredients.

To ensure that customer trust is maintained as our offerings expand, DFI's Responsible Marketing Policy sets clear requirements for how our products and services are communicated. It requires that marketing communications must be truthful, accurate, and transparent. Where health or nutritional information is referenced, claims must be factual, evidence-based, and supported, and the misuse of scientific or technical terminology to imply unsubstantiated health or nutrition benefits is prohibited. The policy also mandates a responsible approach to marketing children's products, prohibits the promotion of unhealthy habits or over-consumption, and requires compliance with DFI's marketing principles, including those relating to children, women, and the responsible use of social media.

Health within Reach

Mannings Expanded Health Services to Bring Care Closer to Communities



Mannings is transforming community healthcare through two pioneering initiatives that create value for customers and ease pressure on the public health system, where patients have traditionally relied on for minor and routine health needs. This has been compounded by a lack of access to convenient clinic locations and related health services in local communities.

The **PharmaCare Programme**, launched in March 2023, offers pharmacist consultations and medication for minor health issues at over 60 Mannings stores across Hong Kong. Mannings partnered with Bupa Hong Kong to provide members with convenient access to healthcare. In 2025, the programme expanded to Macau and has now facilitated over 60,000 visits since launch, serving more than 110,000 members. Customer feedback remains highly positive, with an overall experience rating of 4.7 out of 5, reflecting strong trust and satisfaction. This helps to reduce hospital congestion and promote timely care.

Complementing this, Mannings launched the **Hospital Authority Community Collection Service**, enabling patients to collect prescriptions, including refrigerated items, at nearly 60 Mannings pharmacy stores via the 'HA Go' app. This service reduces waiting time in hospitals and allows customers to consult pharmacists, improving convenience and reducing the risk of overprescription.

In addition, Mannings supported emergency healthcare efforts during the Wang Fuk Court fire incident in Tai Po in November 2025. The Primary Healthcare Commission set up medical stations at temporary shelters, coordinating professionals from public and private sectors to provide medical assessments, treatment of mild injuries, medications, and psychological support. Mannings pharmacists provided assistance at one of these shelters to support residents.

These initiatives underscore Mannings' commitment to delivering accessible, affordable, and trusted healthcare solutions that enhance wellbeing for customers, team members, and communities. This dedication has earned industry recognition, including the Corporate Brand Awards of Excellence from the Hong Kong Economic Journal and the Corporate Social Responsibility Award at the Business Awards of Macau 2025.

Community Giveback

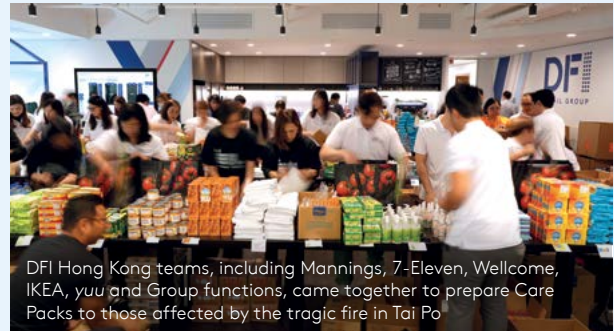
At DFI, giving back to the community is integral to our mission of fostering a better future. Our Community Giveback initiatives are designed to create meaningful impact through active engagement and investment in social solutions. In 2025, we continued to expand our community efforts across all business formats, with banners driving programmes that supported more than 1.25 million beneficiaries through food and wellness product donations and partnerships with social enterprises. These activities are central to our aim of improving lives and building sustainable communities. This year, we invested US\$3.9 million in community programmes, underscoring our commitment to social responsibility, fostering community engagement, and promoting sustainable development. The following sections highlight how the Group and each business format—Health & Beauty, Convenience, Food, Home Furnishings and Maxim’s—collectively contributed to these goals through tailored initiatives and partnerships.

Community at Heart

Continued Support to Local Communities across Group and Banners



DFI continued to support mental health and inclusive wellbeing with close collaboration with MINDSET, including the annual Walk Up Jardine House fundraiser



DFI Hong Kong teams, including Mannings, 7-Eleven, Wellcome, IKEA, yuu and Group functions, came together to prepare Care Packs to those affected by the tragic fire in Tai Po



Team member volunteers from Guardian Malaysia donated daily essential supplies to Malaysian Red Crescent



Volunteers from 7-Eleven Hong Kong distributed free hot meals and essentials supplies to underprivileged people through the 'Sik Tak Fan La' Charity Programme



Darren Chan, Managing Director of Food, Hong Kong & Macau (fifth from right), represented Wellcome Hong Kong in launching the 'Breakfast Buddies' Community Programme in partnership with the Foodlink Foundation



IKEA Taiwan's partnership kick-off with Social Enterprise Insights marked a new milestone in advancing social innovation and supporting food and agriculture entrepreneurs across the region

In 2025, DFI and our banners continued to stand with communities across our markets, responding to urgent needs and supporting long-term well-being. Through coordinated relief, targeted donations and close collaboration with partners, our Group contributed meaningful assistance to families, youth and vulnerable groups.

Group

The Group strengthened its commitment to mental health and inclusive wellbeing through close collaboration with MINDSET, a charity focused on making a tangible and sustainable difference to the underserved mental health community. In 2025, 639 DFI team members participated in the Virtual Race of **Walk Up Jardine House**, MINDSET's annual fundraiser, collectively achieving over 76.8 million steps in support of mental health awareness, reinforcing cross-banner involvement and fostering a culture of wellbeing. In Singapore, more than 1,700 team members and their families joined together with 200 beneficiaries from MINDSET and Care Community Services Society at the annual **Family Carnival** to celebrate raising S\$230,000 through the in-store donation box programme. These efforts supported mental health initiatives while also helping families and children in need.

In response to the tragic Tai Po fire in Hong Kong, DFI mobilised a coordinated relief effort to support the affected community. Working closely with government agencies and NGO partners, DFI and its brands, including Mannings, Wellcome Hong Kong, 7-Eleven Hong Kong, IKEA Hong Kong, and yuu, together with the support of Hong Kong Maxim's Group, have collectively contributed HK\$12 million in cash and HK\$8 million in kind to assist affected residents. Beyond immediate relief, DFI is also supporting interim recovery. Families moving into transitional housing received DFI Care Packs and bed frames, with each pack containing daily essentials, food, drinks, and wellness products to help restore comfort and a degree of stability for residents impacted by the tragedy. The Group's support aims to address both urgent needs and ongoing challenges while helping communities rebuild steadily.

Health and Beauty

Our Health and Beauty division advanced community wellbeing through health and hygiene initiatives, primarily through care pack donations and education. **Helping Kids Grow Happier, Healthier and Stronger** by Mannings supported underprivileged families in Hong Kong with health supplements, educational workshops, and sports activities, benefiting more than 10,000 children and families and delivering PharmaCare services to 2,000 of them. **Together Keeping Kids Clean and Healthy** by Guardian Malaysia provided hygiene kits and care packs to 2,000 low-income families, while **Enhancing Wellness for Every Child** by Guardian Singapore distributed 300 wellness packs to children and youths. Guardian Indonesia's **Healthy Kids, Happy Future** reached over 3,600 beneficiaries across 12 schools and delivered care packs, clean water facilities, and health education.

Convenience

7-Eleven Hong Kong continues to address food insecurity, environmental sustainability, and social inclusion through a range of targeted programmes. The **'Sik Tak Fan La' Charity Programme** partnered with Pei Ho Counterparts to provide ready-to-eat meals for underprivileged people, distributing more than 23,000 meal boxes. Its surplus food donation programme also reduced food waste and hunger by redistributing over 54 tonnes of surplus food with Foodlink Foundation, benefiting over 130,000 individuals. Additionally, the **Grounds to Green Coffee Grounds Upcycling Programme** converted coffee grounds from 7CAFÉ outlets into organic fertiliser, supporting local farms and enabling the production of nutritious, sustainable meals.

Food

In Hong Kong, Wellcome supported food security and nutrition for vulnerable groups. The **'Sik Jor Fan Mei' Rice Donation Programme**, launched in 2021, enabled customers to support low-income families by purchasing rice, with Wellcome matching donations and partnering with Foodlink for distribution. In 2025, the programme has made donations of 4 million kg of rice, equivalent to 384,000 bowls. The **'Breakfast Buddies'** initiative launched in 2025 provided breakfast coupons and nutritious foods, including fruit, eggs, oatmeal, and milk, to 21,000 primary students from low-income families. Wellcome also continued its surplus food donation initiative, redistributing 276 tonnes of surplus food, which served more than 650,000 meals. In Cambodia, Lucky Supermarket supported healthcare and humanitarian services through contributions to the Cambodian Red Cross and Kantha Bopha Children's Hospital, and organised surplus food donations and community cooking events to reduce waste and provide food assistance. In addition, Lucky mobilised rapid relief during community disruptions, providing essential support to affected families.

Home Furnishings

IKEA continued to advance social innovation and food system resilience through regional and local partnerships. **Instellar and IKEA Social Entrepreneurship Accelerator (I-SEA)** in Indonesia provided capacity-building, mentorship, and partnership opportunities to 10 social enterprises, reaching over 14,000 beneficiaries from vulnerable and marginalised groups in the second cohort. Together with IKEA Social Entrepreneurship, IKEA Taiwan also launched a new partnership in October 2025 with Social Enterprise Insights (SEI), Taiwan's largest social enterprise platform, to empower food and agriculture social entrepreneurs. The partnership will support Taiwanese social enterprises in expanding their reach and translating their impact into concrete benefits such as job creation, inclusive sourcing, and community-driven services, with the aim to start the accelerator programme in the first half of 2026.

Restaurants

Maxim's promoted inclusive dining and wellbeing of the vulnerable groups through two key initiatives in 2025. The **GENTLEMEAL Programme** provided safe, nutritious soft meals for seniors with swallowing difficulties, donating 15,000 portions with business partners to elderly homes and community centres and offering dine-in experiences at selected outlets to foster family togetherness and social inclusion. Meanwhile, the **Kiddy Heart Canteen Programme**, in partnership with Baptist Oi Kwan Social Service, delivered affordable nutritious meals reviewed by nutritionists, mental health services, tutoring, and festive celebrations to children from low-income families, reaching over 10,000 beneficiaries since 2013.

Team Member Success

Our commitment to team member success includes protecting their health, safety and wellness, developing their talent and capability, and fostering inclusion at all levels.

Through major initiatives such as the launch of DFILEARN, enhanced leadership programmes, and structured career development frameworks, we strengthened capability building and empowered growth across all levels of our business formats. Our focus on retention, wellbeing, and diversity ensured a supportive and inclusive workplace, while robust health and safety practices safeguarded team members in every environment. These collective efforts have driven measurable improvements in engagement, leadership quality, and organisational resilience—leading in our recognition by the HR Asia for Best Companies to Work For in Asia Market Award.

Protecting Our Team Members

In 2025, DFI maintained a strong safety record. We recorded zero work-related fatality in 2025. Recordable and lost-time injury rates were 1.10 and 0.76 per 200,000 hours worked, respectively, reflecting improvements driven by enhanced safety measures. Notwithstanding these improvements, we continue to encourage injury reporting to strengthen our safety culture.

We are committed to establishing a safe workplace that supports the wellbeing and success of our team members while adhering to all health and safety regulations across our operating regions. Compliance with governing laws and regulations remains a cornerstone of our approach, ensuring that our practices meet or exceed local requirements and international standards.

DFI also enforces Health and Safety requirements along the value chain under our Supplier Code of Conduct, which requires suppliers to provide safe and healthy work environments supported by robust management systems aligned with applicable laws, international standards, and industry best practices. To ensure contractor safety, we operate a comprehensive third-party management programme. In 2025, we commissioned an external review of our health and safety practices, benchmarking performance against local and global peers.

Our Health and Safety Management System, managed by a dedicated team, focuses on proactive risk management, compliance with international standards, and continuous improvement:

- We conduct comprehensive risk assessments to identify hazards in stores and warehouses, such as loading dock access and machinery operations, and implement preventive measures to minimise accidents.
- Risks are prioritised and assigned to accountable individuals, with action plans that set clear objectives and measurable targets. These plans include process improvements and educational programmes designed to reduce injuries.
- Emergency preparedness is reinforced through training and routine drills covering evacuation, first aid, and crisis communication, ensuring team members understand their roles during critical situations.

- Internal audits are carried out regularly to verify compliance with safety protocols, identify gaps, and drive improvements across our Occupational Health Management System.
- Safety training is embedded in onboarding, equipping new team members with knowledge of workplace risks, protective measures, and emergency contacts from day one.
- Every reported injury undergoes a thorough investigation, with findings translated into actionable recommendations to prevent recurrence and strengthen compliance.
- Progress is reviewed against objectives using data-driven analysis of injury rates and hotspots, enabling continuous enhancement of our practices.
- External verification remains a priority, with our systems in Singapore continuing to meet ISO 45001 standards through independent audits.

Our approach to human rights is guided by the Jardine Matheson Human Rights Policy, which sets out a commitment to respecting internationally recognised principles, including the UN Universal Declaration of Human Rights, the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. The policy states that employment is voluntary, prohibits forced, child and trafficked labour, and requires compliance with applicable labour laws covering minimum age, minimum wages and working hours. It also recognises freedom of association and collective bargaining in accordance with local laws. It seeks to maintain a fair, diverse and inclusive workplace and does not tolerate bullying, intimidation, discrimination, or harassment. Suppliers and contractors are encouraged to follow the same principles, extending these expectations beyond our direct operations.

Developing Our Team Members

DFI remains committed to building a culture of continuous learning by integrating development opportunities into everyday work. In 2025, we achieved an average of 16.1 training hours per full-time equivalent (FTE), surpassing our 2025 target of 14, reinforcing our team members' focus on capability building. We also continued to deliver impactful programmes that strengthened leadership skills and aligned team members with our growth ambitions across all levels.

Our learning and development programmes are designed to provide opportunities for all team members, including full-time, part-time, permanent, and contract staff, with access to programmes depending on role-specific or organisational needs. Our Professional Development Policy covers all full-time team members, enabling them to apply for subsidies for external training and further education, including university courses. Reimbursement amounts are subject to local market practices. The policy ensures fair access to development opportunities regardless of team members' personal characteristics.

In 2025, we have:

- Introduced the DFI Skills Framework to define skills for all team members and tailored for key functions and formats. Each skill is structured with current and target proficiency levels, enabling assignment of appropriate learning types and supporting targeted development.
- Revamped our digital Learning Management System and launched DFILEARN, achieving 98% activation and over 15,000 learning hours, advancing organisational capability and enabling self-directed learning.
- Launched DFI Functional Academies, including the Sustainability Academy, which equip team members with essential functional knowledge to understand related risks and opportunities, strengthening awareness and engagement in our relevant initiatives.

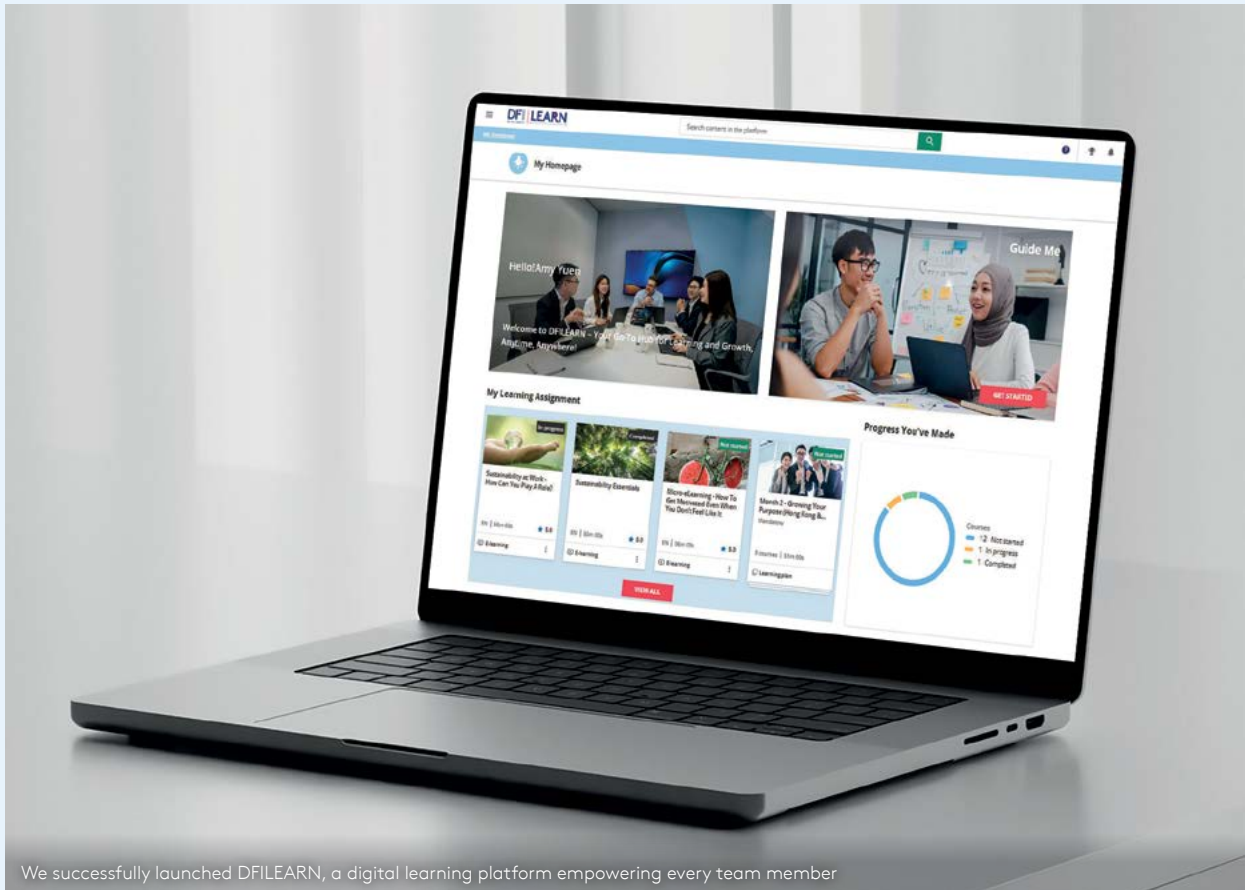
- Involved close to 100 leaders in flagship leadership development programmes – Leading the DFI Way, driving leadership excellence, AI innovation, and strategic thinking, with exceptional satisfaction scores.
- Embedded succession planning through multiple talent programmes targeting successor pipelines across job grades to promote upward mobility.
- Established a structured store training framework, including the Hong Kong's government-established Qualification Framework Level 6 and the Store Manager Development Programme, driving improvements in customer and team member experience, digital transformation, and store performance.
- Provided training on the Code of Conduct, covering anti-bribery, anti-corruption, health and safety, first responder, information security, personal data protection, anti-discrimination and anti-harassment etc. to newly hired team members and refresher courses are arranged every one to two years.

These initiatives collectively enhanced leadership quality, strengthened team effectiveness, and supported talent retention. Training satisfaction improved by four percentage points to 80%, as reflected in the Your Voice Counts team member survey.

To further strengthen our talent pipeline, we also expanded our early-career recruitment initiatives. Across the Philippines, Cambodia, and Vietnam, our Summer Internship Programme attracts diverse local students ahead of graduation, supporting workforce localisation and early talent development. In parallel, the Store Summer Internship builds a sustainable frontline pipeline by introducing students and early-career talent to retail operations, improving conversion into permanent roles. To broaden our recruitment channels, the Student Ambassadors Programme enhances our employer brand on campus and cultivates a diverse pool of engaged student talent for internship, part-time and graduate opportunities. Together, these initiatives complement our learning and development efforts, ensuring a steady flow of future talent aligned with DFI's long-term growth.

Learn and Grow, Anytime, Anywhere

DFI launched DFILEARN and Sustainability Academy



2025 marked a transformative year for capability building at DFI. We successfully revamped our digital Learning Management System and launched DFILEARN, our brand-new learning platform designed to make knowledge accessible to every team member. Officially launched on 27 June 2025, DFILEARN enables team members to learn anywhere, anytime in the flow of work, offering flexibility and personalisation like never before.

With its user-friendly, visually engaging interface, AI-powered recommendations, and gamified features such as badges and certifications, DFILEARN empowers self-directed learning across professional, technical, and personal development topics. Since launch, the platform has contributed to over 15,000 learning hours and achieved 98% activation, reflecting our commitment to building a culture of continuous growth.

As part of this digital transformation, we introduced the Sustainability Academy, a dedicated learning hub focused on advancing essential sustainability knowledge and awareness across the organisation. Through curated courses and interactive modules, the Academy equips our teams with the skills to integrate sustainability and environmental management into everyday decisions, reinforcing DFI's purpose-driven approach and supporting our long-term sustainability goals.

Together, DFILEARN and Sustainability Academy represent our journey towards empowered, future-ready teams that enable every individual to learn, grow, and lead in a rapidly evolving retail landscape.

Enhancing Retention, Wellbeing and Benefits

Creating a supportive and engaging workplace is central to DFI's people strategy. This section highlights how we strengthen team member retention through career development opportunities, comprehensive wellbeing initiatives, and competitive benefits. From onboarding and performance management to mental health support and recognition programmes, these efforts aim to foster long-term growth, resilience, and a positive experience for all team members across our markets.

Retention and career development	<ul style="list-style-type: none"> • Enhanced onboarding programmes and clear career development opportunities help team members envision long-term professional growth within the organisation. • Regular reviews and benchmarking of employment, remuneration, and benefit policies ensure market competitiveness. • Transparent and objective evaluation processes measure performance against individual and team goals, recognising and rewarding strong contributions through: <ul style="list-style-type: none"> • Management by Objective (MBO): Collaborative goal-setting aligns individual objectives with organisational priorities. • Multidimensional performance appraisal: Evaluates technical skills, interpersonal relationships, and adherence to company values through multi-source feedback. • Team-based performance appraisal: Encourages collaboration by assessing both individual contributions and team dynamics. • Variable performance-based pay: DFI applies variable performance-based pay to the majority of our full-time team members across all operating markets, including those in stores, Distribution Centres (DC), and Store Support Centres (SSC). Variable pay plans, such as Store Incentive Plan, DC Incentive Plan, Short-Term Incentive Plan (STIP) and Long-Term Incentive Plan (LTIP), are designed to reward performance. Various key performance indicators (KPIs), including business and individual performance criteria, are established based on their relevance to each plan and role. • Agile conversations: Promotes ongoing dialogue and real-time feedback through regular check-ins. • Regular salary reviews provide high-performing team members greater consideration for pay increases.
Wellness and benefits	<p>DFI offers a comprehensive range of benefits to support team members' well-being:</p> <ul style="list-style-type: none"> • Medical coverage, life insurance, retirement plans, discounts at DFI outlets, and flexible work arrangements for office-based roles. • Dedicated wellness rooms in Hong Kong offices for meditation, prayer, and lactation support. • Team Member Assistance Programme offering free 24-hour hotline and face-to-face consultations across multiple markets. • Expanded mental health awareness training for Store and Distribution Centre leaders to equip them with essential skills to support wellbeing.
Engagement and recognition	<ul style="list-style-type: none"> • Annual Your Voice Counts engagement survey to assess team member satisfaction and inform improvement initiatives. • Long service awards presented at milestones to acknowledge commitment and contributions. • DFI Wellbeing Month 2025, under the theme 'C.A.R.E. for Better', featured over 50 events across markets to promote physical, mental, social, and financial wellbeing, including: <ul style="list-style-type: none"> • Physical and Mental Wellbeing Expos offering free health assessments. • A recognition campaign where team members awarded over 10,000 badges to their peers to show appreciation and celebrate successes. • Interactive activities such as the C.A.R.E. Bear Hunt and wellbeing quizzes, engaging over 500 participants. • Financial wellbeing workshops and expert-led tea chats on resilience and sustainable wellbeing. • Local market events such as sports tournaments, health carnivals, and cultural celebrations.

Fostering Diversity, Equity and Inclusion

At DFI, we are committed to actively fostering a diverse, equitable, and inclusive environment that reflects the vibrant communities we serve. In 2025, DFI achieved a gender diversity rate of 42% among senior leaders. DFI also continued to advance diversity, equity, and inclusion (DE&I) through the following initiatives focused on promoting a culture that embraces differences in backgrounds, perspectives, and experiences.

DFI actively manages full adherence with our Code of Conduct policies, which encourages and requires all staff to support cultural and gender diversity, uphold non-discrimination, and embrace mutual understanding. Team members are able to report any instances of discrimination or breaches of relevant Code of Conduct requirements to their superiors or through anonymous channels via our internal reporting hotlines and related channels.

We actively support the recruitment and development of a diverse workforce at all levels of our organisation. Our training and mentorship programmes are designed to enhance awareness and understanding of DEI principles, fostering a sense of belonging for all team members. We utilise AI software to ensure bias-free language in communication materials, including job descriptions, and monitor diversity metrics among job applicants to maintain an inclusive hiring process.

We are developing our Diversity, Equity, and Inclusion (DE&I) Policy, to be launched in 2026, to reinforce our commitment to creating a workplace where everyone feels valued, respected, and empowered.

In addition to our standard practices, we have also implemented relevant initiatives:

- The DFI Inclusion Network was established in 2025 to foster a culture of belonging and allyship across the organisation. The network serves as a platform for engagement and learning, promoting diversity and inclusion through interactive events, awareness campaigns, and collaboration among team members across the markets.
- Inclusive employment at 7-Eleven Singapore: Through collaboration with the OctAVE Outpatient Rehabilitation Centre at the Institute of Mental Health, we provide work opportunities for Persons with Mental Health Conditions (PMHC) at our training store, supporting recovery and inclusion.
- Across every market and format, DFI develops and promotes regular events, celebrations, team member gatherings, training initiatives, and community engagements that embrace the full extent of local and regional diversity throughout Asia, which remains one of the world's most diverse and dynamic cultural regions.

Ethical Sourcing and Supply Chain Management

DFI remains committed to upholding the highest standards of ethical sourcing and supply chain management. Our risk-based governance approach combines pre-qualification assessments, supplier categorisation, and audits or reviews aligned with globally recognised audit standards. We emphasise continuous improvement by providing suppliers with technical support and feedback, while supplier briefings reinforce requirements and compliance with DFI's Supplier Code of Conduct. These measures ensure transparency and accountability across our operations and partnerships.

In 2025, we audited 100% of DFI's Own Brand production facilities located in high-risk countries against globally recognised ethical standards, sustaining the milestone achieved in 2024. This reflects our commitment to ensuring all Own Brand supplying factories meet DFI's ethical requirements, and we apply the same standards to any factories entering our Own Brand supply chains.

Our supply chain governance is overseen by the Sustainability Committee and managed by DFI's Group Technical team. To uphold these standards, we set clear goals, monitor key indicators of supply chain compliance, and share best practices across internal teams and suppliers. Recognising the importance of social and environmental issues

in the supply chain, the Responsible and Ethical Sourcing team is involved in product development right from the initial briefing stage and provides support and guidance to stakeholders throughout the process.

Supplier assessments follow a structured process:

- Pre-qualification questionnaire: All prospective Own Brand suppliers must complete a broad pre-qualification questionnaire that includes key-topic screening on critical ethical topics such as child labour and forced labour.
- On-site or document audit: Suppliers are categorised by risk based on their location (based on the amfori Country Risk Classification), with all factories in high-risk locations requiring a third-party Ethical Audit to a recognised global standard. To support the development of small businesses, factories that meet a defined maximum turnover or staff size limit may be eligible for a rigorous third-party desktop audit process.
- Non-compliance monitoring and improvement: All ethical non-compliances are reviewed by our Responsible and Ethical Sourcing team, and time-bound corrective action plans are agreed with the factory. Persistent non-compliances or failure to resolve within the agreed timeframe may result in suspension or termination of the business relationship.

Metrics and Targets – People

The reported headcount represents the spot figure as of December 31, 2025. The FY25 reduction in team members is primarily attributable to the divestment of SG Food.

	Unit	2025	2024	2023
Team Members' Demographics				
Total number of team members	No.	42,525	45,308	47,465
Team members by age group	%			
• Below 30		33%	32%	33%
• 30-50		47%	47%	47%
• Above 50		20%	21%	20%
Team members by work region	%			
• Hong Kong		45%	44%	42%
• Chinese mainland		13%	13%	14%
• Indonesia		11%	9%	10%
• Malaysia		9%	9%	9%
• Singapore		6%	13%	13%
• Others		16%	12%	12%
Team members by job type	%			
• Permanent		93%	88%	86%
• Temporary		7%	12%	14%
• Full-time		63%	63%	62%
• Part-time		37%	37%	38%
Total new hires	No.	16,908	20,632	26,622
• Below 30	%	70%	64%	60%
• 30-50		24%	28%	30%
• Above 50		6%	8%	10%
Training				
Team members' average training hours per FTE	hours	16.1	16.6	13.6
Gender Diversity				
Gender diversity of senior leadership (band 6 or above)	%	Male: 57% Female: 43%	Male: 63% Female: 37%	Male: 62% Female: 38%

Note: The number of team members reflect spot headcount as of December 31, 2025. The reduction in team members is mainly attributable to the divestment of the Singapore Food business.

	Unit	2025	2024	2023
Health and Safety				
Number of working hours	Million hours	83.7	89.1	83.7
Fatalities	No.	0	0	0
Fatalities rate	Per 200,000 hours worked	0.00	0.00	0.00
High-consequence work-related injuries	No.	0	12 [†]	7
High-consequence work-related injury rate	Per 200,000 hours worked	0.00	0.03 [†]	0.02
Recordable work-related injuries	No.	459	547*	592
Recordable work-related injury rate	Per 200,000 hours worked	1.10	1.23*	1.41
Lost time injuries	No.	318	376	426
Lost time injury rate	Per 200,000 hours worked	0.76	0.84	1.02
Ethical Sourcing				
Factories in high-risk countries supplying Own Brand products audited against amfori BSCI or equivalent standards DFI Target: 100% by 2024	%	100%	100%	94%

* The 2024 comparative figures for recordable work-related injuries have been restated due to methodology alignment between DFI IKEA and DFI practices. Corresponding figures for 2023 remain unchanged due to limitations in historical data granularity which preclude retrospective reclassification.

† 2024 data have been restated to reflect the reclassification of a case to high-consequence status in April 2025, subsequent to the issuance of the previous annual report.

Products

The products we provide across our operations are at the heart of our customers' daily lives. In each of our markets, customers expect diverse product assortments and trusted brands that meet their personal needs. Increasingly, they seek more sustainable products at accessible price points, while ensuring their expectations for quality and safety are always met.

Our core focus areas for the year under the Products pillar are:

Sustainable Choices

Through our Own Brand strategy, we can better influence quality, cost, and product mix, enabling us to offer healthier, more sustainable options without compromising value. We integrate environmental and social considerations into sourcing and product development, while collaborating with global franchise partners to adopt leading responsible sourcing practices.

Sustainable Packaging

We apply circularity principles to reduce environmental impact, focusing on eliminating unnecessary plastics, introducing reusable solutions, and transitioning to recyclable or compostable materials. Our packaging strategy is guided by global best practices and industry commitments, including the Consumer Goods Forum's Golden Design Rules.

Product Quality and Safety

We uphold rigorous standards throughout the product lifecycle, supported by robust risk assessments, audits, and compliance processes. Our technical teams work closely with suppliers to ensure compliance with global food safety standards and DFI's stringent requirements.

Related SDGs:



48%
In-Scope Own Brand products
with third-party sustainability certificates (2024: 28%)

83%
Own Brand plastic packaging
that is recyclable, reusable or compostable
(Target: At least 85% by 2030)

100%
Own Brand factories
with recognised global food safety initiative certifications or DFI audit (2024: 100%)

Sustainable Choices

We are committed to being our customers' advocates in their demands for high-quality, safe, sustainable, and value-for-money products. In addition to the wide assortment of National Brand products, this is delivered through over 1,700 Own Brand products across four leading brands: Mannings Guardian, Meadows, Yu Pin King and Vitapet, on sale across our multiple retail channels. Our Own Brand's mission is to provide consumers with high-quality, value-for-money products that meet consumer demand for cost efficiency without compromising living standards as well as a growing range of sustainable choices.

Across our Own Brand offerings, DFI incorporates environmental and social sustainability considerations within our strategic decision-making on sourcing quality products, optimising production and distribution, and minimising inefficiencies and waste. In addition, customers are increasingly prioritising healthy, nutritious products, for example, avoiding high-fat, high-salt, high-sugar products and pivoting towards products with beneficial health and nutritional claims. Within our Own Brand strategy, healthy and sustainable options are prioritised, provided they meet our key criteria for customer preferences, product quality, safety, regulatory compliance, and value for money.

In addition to our Own Brand products, as responsible franchise operators for global leading brands such as IKEA and 7-Eleven, we incorporate their leading practices in responsible sourcing, ensuring that consumers have access to high-quality products regardless of where they live and shop.

Our ongoing practices and progress in 2025 include:

- Identifying, tracking and monitoring sustainable raw material options, prioritising products with third-party environmental or social sustainability standard certification. Currently, we track our progress in selected food and non-food categories, covering seafood, coffee, cocoa, paper, wood, eggs and chicken.
- Development of a suite of Sustainable Products logos to increase the ease for customers to make more sustainable options and identify sustainability traits within their products. Currently, 138 of our Own Brand products carry a Sustainable Products logo or a third-party certification.
- Launching more sustainable products, including Yu Pin King Low-Carbon Rice and 7-SELECT juices.
- Updating our nutritional labelling on products to increase the ease for customers to make more sustainable options and identify health and nutritional benefits within their products.
- Reviewing our trade procurement policies, scorecard and supplier evaluation to provide more concrete guidance to our procurement teams to enable consistent and systematic decision-making when it comes to sustainability considerations.
- Providing supplier training and engagement on key sustainability topics to raise awareness and to enable better sourcing considerations in our upstream value chain (in progress, see also Carbon Footprint Reduction section).
- Continuing to supply a diverse range of organic products including fresh produce, grains, milk, soy products and infant food to cater for customers' preferences.

Sustainable certification is a practical approach for customers and us to identify responsibly sourced products and form a key element of our responsible and ethical sourcing strategy. In 2025, we successfully expanded our range of in-Scope Own Brand products with third-party sustainability certificates to 48%. We have reviewed our primary raw materials and prioritised those with the highest risks.

Product	Priority risk	Third party sustainable certification or commitment	Progress by the end of 2025
Seafood	Overfishing, unsustainable aquaculture practices	Where feasible, seafood products should obtain Marine Stewardship Council, Aquaculture Stewardship Council, or equivalent recognised certification body, as evidence that they are obtained from sustainable and well-managed fisheries.	81% of Own Brand's and all of IKEA's pre-packed seafood are sustainably certified.
Coffee	Deforestation, unsustainable forest management	Where feasible, coffee and cocoa products are to be Rainforest Alliance-certified, or equivalent certification for deforestation-free sourcing, and support biodiversity conservation and fair treatment of farmers.	100% of 7CAFÉ Hong Kong, Macau and Singapore; and all IKEA Coffee.
Cocoa			Chocolate products from Meadows Gold range are using cocoa from Rainforest Alliance-certified sources.
Paper		All Own Brand paper products to transition to Forest Stewardship Council® (FSC®) certification by 2028.	75% of Own Brand SKUs are using FSC Paper.
Wood		Wood used for IKEA products is either certified for sustainably sourced, or recycled.	99.5%
Eggs	Animal Welfare	All Meadows eggs comply with DFI-recognised cage-free and free-range animal welfare standards, verified through independent third-party audits to ensure non-cage housing, appropriate welfare conditions, and validated outdoor access where applicable.	All Meadows eggs are cage-free. All IKEA eggs are free range.
Chicken	Animal Welfare	Apply animal welfare principles set in IKEA Supplier Code of Conduct IWay 6 for chicken used in IKEA.	All IKEA HK chicken meet the principles.

We are continually reviewing products with higher environmental and social impacts and risks and identifying the feasibility of obtaining sustainability certifications in the markets that we operate in and source from. Where we recognise that not all products can obtain relevant sustainability certifications, we continue to collaborate with our suppliers and partners to minimise environmental and social impacts from our sourcing practices and continue to explore additional certification requirements and assortment for other categories. This is reflected in our ongoing efforts to review and update our procurement policies and guidance, as well as to continue supplier engagement and capacity-building to improve their awareness and practices in sustainable sourcing.

As well as assessing the sustainability of each product, our diverse product and business portfolio provides opportunities to take a holistic approach, incorporating circularity principles where relevant. For example, our 7CAFÉ's Rainforest Alliance coffee grounds are used as natural fertiliser to grow fresh vegetables and fruits, which are further made into products such as 7-SELECT juices within our 7-Eleven stores, as part of our 'Grounds to Green' upcycling programme. Our Low-Carbon Rice (see the Carbon Footprint Reduction section), while primarily targeting our Food business, has also been served in IKEA restaurants and bistros in Hong Kong, expanding the product's reach across our portfolio.

Grounds to Green

7-Eleven Expanded Coffee Grounds Upcycling Programme



7-Eleven Hong Kong expanded 'Grounds to Green' Coffee Grounds Upcycling Programme

In 2025, 7-Eleven Hong Kong expanded the **'Grounds to Green' Coffee Grounds Upcycling Programme**. Launched in 2024, the initiative repurposes used 7CAFÉ coffee grounds into natural fertiliser to grow fresh produce, advancing circularity and supporting our social impact objectives.

Phase Three (Farm to Table) established a cross-sector collaboration with New Life Farm, a local social enterprise, and Foodlink Foundation, alongside WeGen Farming and Maxim's Group. Coffee grounds were converted into natural enzymes and fertiliser for seasonal crops cultivated at New Life Farm and WeGen Farming. New Life Farm provides vocational rehabilitation for individuals recovering from mental illness, while WeGen Farming focuses on sustainable agriculture. Crops grown at New Life Farm were incorporated into 7-SELECT juices: *Cucumber*, *Kiwifruit*, *Apple*, and *Beetroot Apple*. Crops grown at WeGen Farming were used in ready-to-eat items: *Pumpkin Soup* and *Fried Rice with Pumpkin*, developed in collaboration with Maxim's Group. The products were launched on 10 September 2025 under the theme 'Grounds to Goodness.' The programme has received industry recognition, including Double Gold at the Marketing-Interactive PR Awards 2025 and two accolades at the ESG Business Awards 2025, underscoring its impact in embedding sustainability across operations and partnerships.

Since its inception, the programme has cumulatively recycled approximately 1.4 million cups of coffee grounds and produced 2,371 kilograms of crops, reinforcing its role in the circular economy. Earlier phases included partnerships with local charities and the introduction of Coffee BOB, a craft beer brewed in collaboration with Maxim's Group using upcycled coffee grounds and surplus bread, which earned Bronze at the Hong Kong International Beer Awards 2025.

Sustainable Packaging

Product packaging, especially plastics, plays a fundamental role in the modern global retail industry. It provides durability, versatility, and cost-efficiency, enabling safe transportation, extended shelf life, and convenience for millions of consumers. For categories such as Food, Health and Beauty, and Convenience, plastics help ensure product integrity and hygiene. However, single-use plastics and non-recyclable packaging can contribute to waste, pollution, and resource depletion. As a retailer, our responsibility is to minimise the impact of plastic packaging on the

environment, by influencing supply chains, distribution networks, product design, and packaging, which we are able to drive directly through our Own Brand portfolio. Our target is to achieve at least 85% of all Own Brand plastic packaging, measured by the weight of components, to be recyclable, reusable or compostable (RRC) by 2030.

Achieving progress in sustainable packaging means rethinking design, sourcing, and end-of-life solutions. Through responsible design and sustainable practices, we aim to transform plastics from a challenge into an opportunity for positive impact.

Our sustainable packaging approach is grounded in a hierarchy of 5R key principles, and we have made notable progress at each level.

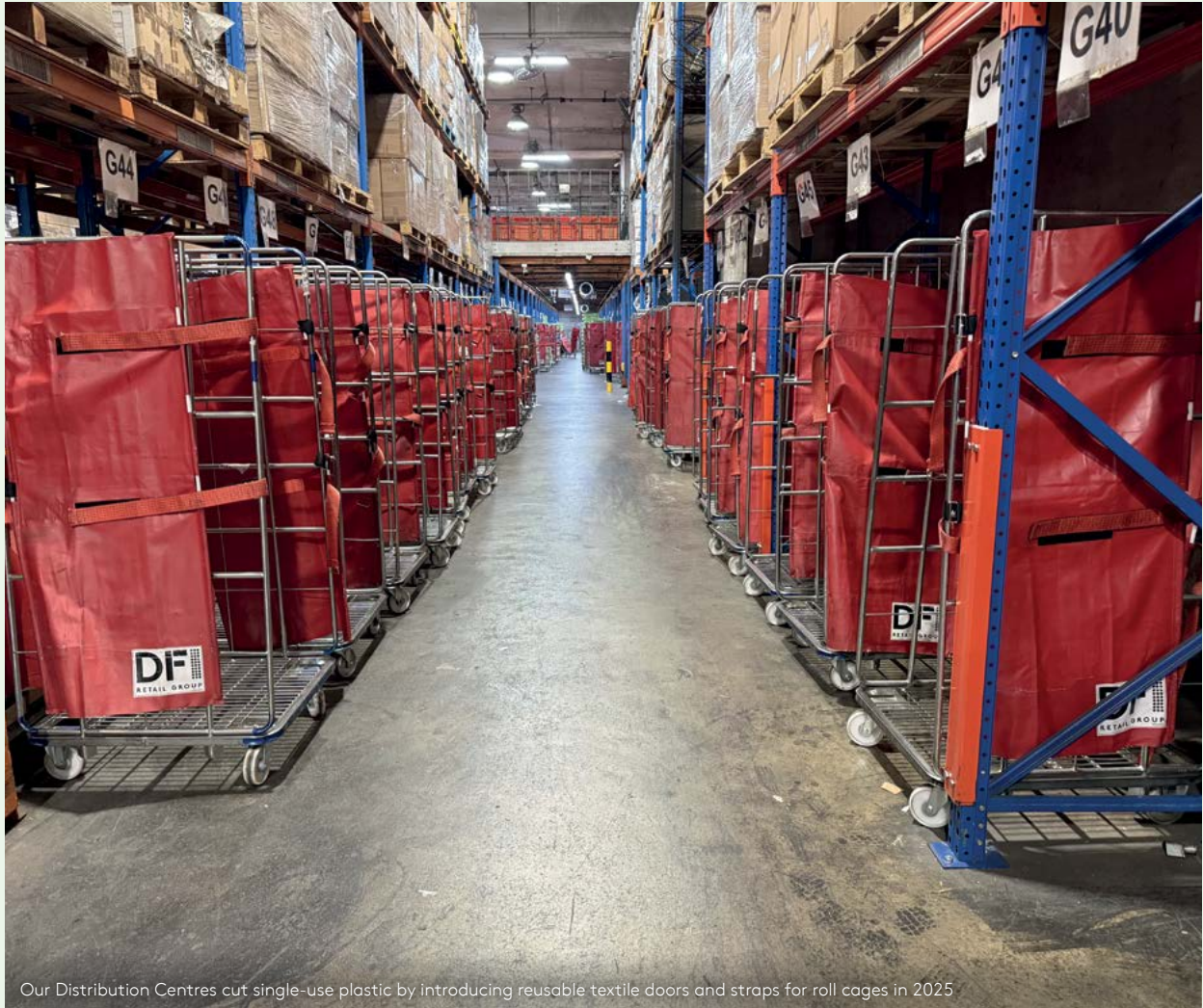
Refuse	Removing unnecessary plastic, such as plastic film, for example removing 100% shrink wrap from Alcohol Swabs in Guardian.
Replace	Replacing non-recyclable plastics with recyclable, reusable or compostable (RRC) alternatives. In the second quarter of 2025, we replaced plastic pouches in our beauty accessories range with sustainably sourced paper boxes, removing 2,400 tonnes of plastic packaging.
Reduce	Redesigning products to use less plastic. In our Meadows snack range, we redesigned the blister tray and inner packaging on Sesame and Spring Onions saltines, resulting in a 7% reduction in PET material used.
Reuse	Introducing refill options to enable reuse of packaging. We introduced Refill pouches for Mannings Guardian body cleaning products, trialling on two of our best-selling SKUs. The result is a saving of 1,800kg of PET and enabling reuse of pump-dispenser bottles.
Recycle	Incorporating recycled materials and maximising packaging recyclability. In 2025, Mannings Hong Kong has transitioned to shopping plastic bags with a minimum of 50% recycled plastic content and incorporated messaging to encourage consumers to reuse the plastic bags. Four toothbrush SKUs have transitioned from virgin material to 50% recycled material, using sustainably sourced paper for the backing card. This has delivered a 1,900kg weight reduction, and replaced 12,000 kg of virgin material with recycled material.

As a member of the Consumer Goods Forum and the Plastic Waste Coalition, DFI has endorsed six Golden Design Rules that guide us in optimising packaging for recyclability. These include improving the value of PET bottle and tray recycling,

eliminating problematic elements, enhancing the recyclability of rigid HDPE and PP, reducing virgin plastic in B2B packaging, and providing clear on-pack recycling instructions.

Smart and Sustainable Packaging

Switching from Plastic Wrap to Textile Door in Distribution Centres



Our Distribution Centres cut single-use plastic by introducing reusable textile doors and straps for roll cages in 2025

DFI Retail Group's Hong Kong Distribution Centres have taken a major step toward waste reduction by introducing textile doors and straps as secondary packaging for roll cages. This initiative, launched in 2025 at the Wellcome Fresh Food Centre and 7-Eleven facilities, replaces traditional single-use plastic wrap with reusable textile solutions. It reinforces our commitment to circularity and operational efficiency.

The transition began with trials in 2023 and 2024 and culminated in full adoption in 2025. These textile doors are designed to secure goods during transport, prevent product loss, and streamline handling. Eliminating the need for stretch plastics. As a result, the Wellcome Fresh Food Centre alone has reduced annual plastic usage by 55%, saving approximately 31 tonnes of plastic per year. Across all Hong Kong DCs, the waste diversion rate improved from 88% in 2024 to 92% in 2025, demonstrating measurable progress.

Beyond environmental benefits, textile doors deliver operational advantages: they save time on wrapping and unwrapping, reduce recycling workload for store team members, and lower investment costs compared to disposable plastics. This journey underscores DFI's focus on scalable, practical solutions that drive both sustainability and business value across our supply chain.

Product Quality and Safety

At DFI, we uphold the highest standards of quality, safety, and compliance across our operations. For Own Brand products, this commitment is reflected in rigorous controls throughout the product lifecycle. All Own Brand production facilities must comply with DFI's Supplier Technical Standards, which set minimum requirements for local regulatory compliance, technical policies, and product specifications.

Our **Product Quality and Safety Programme** encompasses:

- **Clear objectives:** Designing, manufacturing, and delivering products that meet or exceed regulatory requirements and customer expectations, and to protect product and brand integrity by ensuring compliance and consistency.
- **Management oversight with dedicated resources:** Relevant members of our Management Committee, Own Brand and Group Technical teams are involved in setting strategic goals, allocating resources, and reviewing compliance performance regularly.
- **Training:** Ongoing programmes equip team members with knowledge and best practices in compliance, risk management, and operational standards. All newly hired food-store team members are required to complete mandatory training on food safety and hygiene, with an annual refresher course to ensure continued compliance and awareness.
- **Risk assessment:** Systematic pre- and post-launch evaluations to identify hazards and implement fit-for-purpose controls. Before launch, every product undergoes internal assessment and validation by a third-party accredited laboratory to ensure compliance with quality, safety, and legal requirements. Post-launch, we maintain a robust surveillance programme to monitor manufacturing and product compliance, enabling us to identify and address emerging issues promptly.
- **Third-party audits:** Mandatory audits for Own Brand food production facilities, prioritising GFSI certification. In 2025, 90% of our Own Brand food factories were audited against globally recognised food safety schemes under the Global Food Safety Initiative (GFSI). The remaining 10% of facilities without GFSI certification were audited by an independent third party under the DFI audit scheme.
- **Performance monitoring:** Continuous surveillance of manufacturing and compliance to address issues proactively. The Hazard Analysis Critical Control Point (HACCP) programme for our Fresh Food Centre in Hong Kong has external certification.
- **Incident response:** During the reporting period, no major product safety incidents occurred that required public recall or posed significant consumer risk. For minor issues identified, root-cause analysis of incidents and corrective actions are developed and agreed with suppliers. Remediation plans included repairs, replacements, design modifications, and, where necessary, enhanced quality control, and were completed in alignment with regulatory requirements, with costs monitored.
- **Emergency protocols:** Group Product Alert and recall procedures are tested annually through mock exercises, ensuring defined escalation criteria, standardised reporting, timely confirmation, and effective product withdrawal for quality, safety, and legality incidents.
- **Customer complaint mechanisms:** We provide multiple channels for customers and other external stakeholders to provide feedback on defective products, including customer hotlines, emails, websites, social media platforms and digital applications to cater for specific market needs.

Metrics and Targets – Products

		Unit	2025	2024	2023
Sustainable Choices	Own Brand target categories: products with sustainability certifications.	% of SKU	48%	28%	24%
Sustainable Packaging	Own Brand plastic packaging components by weight sold to be Recyclable, Reusable or Compostable (RRC) by design.*	% of SKU	83%	n/a	n/a
Product Quality and Safety	Factories of Own Brand food products with a globally recognised food safety audit certification.†	% of SKU	90%	85%	81%

* Comparative data for 2023 and 2024 is not available. The RRC rate calculation methodology was implemented in 2025, and historical data could not be retrospectively calculated due to data unavailability.

† The remaining food factories were audited by a nominated third-party according to DFI audit scheme.

Planet

Protecting the planet represents a fundamental responsibility for leading businesses to drive meaningful change. At DFI, we recognise the complexity created by our extensive retail network and diversified supply chain, which contributes to a broad carbon footprint and varied waste streams. To address these challenges, we concentrate on the areas where we can achieve the greatest impact, supported by structured investments, innovation, and collaboration across our operations and value chain.

Our approach under the Planet pillar combines ambitions with disciplined execution, embedding environmental responsibility into decision-making and working with partners to accelerate decarbonisation, advance circularity, and deliver measurable outcomes at scale.

Carbon Footprint Reduction

We advanced our climate transition plan through refrigeration upgrades and energy efficiency improvements. Beyond our own operations, we partnered with suppliers to decarbonise our Scope 3 emissions in 4 key categories, including rice, coffee, beef, and dairy, through certified sourcing, innovation challenges, and capacity-building programmes. Asia's food and goods sourcing supply chains are fundamentally fragmented across tens of thousands of individual suppliers that feed into local, regional and global production and supply networks. These core categories represent the most material emissions areas for driving collective practices towards carbon reduction.

Waste Recycling and Reduction

Guided by circularity principles, we tackled food waste and packaging through practical and innovative solutions. Initiatives include reducing plastic shrink wrap with reusable textile roll cages, expanding food donation partnerships, and upcycling coffee grounds into fertiliser and meat trimmings into biodiesel.

Biodiversity and Water Conservation

Although biodiversity and water risks are not DFI's material topics, we recognise stakeholder expectations for transparency. We continue to monitor and disclose progress, including water-efficient farming practices in our low-emissions rice programme and sourcing certified products to mitigate deforestation exposure.

Related SDGs:



Scope 1 and 2:

22%

emission reduction for continuing businesses vs 2021 baseline (Target: 50% reduction by 2030)

Scope 3:

380 tonnes

Low-Carbon Rice launched in 2025

66%

waste diversion

(2024: 61%)

Carbon Footprint Reduction

Scope 1 and 2

Our primary sources of Scope 1 and 2 emissions are refrigerant leaks and electricity use. We remain committed to achieving a 50% reduction by 2030 compared to a 2021 baseline, as well as striving towards net zero by 2050. To support this progress, DFI has invested over US\$42 million since 2022, including US\$7.7 million in 2025, across a wide range of energy efficiency measures and refrigeration upgrades. Our efforts and progress in 2025 include:

- Conversion of refrigeration systems, including the first two CO₂ refrigeration systems in Hong Kong supermarkets, significantly reduced emissions from refrigerant leakages.
- Conversion of existing refrigeration gases towards gases with lower Global Warming Potential (GWP) in over 217 supermarkets and 150 7-Eleven stores in Hong Kong.
- Implementation of energy efficiency monitoring and air conditioning equipment, leading to lower energy usage and improved energy monitoring across over 800 supermarkets and 7-Eleven stores.
- Purchase of renewable energy certificates in Indonesia covering 2.2GWh of electricity use, to support the transition in a market with a carbon intensive power grid. This expands our investment in renewable energy – which to-date also include on-site solar panel systems on the rooftop of the Wellcome Fresh Food Centre, Hong Kong, and IKEA Taiwan.
- We continued to advance low-carbon logistics through the deployment of electric vehicles. In Hong Kong, Wellcome has operated a 24-tonne electric truck since February 2024, eliminating diesel use while reducing noise pollution and maintenance needs due to its simpler mechanical design. In Taiwan, IKEA's 26-tonne electric truck has been in operation since 2023, further strengthening our transition to cleaner distribution solutions across markets. We will also continue to explore opportunities to expand electric vehicle adoption in other markets.
- We provided onboarding training on energy saving to equip team members with the knowledge and practices needed to support ongoing reductions in energy use across our operations.

Cooling Down, Warming Less

Market Place commissioned Hong Kong's first CO₂-based natural refrigerant system



Refrigerants are crucial for keeping food fresh and safe for our customers. The majority of DFI's Scope 1 emissions stem from refrigeration systems during everyday use.

In 2025, DFI continued to upgrade refrigeration systems across its stores with advanced technologies designed to minimise gas leakage and enhance energy efficiency.

We commissioned the first CO₂-based natural refrigerant system in Hong Kong's food retail sector at the Cloudview Market Place store in North Point in April 2025, followed by a sub-critical CO₂ refrigeration system in Oliver's The Delicatessen in Central Hong Kong in September 2025. This is a milestone in our journey toward our target of a 50% reduction in Scope 1 and Scope 2 emissions by 2030.

With a Global Warming Potential (GWP) of just 1, CO₂ is one of the most environmentally responsible refrigerants available. By replacing legacy high-GWP refrigerants with this eco-friendly system, the transition significantly reduces direct emissions. The new system simultaneously improves energy efficiency, delivering about 13% reduction in annual electricity consumption of the refrigeration system and approximately 438 tonnes of carbon emissions, equivalent to the annual carbon absorption of 26,500 trees.

In 2025, 7-Eleven Hong Kong also upgraded to lower-GWP refrigerants in 150 stores, further reducing emissions and improving operational energy efficiency.

Our focus on addressing refrigerant emissions is integral to our Net Zero 2050 ambition and reflects our commitment to leading the sustainable transformation of the retail industry across Asia.

In addition to the initiatives, we continue to identify actions towards continual improvement, monitor and measure our energy and environmental performance, and identify how these initiatives lead to the improvement of our overall energy and GHG performance.

The continued efforts are translating into tangible emissions reduction. Adjusted for divested businesses, by the end of FY25, we remain on track at 22% reduction in Scope 1 and 2 emissions from 2021 baseline.

Scope 3

Within Scope 3, our purchased goods (Category 1) remain the most significant source of emissions. As we operate in a diverse region and rely on a vast, global supplier network, we remain committed to providing value-for-money, sustainable daily necessities for our customers. We are committed to sourcing products with lower impacts on the environment, more efficiently produced and from suppliers with credible environmental and social standards.

Our underlying principles to be focused, balanced and collaborative underpin our strategy to unlock meaningful and tangible emissions reduction. Our transition plan for Scope 3 emissions reduction focuses on four priority categories based on their importance to our customers in Asia and our ability to influence and activate decarbonisation efforts. These categories are rice, coffee, beef and dairy, where we have made continued progress in 2025. Key progress includes:

- Launch of our Own Brand low-emissions rice under the Yu Pin King brand, exceeding our original target to achieve 380 tonnes (original target at 200 tonnes). We have further committed to a long-term partnership with our supplier, Toumi Foods and Product Co., Ltd., including the production and delivery of 1,000 tonnes of Low-Carbon Rice to the Hong Kong and Macau markets in 2026. We shared our learnings with industries through various online and physical seminars to encourage adoption to increase the impacts.
- Adoption of Rainforest Alliance-certified coffee beans for 7CAFÉ in Hong Kong, Macau and Singapore, to ensure that our coffee beans are sourced from deforestation-free plantations. We have also expanded our circularity initiative by converting our coffee grounds into fertiliser to supply farms that produce vegetables for our 7-Eleven products.
- Launch of our first Sustainability Innovation Challenge with The Mills Fabrica, seeking to find innovative and cost-effective solutions that can help address the emissions from beef and dairy farming. This competition is open to global innovators and successful awardees, to be announced in 2026, who will have opportunities to work with our relevant suppliers.
- Launch of our supplier engagement and capacity building programme across key suppliers from the above categories to engage our suppliers and team members, provide training and advisory support, foster a community of learning and celebrate joint successes. The programme involves collaboration between the Commercial and Sustainability teams and is overseen by the Sustainability Committee with periodic updates on its progress. We are also updating our sustainable procurement policies and principles to enhance emphasis on suppliers' sustainability performance and support sustainable procurement.
- Engagement with international industry fora to gain insights and help shape international industry developments and standards, share our learnings with peers and support industry progress. Notably, we are part of the Climate Transition Coalition of the Consumer Goods Forum (CGF) and contributed towards the development of the Supplier Engagement resources and Common Data Framework, and actively applied them in our own decarbonisation and data management efforts. We have also participated in events and publications by the World Economic Forum's First Mover Coalition for Food, providing demand signals for sustainable production of key commodities such as rice, beef and dairy.

A Bowl Full of Climate Action

DFI's Own Brand Yu Pin King Successfully Scaled Up Low-Carbon Rice

御品 YU PIN KING

首推 低碳米 耕種計劃

Pioneer Low-Carbon Rice Cultivation Programme

榮獲多個可持續發展獎項
Recognised for multiple Sustainability Awards

- ✓ 減少碳排放
Reduces carbon emissions
- ✓ 支持可持續發展
Supports sustainable development
- ✓ 減少用水及環境污染
Reduces water use and environmental impact

DFI Own Brand Yu Pin King Low-Carbon rice programme

Scan QR code to learn more:

Rice is a staple food across Asia and a significant source of greenhouse gas emissions, making it one of DFI's top Scope 3 categories. To address this challenge, we led a successful sustainable rice cultivation pilot programme in Thailand in 2024, producing 110 tonnes of certified Low-Carbon rice with a minimum 30% reduction in GHG emissions compared to conventional cultivation while maintaining rice quality and yield.

Building on the success of the 2025 launch of Low-Carbon Rice, which saw a remarkable 25% increase in sales, DFI continues to lead the way in sustainable sourcing and climate action. In 2025, we are scaling up the programme through a five-year strategic partnership with Toumi Foods, targeting an increase in Low-Carbon Rice production and delivery to 1,000 tonnes for the Hong Kong and Macau markets in 2026—five times the 2025 goal. This milestone reflects our commitment to making sustainable, affordable products a reality for our customers while driving positive change in the food industry.

In the programme, DFI and Toumi actively support farmers by promoting green practices such as alternate wetting and drying irrigation, prohibiting straw burning, and optimising soil and fertiliser management. These efforts not only reduce Scope 3 emissions across the value chain but also empower farmers to adopt sustainable practices that strengthen climate resilience and improve livelihoods.

Our efforts have been recognised with three notable awards this year:

- UNSDG Achievement Awards Hong Kong 2025 for its contribution to SDG 13: Climate Action
- ESG Business Awards 2025 – Sustainable Supply Chain Partnership Award – Hong Kong
- FMCG Asia Awards 2025 – Sustainability Initiative of the Year – Hong Kong

These accolades underscore our leadership in building resilient, responsible supply chains and driving decarbonisation across the value chain.

Sustainability is a collective responsibility. With DFI's extensive retail network, we actively partner with stakeholders to drive meaningful impact. From supporting farmers with green practices to optimising procurement and logistics, and providing customers with sustainable options, we are creating positive change for both people and the planet.

To support an effective and progressive decarbonisation pathway, we rely on every part of our business to make structured, balanced decisions about our investments in decarbonisation. We allocate an annual carbon budget to our businesses and use internal carbon pricing to support decision-making. Given our operations across diverse markets, we apply an internal carbon price, where relevant, to support informed and localised investment decisions that balance emissions reduction with cost efficiency. The internal price is benchmarked to prevailing renewable energy certificate (REC) prices locally and is used as an input to the evaluation of applicable projects and investment decisions on emission reduction. Any shortfalls against their carbon budgets will need to be compensated through the purchase of RECs. At present, we do not rely on other forms of carbon offsets to meet our target towards 2030.

Our progress towards our 2030 target is built on sustained, systematic efforts to scale successful initiatives. In 2026, we will continue to strengthen the initiatives outlined above and in our climate transition plan (see Climate Transition Plan).

Waste Recycling and Reduction

DFI is dedicated to minimising waste generated during our operations and diverting it from landfill where practicable. Our waste diversion target is to achieve an 80% reduction by 2030.

Adopting a consistent approach to product packaging, our approach to managing waste is similarly grounded in a hierarchy of five key principles: Refuse, Reduce, Reuse, Replace, and Recycle. We provided onboarding training and refresher training to team members to reinforce behaviour in applying these principles. In 2025, we continued to progress following this hierarchy for our key waste types, significantly improving our total waste diversion to 66% compared to 61% in 2024.

Non-Product Waste – Paper Carton

- Paper carton provides an efficient and lower impact protection for the distribution of our products, especially from our distribution centres to stores. The collection of used paper cartons can be done more effectively within our distribution centres. To minimise the use of paper cartons in stores, our distribution centres managed single pick products in tote boxes, enabling paper carton recycling to be primarily handled there.
- Our major distribution centres contain paper carton compressing facilities to consolidate all paper carton use to be subsequently diverted to our recycling partner.
- Where paper cartons are delivered to stores, we collaborate with local collection organisations and partners to collect the used paper cartons. We provide training and support to our store teams to encourage high rates of paper and carton recycling and monitor collection rates through store surveys and sampling.

Non-Product Waste – Operational Plastic Use

- Our behavioural change campaign with team members also led to increased awareness to minimise plastic and packaging use and recycle consumed plastic wherever feasible.
- Since 2023, we have piloted various approaches to identify alternatives to plastic wrap for deliveries.
- For specific applications, we have transitioned to using textile doors and straps to secure products in roll cages. These can be reused, resulting in a reduction of plastic shrink wrap usage by more than 50% by weight at our Wellcome Fresh Food Centre and 7-Eleven distribution centre compared to last year.
- Where plastic shrink wrap is still required, we have optimised specifications by reducing thickness from 12mm to 8mm without compromising product protection during pallet delivery. This change helps cut over 80 tonnes of plastic annually. All shrink wrap used is collected and recycled at our distribution centres post-consumption.

Product Waste – Food Waste

- We continue to strengthen our operational excellence in managing our inventory to reduce the product loss or waste along the distribution chain.
- We have continued our partnerships with our existing donation partners, Feeding Hong Kong and Foodlink, and increased the donation channels of our surplus food or products to include Food Commons and Kadoorie Farm and Botanical Gardens. Our partnership with Kadoorie Farm and Botanical Gardens is notable as it represents the first time we have donated our food surplus as animal feed to support local biodiversity.
- For food waste which cannot be consumed, for example, coffee grounds, we have explored innovative approaches to upcycle them into other uses. Our Grounds to Green Programme (see details on P.71) represents our efforts to innovate and improve the circularity of our products. We also continue our collaboration with a local biofuel company to transform trimmed meat fat into biodiesel for our operations.
- Where surplus food cannot be donated, we have identified appropriate ways to divert the waste for lower-impact waste treatment. Building on our existing initiative to divert food waste from our Food business to Hong Kong's Anaerobic Digestion facility, O-PARK, for biogas production, 7-Eleven Hong Kong joined the programme in February, with 649 stores now participating. In 2025, our distribution centres consolidated and diverted 1,525 tonnes of food waste to O-PARK.
- We measure food loss and waste using a structured approach that combines system shrinkage records, category-specific weight proxies, and verified diversion data from NGOs and recyclers, supplemented by proxy-based modelling for stores with reference to GRI.

Biodiversity and Water Conservation

As a consumer retail business operator across our business formats, our most material contributions are in reducing our greenhouse gas emissions and waste, we recognise that we have a role to play in the conservation of biodiversity and natural resources, including water. At DFI, we continue to promote holistic approaches to sustainability, incorporating consideration of water, forest and other biodiversity issues into our decision-making as appropriate.

Our risk assessment of water indicates that our major operating locations in Asia are in low- to medium-water-stress areas (based on analysis of the WRI Aqueduct Water Risk Atlas). While we are at lower risk of water stress, we continue to implement water-conservation practices across our operating locations. We recognise that water stress may affect our key commodities, and we continue to monitor and evaluate these risks as they emerge. For example, we have identified that rice, one of our key commodities, is projected to be at risk of water stress in locations such as Thailand under future climate scenarios. Our low emissions rice programme helps to manage this risk by promoting Alternate Wetting and Drying (AWD) methods, which significantly reduce the water use in irrigation, improving the resilience of local farmers while lowering emissions from methane.

While we are not subject to regulations on deforestation, we continue to evaluate our exposure to deforestation risks, focusing on key commodities (such as coffee, cocoa, beef, wood/paper and palm oil) across our wide range of products. Sourcing sustainably certified products helps us mitigate this exposure, and we continue to identify potential improvement areas in our sustainable sourcing approach.

In summary, our efforts in 2025 include:

- **Water efficiency in own operations:** At the Wellcome Fresh Food Centre, one of our major water-consuming facilities, improved operational planning and upgraded equipment to improve water efficiency. These include the shift from steam boilers to instant heaters and the transition from running-water defrosting to air-flow exchange methods, which have reduced its water consumption by 23% compared with 2024.
- **Training-led resource efficiency:** Team members are trained on environmental efficiency, including energy, waste, plastic and water use, to encourage behavioural changes in their daily work and living environment.
- **Water efficiency in supply chain:** Low-emissions rice programme, which involves Alternate Wetting and Drying (AWD) methods to reduce water usage by up to 30%.
- **Managing deforestation exposure:** Increasing the proportion of sustainably certified Own Brand products to source from suppliers with no-/low-deforestation risks, including Rainforest Alliance certification for our coffee and cocoa, and Forest Stewardship Council (FSC) for our paper products.
- **Managing exposure to unsustainable fishing practices:** Increasing the proportion of sustainably certified Own Brand products to source from suppliers with sustainable fishing and responsible aquaculture practices, including Marine Stewardship Council (MSC) for fisheries and Aquaculture Stewardship Council (ASC) for farmed seafood.

Our environmental and climate-related approach is informed by the Jardine Matheson Sustainability Policy and Climate Change Policy, which apply across the Group and are reviewed periodically by executive management. These policies outline principles relevant to ESG expectations, including meeting applicable environmental and climate-related requirements, supporting continual improvement through regular monitoring, review and disclosure of progress, and measuring environmental impacts to guide target-setting such as greenhouse gas emission reduction. They also reinforce the importance of environmental awareness and climate literacy among team members, while encouraging wider engagement on sustainability topics across team members, customers, partners and, where appropriate, suppliers.

Our Supplier Code of Conduct also strengthens our approach by setting clear ESG expectations for suppliers. It requires suppliers to maintain policies and procedures to manage and minimise their environmental impacts, including responsible resource use and the management of water and air emissions. The Code also grants DFI audit rights and the ability to end relationships in cases of material non-compliance, supporting a disciplined process to work with suppliers who meet defined ESG standards and integrate ESG considerations into supplier engagement and procurement.

Metrics and Targets – Planet

Area	Performance indicator	Unit	2025	2024	2023
Scope 1 and 2 emissions	Total Scope 1	kt CO ₂ e	162	239	236
	Refrigerants	kt CO ₂ e	155	231	228
	Fuels for own trucks	kt CO ₂ e	7	8	8
	Total Scope 2 (market-based)	kt CO ₂ e	295	328	341
	Total Scope 2 (location-based)	kt CO ₂ e	296	328	341
	Total Scope 1 & Scope 2 (market-based)	kt CO ₂ e	457	567	577
	Total Scope 1 & Scope 2 (location-based)	kt CO ₂ e	458	567	577
	Scope 1 & Scope 2 (market-based) intensity	tCO ₂ e per US\$m net sales	52	64	63
Energy	Total energy consumption	Million GJ	2.35	2.52	2.59
	– Fuel	Million GJ	0.10	0.11	0.11
	– Electricity	Million GJ	2.25	2.41	2.48
	Energy intensity	GJ per US\$m net sales	254	284	282
Scope 3 emissions	Category 1 Purchased goods and services	kt CO ₂ e	2,062	2,174	2,307
	Category 14 Franchise	kt CO ₂ e	50	72	78
	Category 15 Investment	kt CO ₂ e	113	488	493
	Other Scope 3 categories	kt CO ₂ e	594	543	560
Waste Recycling and Reduction	Diverted waste				
	Paper	%	92%	89%	82%
	Food waste	%	15%	11%	12%
	Plastic	%	94%	78%	68%
	Others	%	43%	37%	44%
	Total diversion rate	%	66%	61%	56%

Scope 1 and 2 GHG emissions – for continuing businesses

Performance indicator	Unit	2025	2024	2023
Total Scope 1	kt CO ₂ e	82	132	127
Total Scope 2 (market-based)	kt CO ₂ e	265	288	291
Total Scope 1 & 2	kt CO ₂ e	347	420	418

Note: The difference between market-based and location-based Scope 2 figures is attributed to the purchase of Renewable Energy Certificates (RECs) for our operations in Indonesia.

Supporting Information

Basis of Preparation and Presentation

Disclosure Boundaries

This Disclosure covers ESG data for the year ended 31 December 2025. Where feasible, data from the two previous years is also provided, and any comparative figures from prior years have been adjusted to comply with updated DFI ESG accounting policy where material following our restatement policy.

For the scope of coverage, we include all subsidiaries of DFI unless stated otherwise. Associates, joint ventures and franchisees of DFI are out of scope unless stated otherwise.

DFI uses the operational control consolidation approach when reporting its ESG performance. For entities DFI owns and where we exercise operational control, the performance indicators are reported on a 100% basis.

Our Reported Datapoints

Our disclosure of data is prepared with reference to the IFRS S1 and S2 Standards and the Global Reporting Initiative (GRI) Standards.

DFI engaged third-party assurance for Scope 1 and 2 Greenhouse Gas Emissions. Please refer to the limited assurance statement in our Sustainability Disclosure 2025 for details.

Outcome Uncertainties and Estimation

In preparing the ESG-related information, DFI has made key judgements, estimations, and assumptions where the processes and issues involved with the data, models, and methodologies are evolving. Not all ESG data are of the same data quality standard, and there are challenges in accessing data on a timely basis and the lack of consistency and comparability between data. Reliance on historical data as a reliable predictor of future trends is limited. We expect industry guidance, market practice, and regulations in this field to

continue to change. This means the ESG metrics discussed in this Sustainability Disclosure carry an additional degree of inherent risk and uncertainty.

DFI may have to re-evaluate its reported metrics, update or alter the methodologies, and may be required to amend, update, and recalculate its ESG disclosures and assessments in the future, as market practice and data quality, accuracy, and availability change.

Restatement Policy

If an error or change in methodology leads to a change in a total figure that exceeds the materiality threshold of 5% of the original figure, the Group's total figures will be restated. The reasons for changes, revised comparative figures, and the differences would be noted.

In line with the IFRS Sustainability Disclosure Standards, DFI will not restate the prior year's data due to business divestments.

Reporting Basis

Planet

(1) Total Scope 1 & 2 greenhouse gas emissions

Scope 1 and 2 GHG emissions are calculated and consolidated with reference to the GHG Protocol Corporate Accounting and Reporting Standard ('GHG Protocol') and GRI 305: Emissions.

Scope 1 emissions refer to the gross direct refrigerant emissions from refrigeration and air conditioning equipment that are owned or controlled by DFI, with leakage estimated based on total weight of refrigerant purchased. Fugitive emissions from fire extinguishers are considered immaterial and therefore are not reported. Emission factors and global warming potential (GWP) values are obtained from data by the UK Department for Environment, Food and Rural Affairs (DEFRA) and the Intergovernmental Panel on Climate Change (IPCC)'s Sixth Assessment Report (AR6).

Scope 2 emissions refer to gross emissions from the generation of purchased electricity consumed by DFI. DFI reports both the location-based and market-based Scope 2 GHG emissions. We consider emissions from heating, cooling, or steam to be immaterial, and therefore are not reported. For the location-based approach, we use emissions factors from regional or national sources, or from the International Energy Agency (IEA). For the market-based approach, emission factors are based on the purchased contractual instruments between DFI or its subsidiaries and energy provider. Market-based emissions will be equivalent to location-based emissions, if no deliberate selection of electricity supplier is made and if no contractual arrangements have been made related to renewable energy attributes.

In a small number of cases, data is not directly available from our sites and we use data extrapolated from previously known consumption for the site, or estimated using other sites that are comparable in size and format.

(2) Total Scope 3 greenhouse gas emissions

Scope 3 GHG emissions are calculated with reference to the GHGP Scope 3 Guidance and GRI 305: Emissions.

DFI identifies Categories 1, 14, 15 as the most material categories of emissions, and we report on these categories separately, with the remaining categories reported as 'Other Scope 3 Categories'. Categories 8, 10 and 13 are not relevant to our retail operations and therefore we do not report on these. Given the complexity of our business and operations, actual data is not consistently available, and we rely on assumptions and estimations when calculating our emissions where data gaps exist.

Category 1: Purchased goods and services includes all upstream (i.e. cradle-to-gate) emissions from the production of products and services purchased in the reporting year. We calculated emissions from 1) purchased food items using an activity-based approach by product weight, 2) purchased non-food items and 3) services purchased by DFI, the latter two calculated using a spend-based approach. The average data method calculations are based on the publicly available emission intensity of different food product categories. For the spend-based method, we used the emissions intensities of different industries multiplied by the value of products or services purchased.

Category 14: Franchises - includes emissions from the operation of franchises not included in Scope 1 or Scope 2. For DFI, this includes Scope 1 and Scope 2 emissions from the convenience franchises in the Chinese mainland, Hong Kong and Macau, and Singapore.

Category 15: Investments – includes scope 3 emissions associated with DFI's investments in the reporting year, not already included in scope 1 or scope 2. For 2025, this covers all Scope 1 and 2 emissions from Maxim's Restaurant Group weighted by share ownership.

(3) Total energy consumption

Energy consumption is calculated and consolidated in accordance with GRI 302: Energy.

Energy consumption refers to the total usage of stationary and mobile fuel, as well as electricity. The data is collected from actual electricity bills, purchase records or internal estimations.

(4) Total waste disposal and diversion

Waste disposal and diversion are calculated with reference to GRI 306: Waste 2020.

Waste is defined as any material DFI discards, intends to discard, or is required to discard, categorised into hazardous and non-hazardous waste.

- Hazardous waste: Waste possessing characteristics in Annex III of the Basel Convention or defined as hazardous by national legislation (e.g. clinical and pharmaceutical waste, batteries, cartridges).
- Non-hazardous waste: Further categorised into Product Waste (shrinkage/written-off items such as expired food or damaged goods) and Non-Product Waste (operational by-products such as secondary packaging, polyfoam, plastic wraps, and general refuse).

Referring to GRI 306, Waste Disposal is defined as waste sent to landfill or incineration. Waste diversion is defined as waste prevented from entering landfills through methods such as reuse, repair, repurposing, and recycling. **Waste diversion rate (%)** is calculated as the total weight of diverted waste divided by the total weight of waste generated.

Product waste:

- Disposal weight is calculated based on system shrinkage records. The weight of primary packaging is estimated using category-specific proxies derived from sampling. Diversion figures are based on actual records provided by NGOs, government bodies, or third-party recyclers.

Non-product waste:

- Distribution centres (DCs) and office: Disposal and diversion are calculated based on invoice data or reports from waste collectors. This includes hazardous waste such as batteries and cartridges.
- Stores: Due to the high volume of sites, the Group adopts a proxy-based approach. Waste generation is estimated using activity data, such as revenue, multiplied by waste intensity proxies. These proxies were developed with external consultants through sampling in key markets.

- Specific diversion estimates: For paper in Hong Kong and the Chinese mainland, diversion rates are determined via store-level surveys regarding recycling practices, applied to the estimated waste generation.

People

People-related data is calculated with reference to GRI 2: General Disclosures 2021 and GRI 404: Training and Education 2016.

Team member: defined as Individuals in an employment relationship with DFI according to national law.

This includes full-time, part-time, permanent, and temporary employees.

Training: defined as any type of knowledge-based and skills-based session, attended by team members on a compulsory or voluntary basis. This includes DFI-organised instructor-led or functional knowledge exchange sessions, digital learning provided by DFI's learning platform, and approved external training and education leave paid for by DFI.

Senior leadership: Defined as Grade 16 or above according to the Willis Towers Watson Global Grading System, which we have matched to the DFI grading system for direct comparison.

- (1) **Average training hours:** Calculated as total training hours divided by total Full-Time Equivalent (FTE) employees. Part-time members are counted as 0.5 FTE. Headcount is based on year-end figures; divested businesses use FTE as of the final day before divestiture.
- (2) **Senior leadership diversity (%):** Calculated as the number of female senior leadership members divided by the total number of senior leadership members.

Health and safety: The health and safety data is calculated with reference to the GRI 403 Occupational Health and Safety. Data covers all employees (full-time, part-time, permanent, and temporary). Rates are calculated per 100 full-time equivalent employees (based on 200,000 hours worked annually).

- (3) **Work-related injuries:** Defined as negative impacts on health arising from exposure to hazards at work.
- (4) **Lost time injuries:** defined as work-related injuries or illnesses that result in an employee being unable to perform their regular work duties for at least two scheduled workdays including the day of the incident.
- (5) **Recordable work-related injuries:** defined as work-related injuries that result in any of the following: days away from work, restricted work, medical treatment beyond first aid, or significant injury diagnosed by a physician or other licensed healthcare professional.
- (6) **High-consequence work-related injuries:** defined as work-related injuries that result in the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 180 workdays.
- (7) **Fatality:** defined as the death of an employee resulting from a work-related injury or occupational illness during employment on company premises or while performing job-related duties.

Hours worked: based on actual clock-in and clock-out records for most stores and distribution centres. For offices, standard hours minus leave are applied to average headcount.

Rates (TRIR, LTIR, high-consequence, fatality): Calculated using the standard formula: (Number of incidents × 200,000)/total hours worked.

- (8) **Factories (in high-risk countries) supplying Own Brand products audited against amfori BSCI or equivalent standards (cumulative):** Percentage of Own Brand factories in high-risk countries audited against amfori BSCI or equivalent standard cumulatively out of all Own Brand factories. Factories in countries are categorised as 'high-risk' according to the amfori BSCI Countries Risk Classification and other published country risk indexes on labour rights protection.

Products

- (1) **Own Brand plastic packaging:** The weight of all RRC components as a percentage of the weight of all plastic components for DFI's Own Brand products. The scope covers active Own Brand products that contain plastic packaging components, sold within the reporting year. For the weight of a packaging or packaging component to be reported as recyclable, reusable or compostable (RRC), the following conditions must be met. The plastic component is recyclable if it: uses RIC #1 PET, #2 HDPE, #4 LDPE, or #5 PP and can be collected and recycled by design. Products that do not contain any plastic packaging components – for example, products packaged solely in glass, paper, or metal – are outside the scope of this metric.
- (2) **Product sustainability certification SKUs:** For the relevant Own Brand product category, percentage of SKUs that have received globally recognised sustainability certifications. The applicable in-scope categories are seafood, eggs, coffee, cocoa, and paper. For the paper category, we consider SKUs with recycled paper in addition to sustainability certifications. The certifications include but are not limited to Marine Stewardship Council (MSC), Aquaculture Stewardship Council (ASC), Best Aquaculture Practices (BAP), Forest Stewardship Council (FSC), Rainforest Alliance.
- (3) **Factories of Own Brand products with a globally recognised food safety audit certification:** Percentage of Own Brand factories that hold certification from a globally recognised food safety programme that is accredited under the Global Food Safety Initiative (GFSI) scheme, relative to all Own Brand factories. Facilities that do not possess GFSI certification must adhere to the food safety requirements outlined in DFI's Supplier Technical Standards, which are established by our Technical team and audited by a DFI-appointed third-party partner.

Independent practitioner's limited assurance report on DFI Retail Group Holdings Limited's ESG data

To the board of directors of DFI Retail Group Holdings Limited

Limited assurance report on the consolidated ESG data

Limited assurance conclusion

We have conducted a limited assurance engagement on the consolidated ESG data, which consists of the greenhouse gas emissions of DFI Retail Group Holdings Limited (the 'Group'), included within the Planet section of the Group's Sustainability Disclosure of the Group's Annual Report 2025 as identified in the Consolidated ESG data section below (the 'Consolidated ESG data') for the year ended 31 December 2025.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Consolidated ESG data is not prepared, in all material respects, in accordance with the criteria applied as explained in the Total Scope 1 & 2 Greenhouse Gas Emissions section within the Planet section of the Group's Sustainability Disclosure 2025.

Consolidated ESG data

The Consolidated ESG data for the year ended 31 December 2025 is summarised below:

Data Point	Units	2025
Total Scope 1 & Scope 2 (location-based)	kt CO ₂ e	458
Total Scope 1 & Scope 2 (market-based)	kt CO ₂ e	457

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements ('ISAE') 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information ('ISAE 3000 (Revised)'), and, in respect of the greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance engagements on greenhouse gas statements ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board (the 'IAASB').

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under these standards are further described in the Practitioner's responsibilities section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 issued by the IAASB, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities for the Consolidated ESG data

Management of the Group is responsible for:

- the preparation of the Consolidated ESG data in accordance with the criteria applied as explained in the Total Scope 1 & 2 Greenhouse Gas Emissions section under the Planet section of the Group's Sustainability Disclosure 2025;
- designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of the Consolidated ESG data, in accordance with the criteria applied as explained in the Total Scope 1 & 2 Greenhouse Gas Emissions section under the Planet section of the Group's Sustainability Disclosure 2025, that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

Inherent limitations in preparing the Consolidated ESG data

Greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Practitioner's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Consolidated ESG data is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. We report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Consolidated ESG data.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) and ISAE 3410, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- determine the suitability in the circumstances of the Group's use of reporting criteria as the basis for the preparation of the Consolidated ESG data;
- perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control; and
- design and perform procedures responsive to where material misstatements are likely to arise in the Consolidated ESG data. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated ESG data. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of where material misstatements are likely to arise in the Consolidated ESG data, whether due to fraud or error.

In conducting our limited assurance engagement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Consolidated ESG data by inquiring of the persons responsible for the Consolidated ESG data;
- Evaluated whether all information identified by the process to identify the information reported in the Consolidated ESG data is included in the Consolidated ESG data;
- Performed inquires of relevant personnel and analytical procedures on selected information in the Consolidated ESG data;
- Performed substantive assurance procedures on selected information in the Consolidated ESG data; and
- Evaluated the methods, assumptions and data for developing estimates.

Other matter

Our conclusion on the current period addresses the Consolidated ESG data described in the 'Limited assurance conclusion' section of our report. The comparative ESG data presented within the Planet section of the Group Sustainability Disclosure 2025 for the year ended 31 December 2023 relating to Consolidated ESG data set out below was not subject to assurance.

Data Point	Units	2023
Total Scope 1 & Scope 2 (location-based)	kt CO ₂ e	577

Our conclusion is not modified in respect of this matter.

PricewaterhouseCoopers

Certified Public Accountants
Hong Kong
3 March 2026

Content Index – TCFD

We have disclosed a TCFD section within our annual report since 2022. This year, we have integrated the TCFD content across our Sustainability Disclosure, with additional disclosure aligning to the requirements of IFRS S1 and S2 where appropriate. The content index provides a quick navigation to relevant disclosures against the TCFD requirements.

TCFD recommendation	Recommend disclosures	Location
Governance Disclose the organisation’s governance around climate-related risks and opportunities.	a. Describe the Board’s oversight of climate-related risks and opportunities.	Sustainability Governance Page 40-41
	b. Describe management’s role in assessing and managing climate-related risks and opportunities.	
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organisation has identified over the short-, medium-, and long-term.	Climate-related risk and opportunity disclosure – Sustainability Strategy Pages 49-52
	b. Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.	
	c. Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
Risk Management Disclose how the organisation identifies, assesses, and manages climate-related risks.	a. Describe the organisation’s processes for identifying and assessing climate-related risks.	Climate-related risk and opportunity disclosure – Sustainability Strategy Pages 49-52
	b. Describe the organisation’s processes for managing climate-related risks.	
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.	Sustainability Risk and Opportunity Management Pages 53
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Metrics and Targets – Planet Page 83
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.	
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Planet Pages 76-80 Metrics and Targets – Planet Page 83

Directors' Profiles

as at 28 February 2026

Lincoln Pan

Chairman

Lincoln Pan joined the Board as Chairman in November 2025. Lincoln joined from PAG, the largest fully diversified alternative investment business in the Asia Pacific region, where he was a partner and co-head of Private Equity and a member of the Group Executive Committee. He previously held the role of chief executive officer, Greater China at WTW (previously known as Willis Towers Watson), served in executive roles at Advantage Partners and GE Capital, and worked at McKinsey & Company.

Lincoln is the chief executive officer of Jardine Matheson, a director of Hongkong Land and a commissioner for PT Astra International Tbk.

Lincoln holds a Juris Doctor (J.D.) from Harvard Law School.

Scott Price*

Group Chief Executive

Scott Price joined the Board as Group Chief Executive effective on 1 August 2023. He has over 30 years of retail, logistics and consumer packaged goods sectors experience from around the world. Scott was previously the President, International at UPS, before which he was the executive vice president of global leverage at Walmart and was also the President & CEO of DHL Express in Europe. He started his career with the Coca Cola Company and held country business positions in various locations across Asia.

Scott also serves on the boards of Coles Group in Australia, The Consumer Goods Forum (CGF) and the World Retail Congress. Additionally, Scott is a co-sponsor of CGF's Net Zero Coalition of Action, an initiative aimed at accelerating the reduction of greenhouse gas emissions within the retail and consumer goods industry.

Scott holds a bachelor's degree in business administration from the University of North Carolina and earned both an MBA and a master's degree in Asian studies from the University of Virginia.

Tom van der Lee*

Group Chief Financial Officer

Tom van der Lee joined the Board as Group Chief Financial Officer in October 2024, having served in various senior financial roles within the Group since 2016. He is a Chartered Controller with extensive regional experience in the Asian retail and consumer goods markets. He previously held various finance director roles with FrieslandCampina.

Tom holds master's degrees in financial management from Nyenrode University and in Finance and Control from Maastricht University. He also completed a dual-degree MBA programme jointly offered by the Kellogg School of Management in the United States and the Hong Kong University of Science and Technology.

Graham Baker

Graham Baker joined the Board in July 2024. He is a member of the Audit Committee and Finance Committee of the Company. He was previously an executive director and chief financial officer of Smith+Nephew PLC in the United Kingdom from 2017 to 2020. Prior to joining Smith+Nephew PLC, he worked for 20 years for AstraZeneca PLC in a range of senior roles in the United Kingdom and internationally, including in Japan and Singapore, and then as chief financial officer of Alvogen, generic pharmaceutical company. He is also the chief financial officer of Jardine Matheson.

Graham has an MA in Economics from Cambridge University and is a Chartered Accountant and Chartered Tax Advisor.

* Executive Director

Elaine Chang

Elaine Chang joined the Board in February 2025. She has over 30 years of experience across multiple geographies and industries, including semiconductors, hardware devices, digital content, e-commerce, cloud computing, and AI. Elaine currently serves as chairman of the board of various companies within the Visa group. She was formerly the corporate vice president of Amazon, specialised in digital transformation, cloud computing, and generative AI/machine learning go-to market. Prior to Amazon, she held various leadership roles at Intel, including general manager of corporate marketing and channel sales for China.

Elaine holds a Bachelor of Engineering in Electrical Engineering from University of Washington.

Dave Cheesewright

Dave Cheesewright joined the Board in 2021. He is a member of the Audit Committee and Finance Committee of the Company. He is currently a non-executive director of Rapha Racing Ltd. He was the former president and chief executive officer of Walmart International.

Dave holds a Bachelor of Science in Sports Science and Mathematics and a Post Graduate Certificate in Education (PGCE) from Loughborough University.

Weiwei Chen

Weiwei Chen joined the Board in 2021. She is the Chair of the Audit Committee of the Company. She is currently an independent non-executive director and a member of the audit committee and the nomination committee of HBM Holdings Limited and a board senior adviser to Pharmplus. She was the former vice president and chief financial officer, China of Starbucks and chief financial officer, China Division of Yum! Brands. She was also an independent non-executive director of LianBio.

Weiwei holds a Bachelor of Science in Accountancy from University of Illinois and Master of Business Administration from Rutgers University.

Christian Nothhaft

Christian Nothhaft joined the Board in 2021. He is a member of the Nominations Committee and Remuneration Committee of the Company. He is currently the chief executive officer of Guoco Group Limited and the chair of Active Capital Partners Limited. Christian also serves as a non-executive director of The Rank Group Plc and Lam Soon (Hong Kong) Limited. He was the former CEO of Watsons Personal Care Stores, China, the managing director of Fortress Hong Kong, and Watsons Wine HK as well as the regional managing director of Movenpick (Restaurants) Asia.

Christian holds a Bachelor of Arts in Hospitality and Tourism Management from Munich University of Applied Science.

Our Management Committee



Scott Price
Group Chief Executive

Scott Price is the Group Chief Executive of DFI Retail Group, bringing over 30 years of experience in retail, logistics and consumer packaged goods sectors globally. He began his career with The Coca-Cola Company in Japan where he continued through various leadership roles across Asia. In 2002, Scott joined DHL Express as President in Japan before advancing to Chief Executive Officer for Asia Pacific in 2005 and Chief Executive Officer for Europe in 2007.

From 2009, Scott led Walmart's Asia business from Hong Kong overseeing operations across the region. He relocated in 2014 to the United States to take on a global leadership role, managing Walmart's global sourcing as well as strategy, technology and real estate for the International Division.

In 2017, Scott joined UPS as Chief Strategy and Transformation Officer, responsible for strategic planning, Global Business Services and the company's Advanced Technology Group. He was appointed Executive Vice-President, UPS International in 2020, overseeing all 220 markets outside the U.S.

In August 2023, Scott joined DFI Retail Group to lead the business. He also serves on the boards of Coles Group in Australia, The Consumer Goods Forum (CGF) and the World Retail Congress. Additionally, Scott is a co-sponsor of CGF's Net Zero Coalition of Action, an initiative aimed at accelerating the reduction of greenhouse gas emissions within the retail and consumer goods industry.

Scott holds a bachelor's degree in business administration from the University of North Carolina and earned both an MBA and a master's degree in Asian studies from the University of Virginia.



Tom van der Lee
Group Chief Financial Officer

Tom van der Lee was appointed Group Chief Financial Officer in October 2024, responsible for driving the Group's financial performance, capital management, and long term financial strategy with a focus on financial discipline, value creation and sustainable growth.

With more than 20 years of experience in Asia, Tom has lived and worked in Thailand, Vietnam, Indonesia, Singapore and Hong Kong, bringing deep insight into complex, multi-market operating environments and diverse consumer businesses.

Tom first joined DFI in 2016 and held various senior finance positions, including Finance Director Singapore, Finance Director for Southeast Asia, Finance Director Health & Beauty and Group Finance Director, supporting the Group through periods of transformation, portfolio evolution and operational change.

Prior to joining DFI, Tom spent 14 years with FrieslandCampina in financial leadership roles across Europe and Asia within a multinational consumer goods organisation.

Tom holds master's degrees in financial management from Nyenrode University and in Finance and Control from Maastricht University. He also completed a dual-degree MBA programme jointly offered by the Kellogg School of Management in the United States and the Hong Kong University of Science and Technology.



Martin Lindström
Chief Executive Officer,
DFI IKEA

Martin Lindström was appointed Chief Executive Officer of DFI IKEA in August 2021, overseeing the Group's IKEA operations in Taiwan, Hong Kong, Macau and Indonesia. He joined the Group in 2007 as General Manager of IKEA Taiwan, later becoming CEO of the Group's IKEA business in 2010 and Group Director, IKEA in 2013.

Martin brings 30 years of experience with the IKEA business, including 20 years in the Asia Pacific region, and has held senior positions in Europe and Eastern Europe.



Curtis Liu
Chief Executive Officer,
Food

Curtis Liu was appointed CEO of Food in September 2024, overseeing DFI's Food businesses across Hong Kong, Macau and Cambodia.

With more than 24 years of diverse retail experience in Chinese mainland and Taiwan, Curtis has a deep understanding of consumer preferences and effective merchandising strategies. From 2004 to 2013, he served as DFI's Merchandise and Marketing Director for Wellcome Taiwan, where he honed his skills in these areas.

In his recent role at JD.com, Curtis successfully integrated advanced technologies like big data and AI into the company's supply chain operations, generating deeper customer insights and translating them into actionable, data-driven strategies. Prior to that, he held senior positions at Meicai and Walmart China, further expanding his expertise in omnichannel retail strategies, merging online and offline customer experiences, and data-driven customer analysis.



Yoep Man
Chief Executive Officer,
7-Eleven

Yoep Man was appointed Chief Executive Officer of 7-Eleven in February 2025, overseeing a network of over 3,500 stores across South China, Hong Kong, Macau and Singapore.

Previously, he led DFI's Food business in Singapore, with responsibility for supermarket brands including Cold Storage, CS Fresh and Giant, and drove the group's e-commerce expansion.

With more than 20 years of experience in the food retail and FMCG sectors across Asia Pacific, Yoep has a strong track record in driving growth and transformation in major Asian markets. Prior to joining DFI, he was responsible for commercial strategy at Metro China and served on its Executive Board, where he led the diversification from B2B to B2C and spearheaded the company's digital transformation.

Yoep also held senior leadership roles at Walmart China, including Chief Merchandising Officer and Chief Operations Officer of Sam's Club, supporting growth through organic expansion, new club openings and e-commerce investments. He was a member of Walmart China's Executive Committee and served as a Global Officer.

Earlier in his career, Yoep spent over 12 years with SPAR International, contributing to its expansion across China, Indonesia, Thailand and Mongolia, and ultimately serving as Managing Director, China.



Andrew Wong
Chief Executive Officer,
Health & Beauty

Andrew Wong was appointed Chief Executive Officer of Health & Beauty in November 2023, overseeing Guardian and Mannings' businesses across all DFI markets.

Andrew's career spans from start-ups and the public sector to the business sector. He found his passion for business and entrepreneurship early on and has since been dedicated to driving businesses towards excellence, innovation and sustainability.

Previously, Andrew had served as CEO of Health & Beauty North Asia since 2021, managing Mannings' businesses in Hong Kong, Macau and Chinese mainland. Before that, he was Group Chief Executive of Jardine Restaurant Group, overseeing the operations across Asia from 2018. He joined SSP Group in 2013 and was later appointed Regional Managing Director, responsible for developing the group's multi-brand portfolio in Asia Pacific. Andrew also held various leadership roles at DFI and Pacific Coffee.

Beyond his corporate responsibilities, Andrew serves as Vice Chairman of the Hong Kong Retail Management Association. He is also a Member of the Quality Tourism Services (QTS) Committee and Chairman of the QTS Sub-Committee of the Hong Kong Tourism Board.



Crystal Chan
Group Chief Technology
and Information Officer

Crystal Chan was appointed Group Chief Technology and Information Officer in July 2024, leading the development and execution of the DFI Retail Group's technology strategy to enhance operational efficiencies and customer experiences across operations.

With more than 20 years of international experience in technology, digital, and data, Crystal has managed teams across Australia, New Zealand, Asia, the Middle East and Africa. Early in her career, she gained experience in multiple industries, including banking, utilities, consumer packaged goods and charity. In 2004, Crystal joined Asahi Premium Beverages to transform their technology landscape in New Zealand, later moving to Australia in 2008. She joined DFI Retail Group in 2012, achieving significant milestones in leading comprehensive technology strategies, such as launching multiple major technology programmes, IKEA's digital transformation and yuu Rewards.

In 2022, Crystal joined British American Tobacco and relocated to Singapore in 2023 as the Regional Chief Information Officer, where she was responsible for the enterprise and digital technology strategy and services for more than 70 markets and global travel retail.

Crystal holds a bachelor's degree in information systems and operations management, a master's degree in management science and information systems from the University of Auckland, and a master's degree in organisational leadership from Edinburgh Napier University.



Ella Chan
Group Chief Strategy Officer

Ella Chan was appointed Group Chief Strategy Officer at DFI in April 2025. She is responsible for shaping the Group's strategic direction and oversees Corporate Strategy, Mergers & Acquisitions, Investor Relations, and Insights.

A leader with more than 20 years of global experience in the retail and consumer sectors, Ella has a distinguished track record in strategy, business transformation, and innovation. Prior to joining DFI, she served as Chief Strategy Officer at Landmark Group in the U.A.E. She previously spent over a decade at Walmart, culminating in her role as Vice President of Strategy and Regeneration, where she served as a corporate officer. During her tenure, she built high-performance teams with a strong emphasis on diversity, equity, and inclusion while holding pivotal positions across the United States, Chinese mainland, and Hong Kong. Her leadership was instrumental in driving double-digit sales growth and operational excellence at Sam's Club.

Throughout her career, Ella has consistently delivered growth by combining strategic clarity with disciplined execution. She has pioneered digital innovations—including grocery home shopping applications—and developed new retail formats aligned with evolving consumer needs.

Ella holds a Bachelor of Science in Finance and Entrepreneurial Management from The Wharton School and a Master of Business Administration from the Hong Kong University of Science and Technology and London Business School.



Erica Chan
Group Chief Legal,
Sustainability and
Corporate Affairs Officer

Erica Chan was appointed Group Chief Legal, Sustainability and Corporate Affairs Officer in December 2023. She is one of the directors and/or the company secretary for a number of DFI Retail Group subsidiaries. In her role, Erica oversees the Legal, Sustainability, Communications and Corporate Affairs, Group Technical, Risk management, Ethics and Compliance and Loss Prevention functions for DFI Group.

With more than 28 years of experience in retail, e-commerce, media, governance, ethics and operational and regulatory compliance in the Asia Pacific region, Erica brings a wealth of knowledge to her role. Prior to joining DFI, she spent 12 years at Walmart, most recently as SVP, General Counsel and Chief Administrative Officer, Asia, where she oversaw all legal matters in Asia and managed the human resources and administrative functions for the Asia office. She was also a member of Walmart's Global President's Diversity and Inclusion Council. Before Walmart, Erica spent 13 years at Star TV Group as the General Counsel for Greater China and General Manager for Hong Kong.

Erica is a Hong Kong-qualified solicitor. She holds a Postgraduate Certificate in Laws from the University of Hong Kong, a Common Professional Examination certificate from the University of Sussex and Bachelor of Social Science in Government and Public Administration degree from the Chinese University of Hong Kong. She also obtained the Certification on Championing Sustainability from the Boardroom from the Stanford University.



Wee Lee Loh
Group Chief Digital and
yuu Rewards Officer

Wee Lee Loh was appointed Group Chief Digital and yuu Rewards Officer in April 2025, overseeing yuu Rewards, Retail Analytics, and Retail Media. He joined the Group in September 2023 as the Group Chief Digital Officer, where he has been driving the growth of the Group's digital businesses.

Prior to joining DFI, Wee Lee held various senior management roles with Lazada Group, serving in both regional and country business roles across corporate development, innovation and general business management. As the CEO of Lazada Singapore, he led both the Lazada marketplace and Singapore's leading online grocery Redmart, transforming the business towards growth and sustainability.

Wee Lee also held leadership roles in two Singapore-listed engineering and technology companies, leading strategy, corporate development and business operation roles across multiple locations. He led and incubated the growth of emerging new businesses in energy, infrastructure, robotics, automotives and AI-linked domains. Wee Lee began his private sector career as a management consultant with McKinsey and Company across Asia Pacific and has lived and worked in more than 10 countries.

Wee Lee holds a Bachelor of Arts majoring in Economics (Summa Cum Laude) from Cornell University and graduated as a Merrill Presidential Scholar. He also holds a Master of Arts majoring in Statistics from Harvard University.

Wee Lee is a non-executive independent Director at QAF Limited and an advisory board member of the Singapore Management University College of Integrative Studies (CIS).



Joy Jinghui Xu
Group Chief People &
Culture Officer

Joy Xu was appointed Group Chief People & Culture Officer in August 2023, responsible for leading DFI's People & Culture and operationalise its ambitious People & Culture Strategy across all functional areas, formats and banners in all markets.

Joy brings 30 years of international expertise in HR leadership roles across the globe, having worked in the US, China, UAE, Germany and Hong Kong. She previously held leadership roles at Procter & Gamble, PepsiCo, Sandoz (formerly a Novartis company) and Manulife.

Joy has received numerous international awards for her contributions to HR, including being named a Global Rising Star by Global Women Forum in 2007 and 2008. She was honoured with an HR Excellence award by World HRD Congress in 2010 and named one of the 501 Most Fabulous Global HR Leaders by the same organisation in 2020. In 2022, she received the Imergey Luminary Award and in 2024, she was named one of Asia's Most Inspirational Women in Leadership by House of Rose.

Joy currently serves as a board director at LumiVoce Foundation Limited, a Hong Kong-based education charity supporting biodiversity learning through the arts.

Joy holds a bachelor's degree in applied English from the South China University of Technology and a postgraduate degree in organisational leadership from Saïd Business School, University of Oxford.

Corporate Governance

Overview of the Group's Governance Approach

DFI Retail Group (the Group), comprising DFI Retail Group Holdings Limited (the Company) and its subsidiaries, understands the value of good corporate governance in driving the long-term sustainable success of its business and attaches importance to the corporate stability that strong governance brings.

The Group is committed to high standards of governance. The system of governance it has adopted has been developed, over many years, by both the Group and its stakeholders who regard it appropriate to the nature of its business and the long-term strategy it pursues in its markets. The Group's governance framework is tailored to its size, ownership structure, complexity and breadth of business. It enables the Group to benefit from Jardine Matheson's professional expertise while at the same time ensuring that the independence of the Board is respected and clear operational accountability rests with the Company's executive management.

The Company also ensures that the Group continues to demonstrate the characteristics and values that have enabled the Group to prosper over the long-term:

- **A long-term perspective** – the Group takes a long-term view in its decision-making and investments, drawing on the expertise and experience of our Directors, and does not focus on short-term profits. This leads to long-term, sustainable growth for our shareholders and benefits the communities where we operate.
- **Credibility, stability and trust** – the credibility, stability and trust built up by the Group over many generations are highly valued by our partners and other stakeholders, especially in developing markets.
- **Deep knowledge of our markets** – the extensive experience and long track record of the Group have led to a deep understanding of how to drive successful growth across our markets, giving the Group a competitive advantage.

The Group believes that its stakeholders gain significant value from the long-term approach it takes. It is also important, however, to adapt to changing circumstances in our markets and, where appropriate, to the developing expectations of stakeholders and changes in best practices. In this context, over the past years, the Group has strengthened the Company's Board and leadership team, bringing in expertise to support our businesses in highly dynamic and competitive markets.

In parallel, we have continued to enhance our approach to governance to be more focused and to drive better decision-making and results.

In order to ensure clear allocation of accountability, the Company's leadership team is responsible for developing and executing the Group's business strategies and delivering on performance. The leadership team is directly accountable to the Board, which provides robust challenge, support and guidance, bolstered by extensive industry-specific expertise and experience from independent non-executive directors (the INEDs).

INEDs with a broad and diverse range of backgrounds are a valuable source of external perspectives and are a key element of good governance and decision-making. The Company has taken further steps over the past years to increase the independence and diversity of its Board.

Overview of the Group's Governance Approach *continued*

During the year under review, the Company underwent several changes in its governance. Elaine Chang was appointed as an additional INED to the Board and Ben Keswick stepped down from the Board on 17 February 2025. On 1 November 2025, Lincoln Pan was appointed to the Board as a Non-Executive Director, Chairman of the Board (Chairman), and the Chair of the Remuneration and Nominations Committees, succeeding John Witt. As a result of these changes, as at 28 February 2026, the Board comprises eight Directors, of whom 50% are considered independent, taking into account the independence considerations under the UK Corporate Governance Code (the Code), and 25% are female.

Having an effective corporate governance framework supports the Board in delivering the Group's strategy and fosters long-term sustainable growth, and ensures it operates transparently and in accordance with the best practice.

Governance and Legal Framework

The Company is incorporated in Bermuda with its retail business interests held in Asia, and Jardine Matheson is the ultimate holding company of the Group. The primary listing of the Company's equity shares is in the Equity Shares (Transition) Category (the Transition Category) of the Main Market of the London Stock Exchange (LSE). The Company also has secondary listings in Singapore and Bermuda. As the Company has only secondary listings on these exchanges, many of the listing rules of such exchanges are not applicable. Instead, the Company must release the same information in Singapore and Bermuda as it is required to release under the rules which apply to it as a result of being listed in the Transition Category on the LSE.

As a company incorporated in Bermuda, the Company is governed by:

- The Bermuda Companies Act 1981 (the Bermuda Companies Act);
- The Bermuda Dairy Farm International Holdings Limited Consolidation and Amendment Act 1988 (as amended), pursuant to which the Company was incorporated, and the Bermuda Dairy Farm International Holdings Limited Regulations 1993 (as amended, the Regulations) were implemented; and
- The Company's Memorandum of Association and Bye-Laws.

The Bermuda Takeover Code for the Company is set out in the Regulations and is based on the UK City Code on Takeovers and Mergers (the Code). It provides an orderly framework within which takeover offers can be conducted and the interests of shareholders protected.

Other acquisition mechanisms available under the Bermuda Companies Act include schemes of arrangement and amalgamation and mergers. The Bermuda Companies Act provides a framework within which such procedures can be conducted and the interests of shareholders protected.

The shareholders can amend the Company's Bye-Laws by way of a special resolution at a general meeting of the Company. The Company's shareholders approved the adoption of the new Bye-Laws at the 2025 Annual General Meeting (AGM) on 2 May 2025.

Governance and Legal Framework continued

The Company's listing in the Transition Category of the LSE means that it is bound by many, but not all, of the same rules as companies which fall within the Equity Shares (Commercial Companies) categories (the Commercial Companies Category) of the LSE, under the UK Listing Rules, the Disclosure Guidance and Transparency Rules (DTRs) issued by the Financial Conduct Authority in the United Kingdom (FCA), the UK Market Abuse Regulation (MAR) and the Prospectus Regulation Rules. This includes rules relating to continuous disclosure, periodic financial reporting, disclosure of interests in shares, market abuse and the publication and content of prospectuses in connection with admission to trading or the offering of securities to the public. In addition, the Company is subject to regulatory oversight from the FCA, as the Company's principal securities regulator, and is required to comply with the Admission and Disclosure Standards of the Main Market of the LSE.

The Company and its Directors are also subject to legislation and regulations in Singapore relating, among other things, to insider dealing.

When the shareholders approved the Company's move to a standard listing from a premium listing in 2014, the Company stated that it intended to maintain certain governance principles, which were applicable to it at that time by virtue of its UK premium listing. As a result, the Company adopted a number of governance principles (the Governance Principles) based on the applicable requirements for a UK premium listing in 2014, which went further than the standard listing requirements at the time.

Following the FCA's reform of the UK listing regime in 2024, including the introduction of new UK Listing Rules (the UK Listing Rules), the replacement of the previous UK premium and standard segments of the Official List of the FCA with the Commercial Companies Category and the transfer of the listing of the Company's equity shares to the new Transition Category, the Company undertook a review of the Governance Principles in 2024 to ensure they remain appropriate and take into account market practice.

Following the 2024 review, the Board considered that certain amendments to the Governance Principles were appropriate to align more closely with, and have regard to, the UK Listing Rules that other UK listed companies are subject to and to reflect the modernisation of the governance of the Company. The Company intends to have regard to the UK Listing Rules applicable to the Commercial Companies Category, when applying the Governance Principles in relation to significant transactions and related party transactions.

The key elements of the Governance Principles are as follows:

- If the Company carries out a related party transaction which, if its shares were listed on the Commercial Companies Category would require a sponsor to provide a fair and reasonable opinion under the provisions of the UK Listing Rules, it will engage an independent financial adviser to confirm that the terms of the transaction are fair and reasonable as far as the shareholders of the Company are concerned.
- If the Company carries out such a related party transaction or a significant transaction (one that would be classified as a significant transaction under the provisions of the UK Listing Rules), as soon as reasonably practical after the terms are agreed, the Company will issue an announcement, providing such details of the transaction as are necessary for investors to evaluate the effect of the transaction on the Company.
- At each AGM, the Company will seek shareholders' approval to issue new shares on a non-pre-emptive basis for up to 33% of the Company's issued share capital, of which new shares representing up to 5% of the Company's issued share capital can be issued for cash consideration.
- The Company adheres to a set of Securities Dealing Rules which follow the provisions of MAR with respect to market abuse and disclosure of interests in shares.

The Company is not required to comply with the Code, which applies to all Commercial Companies Category issuers and sets out the governance principles and provisions expected to be followed by companies subject to the Code. However, the Company does have regard to the Code in developing and implementing its approach to corporate governance and disclosure.

The Management of the Group

The Board

The Board is responsible for ensuring that the Group is appropriately managed and achieves its strategic objectives in a way that is supported by the right culture, values and behaviours. The Group's culture provides the foundation for the delivery of our strategy and our long-term, sustainable success. Our workforce policies and practices are consistent with and support our culture. Periodic team member surveys – 'Your Voice Counts' are conducted to assess the culture, team member engagement and other key organisation health dimensions, enabling management to identify actions that could be taken to further improve our culture.

The Board is also responsible for ensuring that appropriate systems and controls are in place to enable efficient management and well-informed decision-making. Our business processes incorporate efficient internal reporting, robust internal controls, and supervision of current and emerging risk themes, all of which form a vital part of our governance framework. As a key part of this, the Company Secretary has set up processes and systems to ensure that all Directors receive information in a timely, accurate and clear manner. We use a board paper distribution portal to disseminate board and committee papers securely to Directors.

The Chairman facilitates discussions at Board meetings, by ensuring all Directors have an opportunity to make comments and ask questions. In addition, the Chairman discusses matters with Directors individually and collectively outside of Board meetings. The Chairman also uses other gatherings of the Directors, such as Board dinners, to facilitate discussions in a less formal environment.

The Board has full power to manage the Company's business affairs, except matters reserved to be exercised by the Company in a general meeting under Bermuda legislation or the Company's Bye-Laws. Key matters for which the Board is responsible include:

- The overall strategic aims and objectives of the Group;
- Establishing the Company's purpose and values;
- Approval of the Group's strategy and risk appetite to align with the Group's purpose and values;
- Approval and oversight of the Group policy framework and approval of appropriate Group policies;
- Approval of the Annual Budget and monitoring of performance against it;
- Oversight of the Group's activities;
- Approval of major changes to the Group's corporate or capital structure;
- Approval of major capital expenditure and significant transactions in terms of size or reputational impact;
- Approval of interim and annual financial statements, Annual Report and Accounts, and interim management statements, upon recommendation from the Audit Committee;
- Approval of dividend policy and the amount and form of interim and final dividend payments, for approval by shareholders as required;
- Ensuring relevant sustainability and ESG matters are incorporated into purpose, governance, strategy, decision-making and risk management;
- Overseeing the management of risk within the Group;
- Any significant changes to the Company's accounting policies or practices, upon recommendation from the Audit Committee;
- Appointment, re-appointment or removal of the external auditor, subject to shareholders' approval, upon recommendation from the Audit Committee;
- Approval of matters relating to the AGM resolutions and shareholder documentation;
- Approval of all shareholder circulars, prospectuses and listing particulars issued by the Company; and
- Approval of material public announcements concerning matters decided by the Board.

The Company sees the value of regularly reviewing the effectiveness of its processes and making improvements where appropriate.

The Board continued

Board activities

Set out below is a summary of the key areas of activity of the Board:

1. *Strategy*

To facilitate oversight and provide opportunities for the Board to challenge and measure progress against the Group's strategic priorities, at each Board meeting the Group Chief Executive and Group Chief Financial Officer provide updates on the operational and financial performance of the Group.

2. *Operational Performance*

Our businesses operate in highly dynamic markets and constantly need to innovate and adapt to remain relevant and achieve long-term, sustainable success.

At each Board meeting, an update is provided on the operational performance of each business segment, which offers important insights into the opportunities and challenges faced. In addition, Directors are provided with a deeper understanding of how our varied markets function and the implications for stakeholder-related issues in order to equip the Board with the necessary perspective to enhance strategic decision-making.

3. *Supporting Leadership Team in Leadership Development & Culture*

The Group attaches great importance to attracting, developing and retaining leadership talent. We strive to develop leaders who are entrepreneurial in how they develop their businesses.

The Group is focused on enhancing performance management structures to recognise, reward and retain talent, with incentives aligned to drive shareholder value by building better, stronger businesses.

The Company is also committed to creating an inclusive workplace which reflects the diversity of the customers we serve across all the markets.

The Board is provided with regular people updates to enable it to support talent attraction, development and retention, and the progress of Diversity, Equity and Inclusion (DE&I) and team member engagement initiatives.

The Board holds overall responsibility for ensuring that talent, leadership, culture and rewards strategy across the Group align with its strategy and create value for stakeholders, and supports the Management Committee in the daily operations of the Group through regulatory Board meeting and delegated supervisory functions of the Nominations Committee and the Remuneration Committee. The Nominations Committee ensures effective leadership, succession planning, and Board composition, while the Remuneration Committee oversees the Group's rewards strategy and performance-based compensation frameworks. Together, these Committees enable the Board to align talent, leadership, and incentive structures with the Group's strategic objectives and operational needs. Their respective responsibilities are further elaborated below in this section.

Board activities continued

4. Financial Performance and Risk

The Board oversees the actions the Company takes to deliver superior, long-term returns for our shareholders from our market-leading businesses. We aim for decisive management built on a disciplined, long-term approach to capital allocation and investment expertise, to maximise financial performance, maintain our financial strength and manage risks. Over time, and in addition to being part of the Jardine Matheson group of businesses, we have developed deep relationships with a wide range of well-capitalised, leading banks and corporate partners, which support the Group's financial strength.

The Group Chief Financial Officer presents a detailed overview of the financial performance of the Group at each Board meeting, to ensure that Directors are provided with sufficient information to enable them to provide appropriate financial oversight, and have the opportunity to challenge management as appropriate. The information provided includes details of the financial performance of each business unit.

The Board also reviews the Group's capital allocation approach, dividend policy and shareholder returns, as well as the management of Group debt levels, interest cover and capital markets activities.

The Board has overall responsibility for risk management and is actively engaged in regular discussions about the principal risks faced by the Group. The Audit Committee, on behalf of the Board, undertakes an annual assessment of the effectiveness of the management of the principal risks facing the Group and actions taken to mitigate them, validating the key risks and approving any necessary actions arising from the risk assessments. This process takes into account the key risks faced, and the risk management approach taken, by the Group.

Maintaining and enhancing the risk and internal control environment is fundamental to the Group's governance framework and the Board's stewardship of the Company.

5. Governance and Stakeholder Engagement

A range of governance matters are discussed at Board meetings, including directors' and officers' insurance, litigation, regulatory changes, review and approval of statutory reporting and shareholder documentation and governance-related matters.

The Group Chief Executive and the Group Chief Financial Officer provide Directors with regular updates on stakeholder engagements, including engagement with shareholders and other relevant third-parties, and relevant regulatory developments. Increasing the Directors' understanding of stakeholder views and priorities, and the actions being taken by the Group to address them, supports the Board's decision-making.

These updates provide the Board with feedback on investor views and expectations, visibility of market conditions, share price performance, shareholder returns and the future outlook.

The Group Chief Executive and relevant Management Committee members provide the Board with Sustainability updates twice a year, which include the progress being made by the Group in progressing sustainability priorities, including achieving climate action objectives, particularly in relation to decarbonisation.

The Committee Chairs provide updates on the activities of the Committees at the Board meeting following each Committee meeting.

Board activities continued

Board Composition and Operational Management

The Board's composition and the way it operates provide stability, allowing the Company to take a long-term view as it seeks to grow its businesses and pursue investment opportunities.

The Chairman has been appointed in accordance with the provisions of the Bye-Laws of the Company, which provide that the chairman of Jardine Matheson, or any Director nominated by him, shall be the Chairman of the Company.

The presence of Jardine Matheson representatives on the Board and its Committees of the Company provides an added element of stability to the Company's financial planning and supervision, enhancing its ability to raise finance and take a long-term view of business development. It also strengthens the ability of management to work effectively together in exploiting the full range of the Jardine Matheson group's commercial and organisation strengths.

As at 28 February 2026, the Company comprises eight Directors, four of whom (50%) – Dave Cheesewright, Weiwei Chen, Christian Nothhaft and Elaine Chang, are considered as independent, taking into account the relevant considerations under the Code.

There were a number of Board changes during the year under review: On 17 February 2025, Elaine Chang joined the Board as an INED and Ben Keswick stepped down from the Board. On 1 November 2025, Lincoln Pan joined the Board as a Non-Executive Director and Chairman, and John Witt stepped down from the Board. There are detailed plans in place to ensure orderly succession for the Board.

The names of all the Directors and brief biographies appear on pages 92 and 93 of this Annual Report.

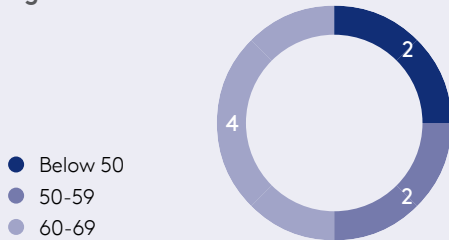
Lincoln Pan has held the role of Chairman since 1 November 2025. Scott Price has been Group Chief Executive since 1 August 2023.

The Board has considered that there is a clear division of responsibilities among the Chairman and the Group Chief Executive to ensure an appropriate balance of power and authority is maintained at all times.

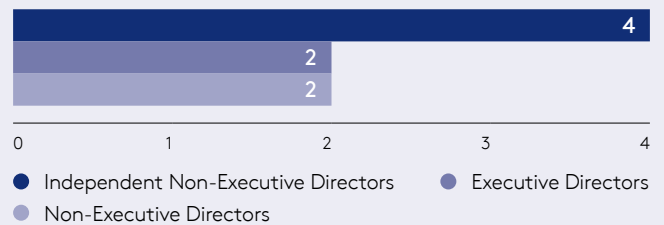
Board Composition and Operational Management continued

Board composition as at 28 February 2026:

Age of Directors



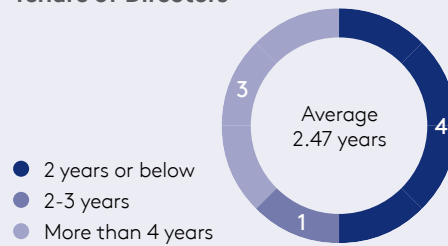
Capacity of Directors



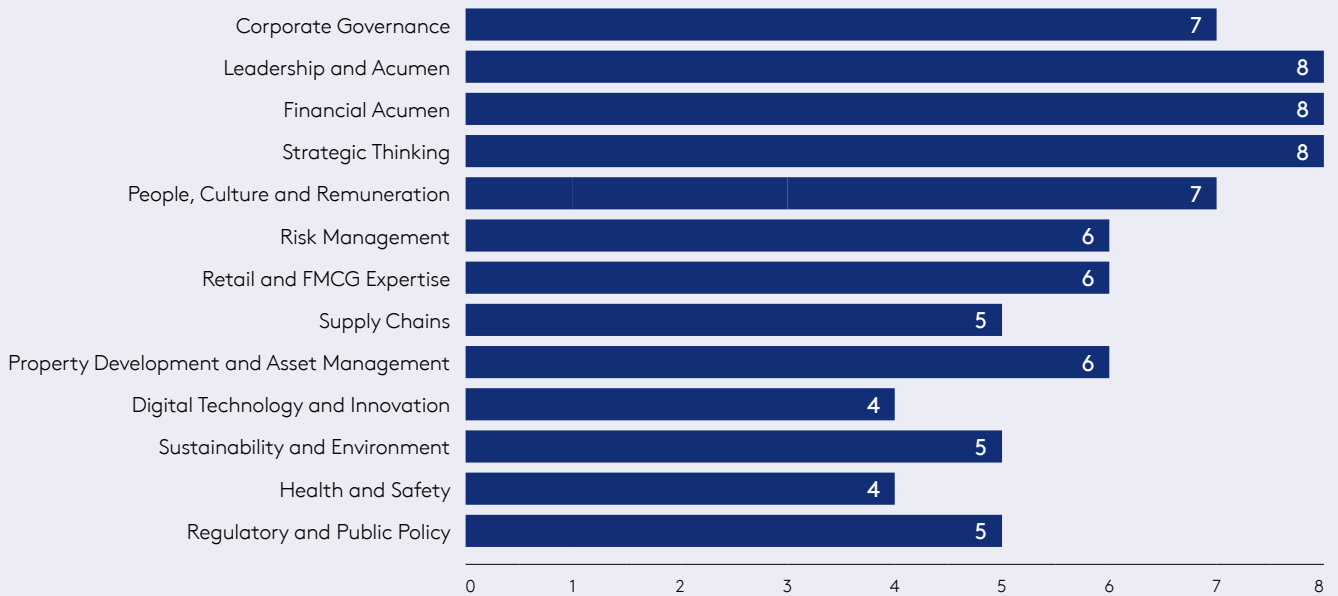
Nationality of Directors



Tenure of Directors



Directors' Experience



Board Composition and Operational Management continued

The Board has considered the diversity of the Company's Board and executive management in the context of the requirements under the UK Listing Rules that UK listed companies should publish information on the gender and ethnic representation of their Board and executive management. As at 31 December 2025, being the reference date for the purposes of 22.2.30R(1) (a) of the UK Listing Rules which require the disclosure of certain diversity statistics, and as shown below:

- (a) The Board met its target of having one Director from a minority ethnic background;
- (b) The Company does not currently meet the target of the Board comprising at least 40% female directors, but will continue to take DE&I considerations into account for future Board appointments; and
- (c) The Board does not currently meet the target to have a female director occupying one of the senior Board positions (Chairman, Group Chief Executive or Group Chief Financial Officer). The Directors who hold these roles were appointed following formal, rigorous and transparent nomination procedures and are the most suitable and experienced individuals for their roles and the Group's needs. The Board will continue to take DE&I considerations into account for future appointments for these roles.

The Company did not meet the targets stated under sub-paragraphs (b) and (c) above due to the significant change to the composition of the Board and executive management which would be required to meet these requirements. The Company has taken substantive steps to increase the diversity of the Board. A second female INED was appointed in February 2025, bringing the position of female directors on Board to 25%. The Company will continue to take DE&I considerations into account with respect to future appointments of directors and executive management positions.

The table below, which follows the format and categories prescribed by the UK Listing Rules, illustrates the ethnic background and gender diversity of the Board and executive management – which includes the Company Secretary – but excludes administrative or support team members pursuant to 22.2.30R(2) of the UK Listing Rules, as at 31 December 2025, which is our chosen reference date in accordance with the UK Listing Rules¹.

As at 31 December 2025	Number of Board members	Percentage of the Board	Number of senior positions on the Board (Chairman, Group Chief Executive and Group Chief Financial Officer)	Number in executive management (Management Committee and Company Secretary)	Percentage of executive management (Management Committee and Company Secretary)
Gender diversity					
Men	6	75%	3	8	67%
Women	2	25%	–	4	33%
Not specified/prefer not to say	–	–	–	–	–
Ethnic diversity					
White British or other White (including minority-white groups)	5	62%	2	3	25%
Mixed/Multiple Ethnic Groups	–	–	–	1	8%
Asian/Asian British	3	38%	1	8	67%
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

¹ Data relating to the gender and ethnic diversity of the Board and executive management was gathered by the Company Secretary via the collection of each individual's identification documents, which are held within the Company's secure filing system.

Board Composition and Operational Management *continued*

The Company has a Board Diversity Policy that guides appointments to the Board and its Committees. There is no separate Diversity Policy for the Committees. DE&I considerations are, and will be, taken into account for these appointments where relevant.

Chairman

The Chairman's role is to lead the Board, ensuring its effectiveness while taking account of the interests of the Company's various stakeholders, and promoting high standards of corporate governance.

The Chairman's principal responsibilities are in the areas of strategy, external relationships, governance and people. The Chairman leads the Board in overseeing the long-term strategic direction of the Group and approving its key business priorities. His key responsibilities also include:

- (a) Leading, with the Group Chief Executive, the development of the culture and values of the Group;
- (b) Supporting the development and maintenance of relationships with existing and new key business partners, governments and shareholders;
- (c) Ensuring, together with the Group Chief Executive, an appropriate focus on attracting and retaining the right people and carrying out succession planning for executive management positions;
- (d) Creating a culture of openness and transparency at Board meetings;
- (e) Building an effective Board supported by a strong governance framework;
- (f) Leading the succession planning for the Group Chief Executive;
- (g) Ensuring all Directors effectively contribute to discussions and feel comfortable in engaging in healthy debate and constructive challenge;
- (h) Ensuring all Directors receive accurate, timely and clear information; and
- (i) Promoting effective communication between Executive Directors and Non-Executive Directors, including INEDs.

Group Chief Executive

The responsibility for running the Group's business and all the executive matters affecting the Group rests with the Group Chief Executive. The implementation of the Group's strategy is delegated to the Company's executive management, with decision-making authority within designated financial parameters delegated to the Finance Committee. In addition, the Group Chief Executive has day-to-day operational responsibility for:

- (a) Effective management of the Company;
- (b) Leading the development of the Company's strategic direction and implementing the strategy approved by the Board;
- (c) Identifying and executing new business opportunities;
- (d) Managing the Group's risk profile and implementing and maintaining an effective framework of internal controls;
- (e) Developing targets and goals for his executive team;
- (f) Ensuring effective communication with shareholders and key stakeholders and regularly updating institutional investors on the business strategy and performance;
- (g) Providing regular updates to the Board on the Group's performance;
- (h) Overseeing the Group's approach to capital allocation, business planning and performance;
- (i) Ensuring, together with the Chairman, an appropriate focus on attracting and retaining the right people and carrying out succession planning for executive management positions; and
- (j) Fostering innovation and entrepreneurialism to support the growth of the Group's businesses.

Non-Executive Directors

The Non-Executive Directors bring insight and relevant experience to the Board. They have responsibility for constructively challenging the strategies proposed by the Executive Directors and scrutinising the performance of management in achieving agreed goals and objectives. In addition, Non-Executive Directors work on individual initiatives as appropriate.

Board Meetings

The Board usually holds four scheduled meetings each year, and ad hoc meetings when appropriate to deal with urgent matters that arise between scheduled meetings. Board meetings are usually held in different locations around the Group's markets.

The Board receives high-quality, up-to-date information in advance of each meeting, which is provided to Directors via a secure online board information portal. The Company reviews the information provided to the Board regularly to ensure that it remains relevant to the needs of the Board in carrying out its duties.

Board Attendance

Directors are expected to attend all Board meetings. The table below shows the attendance at the scheduled 2025 Board meetings:

	Meetings eligible to attend	% Attended
Current Directors		
<i>Executive Directors</i>		
Scott Price	4/4	100%
Tom van der Lee	4/4	100%
<i>Non-Executive Directors</i>		
Lincoln Pan ¹	1/1	100%
Graham Baker	4/4	100%
Elaine Chang ²	4/4	100%
Dave Cheesewright	4/4	100%
Weiwei Chen	4/4	100%
Christian Nothhaft	4/4	100%
Former Directors		
Ben Keswick ³	--	n/a
John Witt ⁴	3/3	100%

¹ Lincoln Pan joined the Board on 1 November 2025. In 2025, one Board meeting was held on or after 1 November 2025.

² Elaine Chang joined the Board on 17 February 2025. In 2025, four Board meetings were held on or after 17 February 2025.

³ Ben Keswick stepped down from the Board on 17 February 2025.

⁴ John Witt stepped down from the Board. In 2025, three Board meetings were held before 1 November 2025.

Appointment and Retirement of Directors

There are detailed plans in place to ensure orderly succession for the Board. The Board is focused on development and succession plans at both Board and executive level, to strengthen the management pipeline. The Chairman, in conjunction with other Directors, reviews the size, composition, tenure and skills of the Board. The Chairman leads the process for new appointments, monitors Board succession planning, and considers independence, diversity, inclusion and Group governance matters, as well as relevant expertise and experience, when recommending appointments to the Board. Non-Executive Directors are appointed on merit, against objective criteria, and are initially appointed for a three-year term.

Prior to appointment, the Chairman assesses the commitments of a proposed candidate, including his/her other directorships, to ensure he/she has sufficient time to devote to the role. The Chairman also regularly assesses the time commitments of Directors, to ensure that they each continue to have sufficient time for their role. He also considers the potential additional time required in the event of urgent corporate events. Any Director's external appointments, which may affect existing time commitments relevant to the Board, must be agreed with the Chairman in advance.

Upon appointment, all new Directors receive a comprehensive induction programme over several months. This is designed to facilitate their understanding of the business and is tailored to their individual needs. The Group Chief Executive is responsible for providing a briefing covering the Company's core purpose and values, strategy, key areas of the business and corporate governance.

The Board appoints each new Director, and the Nominations Committee has been established to assist the Board in such matters. In accordance with the Company's Bye-Laws, each new Director is subject to retirement and re-election at the first AGM after their appointment. Directors are then subject to retirement by rotation requirements under the Bye-Laws, whereby one-third of the Directors retire at the AGM each year. These provisions apply to both Executive Directors and Non-Executive Directors, but the requirement to retire by rotation does not extend to the Chairman. The Company has determined that it is appropriate for the Chairman to be exempted from the retirement by rotation requirements. This is because an important part of the Group's strong governance is corporate stability, which is provided by the stewardship over the long-term of the business by shareholders who hold a significant proportion of the shares of the Company. The Group believes that its stakeholders gain significant value from the long-standing governance approach the Group has taken.

In accordance with Bye-Law 85, Christian Nothhaft and Dave Cheesewright will retire by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election. In accordance with Bye-Law 92, Lincoln Pan will also retire and, being eligible, offer himself for re-election. None of the Directors proposed for re-election has a service contract with the Company or its subsidiaries.

Company Secretary

All Directors have access to advice and support from the Company Secretary, who is responsible for advising the Board on all governance matters.

Insurance and Indemnification

The Company purchases insurance to cover its Directors against their costs in defending themselves in civil proceedings taken against them in that capacity, as well as in respect of damages resulting from the unsuccessful defence of any proceedings. To the extent permitted by applicable law, every Director shall be indemnified and secured harmless out of the assets of the Company against all liability and loss suffered and expenses reasonably incurred. However, neither insurance nor indemnity arrangements provide cover where the Director has acted fraudulently or dishonestly.

Delegations of Authority

The Group has an organisational structure with defined lines of responsibility and appropriate delegations of authority in place.

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

The Group's delegation of authority framework establishes a clear pathway for decision-making. This ensures that judgements are made at the correct business level by those team members most equipped to do so. Every decision made aligns with the Group's culture and values, taking into account the advantages, risks, financial consequences, and effects on all stakeholders. The Board, supported by the Audit Committee, places significant emphasis on maintaining high governance standards throughout the Group. This focus assists the Board in accomplishing its strategic goals and fulfilling key performance objectives.

Directors' Responsibilities in respect of the Financial Statements

Under the Bermuda Companies Act, the Directors are required to prepare financial statements for each financial year and present them annually to the Company's shareholders at the AGM. The financial statements are required to present fairly, in accordance with International Financial Reporting Standards (IFRS), the financial position of the Group at the end of the year, and the results of its operations and its cash flows for the year then ended. The Directors consider that applicable accounting policies under IFRS, applied on a consistent basis and supported by prudent and reasonable judgements and estimates, have been followed in preparing the financial statements. The financial statements have been prepared on a going concern basis.

Substantial Shareholders

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

The Company has been informed of the holding of voting rights of 5% or more attaching to the Company's issued ordinary share capital by Jardine Strategic Limited (Jardine Strategic), which is directly interested in 1,049,589,171 ordinary shares carrying 77.54% of the voting rights. By virtue of its interest in Jardine Strategic, Jardine Matheson is also interested in the same ordinary shares. Apart from this shareholding, the Company is not aware of any holders of voting rights of 5% or more attaching to the Company's issued ordinary share capital as of 28 February 2026.

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

Related Party Transactions

Details of transactions with related parties entered into by the Company during the course of the year are included in note 33 to the financial statements on pages 194 and 195.

Engagement with Shareholders, Other Stakeholders

We engage regularly with our stakeholders, including our team members, investors, creditors, partners and government and this enables the Company to understand their perspectives and ensures we address their expectations and shape our actions accordingly.

The Group regularly engages with its shareholders. For the full year 2025, two results briefings and 49 analyst and institutional shareholder meetings have been held, to enable shareholders to ask questions of executive management, discuss concerns and hear feedback on areas where improvements could be made. In addition, the Group hosted its inaugural Investor Day in December 2025, at which senior management presented the Group's strategic priorities, business developments and medium-term financial goals, and engaged directly with investors through a live discussion session.

The Group has also engaged with several Sustainability Non-Governmental Organisations and government agencies to listen, learn and understand how we can improve. The engagements provide an opportunity for us to explore and discuss key social, environmental and economic issues facing society and where our businesses operate. These engagements provide an important touch point to sense-check the issues that matter most to society and help us better understand evolving expectations. The meetings with shareholders and stakeholders are attended by executive management, who are ultimately responsible.

Securities Purchase Arrangements

The Directors have the power, under the Bermuda Companies Act and the Company's Memorandum of Association, to approve the Company to purchase its own shares. Any shares so purchased are required to be treated as cancelled and, therefore, reduce the Company's issued share capital. The Board regularly considers the possibility of share repurchases. When doing so, it considers the potential for enhancing earnings or asset values per share. When purchasing such shares, the Company is subject to the provisions of MAR.

Workforce Engagement

The Group strives to support the growth of leaders and the next generation of leaders within our businesses, ensuring our leaders can develop the necessary skills, capabilities and experiences they need to succeed today and tomorrow.

We also aim to create a high-performance culture among our team members and support this by linking our incentive structures to focus on group, format and banner financial performance and linking senior leadership's long-term incentive plan to value-creation for shareholders over a longer-term horizon.

The Group also conducts an annual Your Voice Counts survey. In 2025, 93% of total number of team members took part in the survey sharing feedback. The average engagement score improved to 79, 5 points higher than 2024.

Annual General Meeting

The Company's 2026 AGM will be held on 7 May 2026. The full text of the resolutions and explanatory notes in respect of the meeting are contained in the Notice of AGM that is published at the same time as this Annual Report and can be found at www.DFIretailgroup.com/investors/financials.

Corporate Website

The Company's corporate website, which contains a wide range of additional information of interest to investors, can be found at www.DFIretailgroup.com.

Group Policies

Code of Conduct

The Group conducts business in a professional, ethical and even-handed manner. Its ethical standards are clearly set out in its Code of Conduct, a set of guidelines to which every team member must adhere. The Code of Conduct is supported by a structured governance framework comprising clearly defined policies, procedures and internal controls, and is reinforced through mandatory onboarding and periodic refresher training. Compliance with the Code of Conduct is monitored through regular declarations and internal reviews, with escalation and disciplinary mechanisms in place for any breaches.

The Code of Conduct requires that all Group companies and team members comply with all laws of general application, all rules and regulations that are industry-specific and proper standards of business conduct. In addition, the Code of Conduct prohibits the giving or receiving of illicit payments and addresses key ethical risk areas including conflicts of interest, anti-bribery and corruption, and protection of confidential information. It requires that all Directors and team members must be fully aware of their obligations under the Code of Conduct and establish procedures to ensure compliance at all levels within their businesses. The effectiveness of the Code of Conduct framework is reviewed periodically to ensure ongoing alignment with regulatory developments and evolving best practices in corporate governance, and training sessions to promote compliance with relevant laws and regulation, e.g. anti-money laundering, will be conducted from time to time to enhance awareness amongst team members.

Data Privacy Policies

The Group recognises the importance of protecting personal data to maintain strong, trusting relationships with customers, team members and business partners, and delivers this through a formal governance structure, supported by policies, processes and oversight mechanisms, to ensure the effective handling of privacy responsibilities. In 2025, DFI recorded no confirmed cases of data privacy breaches, reflecting the effectiveness of our robust data privacy programme and risk governance practices.

The Audit Committee is responsible for overseeing the effectiveness of the formal procedures through regular updates from the Group Chief Legal, Sustainability and Corporate Affairs Officer. The programme is managed by the Group Data Privacy Officer, supported by Data Protection Officers (DPOs) appointed across the Group to oversee compliance and address privacy concerns.

DFI's Personal Data Protection Policy applies to the entire Group operations, supported by local addenda to ensure consistent standards across all banners and subsidiaries. Privacy policies are communicated to customers for all banners and members of the yuu loyalty program, providing transparency and outlining the purposes for which personal data may be used. Customers receive a Personal Information Collection Statement (PICS) when data is collected, outlining the purposes for which the data will be used and enabling informed consent. Customers can access, correct, or request deletion of personal data when it is no longer required for its original purpose. Our Information Retention Policy mandates deletion of personal data after a defined retention period, reinforced through Privacy Impact Assessments (PIAs) for new or repurposed data uses. Our Master Service Agreement, which governs the procurement of services from external providers, includes data protection provisions that require suppliers to comply with applicable personal data laws and privacy obligations. The Group does not sell or rent personal data to third parties. We integrate privacy-enhancing technologies by encrypting or hashing sensitive data, including any personally identifiable information, at the source and during transit.

The Group conducts regular risk assessments and internal audits to evaluate compliance and effectiveness of privacy practices, ensuring adherence to established standards and regulations. These audits assess the technologies and processes used to handle personal data. All applicable systems within DFI are certified under the Payment Card Industry Data Security Standard (PCI DSS) to comply with globally recognised requirements for secure storage, processing, and transmission of credit card data.

The Group promotes a culture of privacy protection through regular awareness communications (e.g. newsletters) and mandatory privacy training for all team members. Failure to comply may result in disciplinary action, including termination of employment. Channels are in place for raising concerns or lodging complaints, ensuring timely and appropriate resolution.

Cybersecurity Policies

DFI's operations rely on a secure IT infrastructure to protect sensitive data, enable seamless transactions, and maintain uninterrupted service across multiple markets. Strong cybersecurity practices, coupled with robust governance, risk management, and resilience planning, support business continuity by minimising disruptions from cyber threats and mitigating potential financial losses associated with breaches. This comprehensive approach not only strengthens our defences but also ensures operational integrity. In 2025, DFI recorded no confirmed cases of cybersecurity breaches, underscoring the effectiveness of these measures.

The Audit Committee is responsible for overseeing the effectiveness of the formal procedures through regular updates from the Group Chief Technology and Information Officer. The Chief Information Security Officer (CISO) is responsible for managing cybersecurity issues and programme implementation.

The Group's Cybersecurity Policy applies to the entire Group's operations. The policy sets clear standards for protecting information assets from threats that could compromise confidentiality, integrity, or availability, and is accessible internally to all Store Support Centre team members. Our preventive measures include endpoint and mobile data protection, such as ransomware protection, antivirus software, and two-step verification for mobile devices. Our cybersecurity infrastructure aligns with ISO 27001 standards, ensuring compliance with globally recognised security requirements.

Cybersecurity risks are integrated into the Enterprise Risk Management (ERM) framework as one of our principal risks. We manage this risk through regular internal security audits to evaluate systems and processes that handle user data, ensuring compliance with security standards and identifying potential vulnerabilities. Independent assessments are conducted to evaluate the effectiveness of security measures, policies, and protocols in safeguarding sensitive information. Annual third-party vulnerability analyses and penetration tests, including ransomware and hacker simulation activities, are used to test response capabilities and identify system vulnerabilities for risk mitigation. To manage potential cybersecurity incidents, we operate a 24x7x365 Security Operations Centre (SOC) to monitor, detect, investigate, contain, and remediate cyber events, including incidents. Our Group-wide disaster recovery plan focuses on ensuring core operations continue during emergencies and facilitating system recovery. Our Incident Response Plan provides a structured framework for identifying, addressing, and mitigating cyberattacks, security breaches, and other unexpected disruptions. It includes defined roles, escalation paths, and communication protocols to ensure rapid containment and recovery. Regular response drills are conducted at least twice a year, and the Incident Response Plan is continually updated to enhance preparedness.

We continue to equip our team members to manage and respond to cybersecurity risks. The Group operates an 'Always On' cybersecurity awareness programme that covers all team members, including physical posters reinforcing their security responsibilities, annual online training, monthly phishing tests, and an annual Cybersecurity Month campaign. Our Management Committee members and IT leaders participate in regular cyber crisis tabletop exercises to reinforce preparedness. IT-led phishing campaigns are used to assess team members' ability to identify threats. At the same time, an escalation process enables employees to report suspicious emails, links, or attachments via the 'Report Phish' button in Outlook, which alerts the cybersecurity team for investigation.

Speak-Up Policy

The Group believes that an open and ethical culture that supports transparency and accountability is the foundation of our key values of Doing the Right Thing. The Group has a Speak-Up policy covering how team members, suppliers, customers and any third-party stakeholders can report matters of concern about misconduct, unethical behaviour on an anonymous basis. The Speak Up programme encourages the reporting of a wide range of concerns, including but not limited to:

- Criminal offenses (e.g. fraudulent activities)
- Financial irregularities
- Bribery, corruption, or the giving or receiving of illicit payments or inducements
- Violations of the Code of Conduct
- Health and safety risks to any individual
- Harassment or discrimination, including racial or sexual harassment
- Failure to comply with legal or regulatory obligations
- Environmental compliance issues (e.g. waste management, emissions)
- Social responsibility concerns (e.g. labour rights)
- Deliberate concealment of any of the above matters

The Audit Committee is responsible for overseeing the effectiveness of the formal procedures to raise such matters and is required to review any reports made under those procedures. The programme is overseen by a dedicated team comprising members of Group Legal, Group Ethics and Compliance, Internal Audit and Group People and Culture, under the sponsorship of the Group's Chief Legal Officer. This team ensures that all reports of unethical behaviour or wrongdoing — especially those considered material — are promptly and thoroughly addressed through a structured process. Every quarter, the Group holds a Speak Up governance forum to review trends, insights, and opportunities for continuous improvement, and to report material cases in accordance with defined escalation protocols.

The reporting channels for the Speak Up programme are publicised both internally via the Group's intranet and externally to ensure broad awareness. The Group actively communicates the availability of Speak Up channels to all team members, through an annual Ethics Awareness Campaign and mandatory training to reinforce DFI's principles of ethical business conduct and the importance of acting with integrity. These initiatives include regular reminders to team members and managers about the available reporting channels and the process for raising concerns. The Group's reporting channel is also available to suppliers, customers, and other third parties at www.DFIretailgroup.com and is incorporated into the Supplier Code of Conduct provided to our suppliers as part of their onboarding process.

Team members, suppliers, customers, and other stakeholders can report concerns at any time through various channels, including the web, email, or telephone, with each channel available in local languages. Individuals can raise their concerns anonymously should they choose to do so. Confidentiality is a fundamental principle within the Speak Up programme. The contents of any disclosures are not shared with anyone without the explicit consent of the Group's Chief Legal Officer. Only those individuals directly involved in the handling of cases are permitted access to the details of the disclosure, ensuring that sensitive information remains protected at all times.

These channels are managed independently via a reputable third-party provider and are accessible 24 hours a day, 365 days a year, across all our operating markets. Alternatively, concerns may be raised directly with an immediate supervisor or line manager, the People & Culture Head, the Legal Head of a business unit or the Group, or reported to the Jardine Matheson Group General Counsel, as outlined in the Group's Speak Up policy. To maintain the independence and objectivity of the Speak Up programme, each investigation is conducted by an individual or team that is impartial and not involved in the matter being reported. When a report is submitted, it triggers an initial triage and then a thorough, in-depth investigation into the matter. Each case is carefully examined to determine whether allegations of unethical conduct or wrongdoing are substantiated. If the investigation confirms the allegations, DFI imposes appropriate disciplinary measures on those responsible and implements remedial or preventive actions to discourage recurrence. A breach of DFI's Code of Conduct can adversely affect a team member's performance rating and remuneration, and in severe cases, may result in termination of employment.

Speak-Up Policy continued

The Group is firmly committed to protecting anyone who, in good faith, reports suspected wrongdoing, unethical behaviour, or potential violations of the Code of Conduct or company policies. The Group guarantees confidentiality for all reports. Also, retaliation against individuals who raise concerns is strictly prohibited and considered a serious breach of the Code of Conduct, subject to disciplinary action up to and including termination of employment.

Diversity, Equity and Inclusion (DE&I)

We understand that our greatest asset is our people. The Group strives to create an inclusive work environment where every individual has an equal opportunity to grow and thrive. We recognise the value of diverse perspectives and experiences in driving innovation and fostering a positive workplace culture.

The Group applies the principle that team members should always treat others in a way they would expect others to treat them. Bullying, intimidation, discrimination, and harassment of others have no place in the Group and will not be tolerated.

As a multinational Group with a broad range of businesses operating across Asia, the Group believes in promoting equal opportunities in recruiting and developing all team members, regardless of ethnicity, gender, age, sexual orientation, disability, background or religion, who should be treated fairly and with dignity, and be valued for the contributions they make in their roles. The scale and breadth of the Group's businesses necessitate that they hire the best people from the communities in which they operate most suited to their needs.

All team members are encouraged and supported to develop their full potential and contribute to the sustainable growth of the Group. Team members' views and ideas are essential, and they are encouraged to express them respectfully with team members at all levels within the organisation.

To build an inclusive workplace which helps progress our ambitions across the Group, we incorporate DE&I principles:

- Ongoing collaboration to ensure a set of inclusive working arrangements and policies to support DE&I;
- Keeping our recruitment, promotion, and retention systems fair and based on aptitude, merit, and ability, including ongoing reviews of gender-equal remuneration and reward competitiveness;
- Active talent management and career support for our talent pools to provide equitable opportunities that will enable a diverse future pipeline of leaders;
- Cultivating the right set of leadership behaviours through continuous learning programs to ensure our people behave in a way consistent with the principles we have put in place; and
- Embedding Servant Leadership and Future Retail Leadership Capabilities in leaders.

The Company keeps the composition of its Board and executive management under ongoing review to ensure that it adapts to the changing business landscape. The Company is actively focused on sustaining gender diversity in senior leadership in the organisation.

Committees

The Board is supported by the activities of its Committees (Nominations, Remuneration, and Audit Committees), which ensure the right level of attention and consideration are given to specific matters. Matters considered by each of the Committees are set out in their respective terms of reference. Copies of these documents can be obtained from the Company's website at www.DFRetailgroup.com.

Nominations Committee Report

Chair's Introduction

On behalf of the Nominations Committee, I am pleased to present shareholders with the Nominations Committee Report for the year ended 31 December 2025. This report sets out the Group's approach to Board composition, leadership development, and succession planning.

A central focus for the Committee in 2025 was the rigorous oversight of succession planning. We have made substantial progress in strengthening our leadership bench. The Committee has actively reviewed both the development of our high-potential internal leaders and a credible external succession pipeline, ensuring the Group is prepared with robust, ready-now options to maintain leadership continuity.

Beyond the top leadership roles, we have focused on fostering a high-performance culture and developing talent at all levels. We were delighted to see our efforts reflected in the 2025 'Your Voice Counts' survey, where the Group's employee engagement score of 79 placed us in the top 25% of retail companies globally. To further enhance governance and develop our senior talent, the Committee endorsed a new 'Board Buddy Program' already launched in 2026, strengthening engagement between Board members and key executives in the medium and long term succession pipeline.

We recognise the importance of ensuring we have the right leadership capabilities and culture to execute our strategy and create long-term value. This report demonstrates our commitment to maintaining a robust succession pipeline, developing our people, and ensuring the Board has the appropriate skills and experience to steer the Group through its ongoing transformation.

Details of the Nominations Committee's key responsibilities are set out in the sections below. The full terms of reference are available on the Company's website at www.DFIretailgroup.com.

Lincoln Pan

Chair of the Nominations Committee

Nominations Committee

The Board has established a Nominations Committee in March 2021. The role of the Nominations Committee is governed by its terms of reference. The key responsibilities of the Nominations Committee are to:

- Review the composition, structure and size of the Board and its committees and make recommendations to the Board on any changes to enhance Board effectiveness;
- Support the Chairman to lead the process for appointments of Non-Executive Directors and nominate suitable candidates to the Board;
- Assess suitable candidates based on their knowledge, experience, diversity, skills, merit and other relevant objective criteria, taking into account their ability to meet the required time commitments;
- Oversee the development of succession pipelines for members of the executive management to ensure talent is identified and nurtured to meet the challenges and opportunities facing the Group;
- Review the overall talent metrics for the Company, including for example diversity and retention metrics; and
- Oversee an annual evaluation of the effectiveness of the Board and Committees, if and to the extent appropriate, and the implementation of measures identified by previous Board effectiveness evaluations.

The Nominations Committee consists of a minimum of three members, selected by the Chairman of the Board. The Chairman of the Board is the Chair of the Nominations Committee. As at 28 February 2026, the members of the Nominations Committee are Lincoln Pan, Christian Nothhaft and Raymond Co (Chief People & Culture Officer of Jardine Matheson).

Nominations Committee continued

The Nominations Committee meets at least twice annually, or by the circulation of Committee circulars and recommendations to the Board for approval as it deems appropriate. It plays a key role in the process of recruiting Board of Directors, Group Chief Executive and Group Chief Financial Officer. Candidates for appointment as Group Chief Executive and Group Chief Financial Officer positions may be sourced internally or externally, including by using the services of specialist executive search or recruitment firms. The aim is to appoint individuals who combine international business knowledge and experience, industry knowledge and experience, if possible, and familiarity with, or adaptability to, Asian markets. When appointing Non-Executive Directors, the Nominations Committee pays particular attention to the Asian business experience and relationships that they can bring. The Group Chief Executive and the Group Chief People & Culture Officer will generally attend meetings of the Nominations Committee pertaining to the Group's talent strategy, metrics, skill and experience assessment and succession planning of the executive management.

Remuneration Committee Report

Chair's Introduction

On behalf of the Remuneration Committee, I am pleased to present shareholders with the Remuneration Committee Report for the year ended 31 December 2025. This report sets out the Group's approach to remuneration for our team members and, in particular, the link between the Group's strategy and its remuneration framework and the link between performance and reward.

The Group's remuneration policy aims to align remuneration with performance and foster a high-performance culture. In 2024, we announced the revamped Group's Short-term Incentive Plan (STIP) to emphasise a balanced 50/50 performance measurement of both business performance and individual performance; and redesigned the Long-term Incentive Plan (LTIP) by adding performance linkage based on return on capital employed and relative total-shareholder-return ranking against relevant peers. These changes resulted in strong correlation of business results achievement and overall incentive pay-out in 2025 and aligned the long-term incentive payout to the interest of shareholders. In addition, in 2025 the Group implemented a new minimum shareholding policy for the Group Chief Executive and the Management Committee. The new policy further strengthened the alignment of executives' interest with shareholder's interests. Compliance with the minimum shareholding policy has been strong.

The Group conducted the external pay benchmarking exercise for the management team to ensure competitiveness of total compensation against a peer group of similar companies. A regular review of total compensation package will be conducted every two years.

We recognise the importance of aligning performance with remuneration outcomes in creating long-term value for the Group and delivering total shareholder return. This report demonstrates our commitment to ensuring that the remuneration philosophy and framework support the Group's strategy, promote sustainable success, and align executives' interests with those of our shareholders.

Details of the Remuneration Committee's key responsibilities and the Group's remuneration policy are set out in below sections. The full terms of reference are available on the Company's website at www.DFIretailgroup.com.

Lincoln Pan

Chair of the Remuneration Committee

The Group's Remuneration Philosophy and Framework for Rewarding Senior Leaders

At the heart of the Group's remuneration framework is our commitment to delivering competitive remuneration for strong performance. This framework serves to attract, motivate, and retain team members at all levels, while aligning the interests of senior leaders and shareholders.

Our rewards programmes are designed to support our overall business strategy and objectives, promoting a fair and well-governed long-term approach to compensation. We ensure that our pay practices are aligned with our purpose and values, closely tying pay to performance at the group, business, and individual levels. This balance encompasses both short-term and multi-year performance, rewarding behaviours that maintain strong governance and sustained value for the Group.

The Group's approach ensures fair compensation, free from considerations of gender, race, ethnicity, age, disability, and other non-performance-related factors. It also considers risks, control, conduct, and sustainability development goals in setting performance targets, ensuring that both 'what' is achieved and 'how' the results are achieved are considered.

The pay mix and structure of remuneration vary from senior leaders to more junior team members and are reviewed annually against market benchmarks. However, the link between remuneration and strategic goals is consistent across all levels of the organisation. The nature of goals used for remuneration varies depending on the team member's level, but the Company ensures that goals are specific, relevant, measurable, and time bound.

Accordingly, at senior leaders levels, a greater portion of remuneration is considered as variable pay that is 'at risk', depending on performance levels against goals and long-term shareholder return performance. The Group operates a Group Short Term Incentive Plan (STIP) and a Group Long Term Incentive Plan (LTIP) to provide an appropriate amount of remuneration 'at risk' to motivate team members to achieve both short- and long-term goals.

The Group's STIP is an incentive program designed to reward eligible team members for their performance and is measured against both business (50%) and individual objectives (50%). The business objectives focus on driving both profit and revenue growth, whereas the individual objectives focus on personal goals pertinent to the specific function or business. Every participant has a minimum portion of their business-related award linked to Group-wide financial metrics regardless of their specific business unit to ensure alignment with overall Group's success and shareholder interests.

The Group's LTIP align leaders to the shareholder's objective by awarding Restricted Share Units (RSU) and Performance Share Units (PSU) which are both linked to the Group's share value. This means reward is focused on long term sustained value creation for the Group. The PSU award further links reward to (1) Return on capital employed and (2) Relative total shareholder return.

The Return on capital employed metric emphasises the importance of generating superior returns for our shareholders. The Relative total shareholder return is measured against a peer group hence emphasises the importance of delivering exceptional outperformance against other capital competitors.

Directors' Remuneration

Shareholders decide in general meetings the Directors' fees which are payable to all Directors other than the Group Chief Executive and the Group Chief Financial Officer, as provided for by the Company's Bye-Laws.

The remuneration of the Company's Non-Executive Directors is not linked to performance. This is consistent with Non-Executive Directors being responsible for objective and independent oversight of the Group. The total amount provided to all Directors (exclusive of salaried Executive Directors of the Company who are not entitled to such fees) must not exceed the sum agreed by shareholders at a general meeting. The maximum aggregate remuneration of US\$1.3 million per annum was approved by shareholders at the 2025 AGM, and this total sum will be kept under review over time. Executive Directors are paid a basic fixed salary as well as discretionary annual incentive bonuses and receive certain team member benefits from the Group. Non-Executive Directors do not receive bonuses or any other incentive payments or retirement benefits.

Directors' Remuneration continued

The level of fees paid to the Company's Non-Executive Directors is kept under regular review. Fees are benchmarked against a peer group of similar companies and a report is reviewed by the Board every two years.

The Non-Executive Directors are reimbursed for expenses properly incurred in performing their duties as a Director of the Company. The schedule of fees paid to Directors in respect of the financial year 2025 is set out in the table below. Fees are annual fees, unless otherwise stated:

US\$ (per annum)

Chairman fee:	110,000
Base Director fee:	100,000
Audit Committee fee (Chair):	45,000
Audit Committee fee (Member):	35,000
Remuneration Committee fee (Chair):	25,000
Remuneration Committee fee (Member):	20,000
Nominations Committee fee (Chair and Member):	15,000

Directors	Director Fee US\$	Audit Committee Fee US\$	Remuneration Committee Fee US\$	Nominations Committee Fee US\$	Total Fees US\$
Current Directors					
1 Lincoln Pan (Chairman) ¹	18,384	-	4,178	2,507	25,068
2 Scott Price	-	-	-	-	-
3 Tom van der Lee	-	-	-	-	-
4 Graham Baker	100,000	35,000	-	-	135,000
5 Elaine Chang ²	87,123	-	-	-	87,123
6 Dave Cheesewright	100,000	35,000	-	-	135,000
7 Weiwei Chen	100,000	45,000	-	-	145,000
8 Christian Nothhaft	100,000	-	20,000	15,000	135,000
Former Directors					
9 Ben Keswick ³	12,877	-	-	-	12,877
10 John Witt ¹	91,616	-	20,822	12,493	124,932
TOTAL	610,000	115,000	45,000	30,000	800,000

¹ Lincoln Pan was appointed to the Board with effect from 1 November 2025 and was appointed as Chairman, and the Chair of the Remuneration and Nominations Committees, succeeding John Witt who stepped down from the Board on the same day.

² Elaine Chang joined the Board as an INED on 17 February 2025.

³ Ben Keswick stepped down from the Board on 17 February 2025.

Remuneration Committee

The Board has overall responsibility for setting remuneration across the Group, ensuring it is appropriate and supports the Group's strategy, creating value for stakeholders. The Remuneration Committee has been established to assist the Board in these remuneration matters.

The Board has established a Remuneration Committee in November 2021. The role of the Remuneration Committee is governed by its terms of reference. The key responsibilities of the Remuneration Committee are to:

- Oversee the formulation of a Group-wide reward strategy and ensure the business implements the reward strategy in alignment with its industry-specific needs;
- Review and approve the Company's overall rewards strategy and remuneration framework;
- Review the terms of and design of performance-related incentives (both short- and long-term), including the review and approval of any changes to plan design, targets and metrics;
- Review and approve the overall compensation costs, including salary and bonus budgets, of the business; and
- Remain abreast of trends and developments in executive compensation and corporate governance related to the Group's industry and countries of operation.

The Remuneration Committee consists of a minimum of three members, selected by the Chairman of the Board. The Chairman of the Board is the Chair of the Remuneration Committee. As at 28 February 2026, the members of the Remuneration Committee are Lincoln Pan, Christian Nothhaft and Raymond Co (Chief People & Culture Officer of Jardine Matheson). The Group Chief Executive and the Group Chief People & Culture Officer will generally attend meetings of the Remuneration Committee. The Remuneration Committee shall meet at least twice a year and as required, or by circulation of Committee circulars which make recommendations to the Board for approval as it deems appropriate.

How Remuneration Framework is linked to the business strategy

The Group's remuneration strategy is designed to support and reinforce its business and sustainability strategies, both short- and long-term. Incentive compensation is evaluated based on the business performance of the Group, business unit, and individual contributions in executing to the Group's strategic framework of 'Customer First, People Led, Shareholder Driven'. The incentive plan for senior leaders is structured to align with shareholder interests, based on total shareholder return and key business performance targets.

Remuneration Outcomes in 2025

For the year ended 31 December 2025, the Directors received from the Group US\$8.4 million (2024: US\$8.9 million) in Directors' fees and team member benefits, being:

	2025	2024
	US\$m	US\$m
Directors' fees	0.8	0.8
Short-term team member benefits including salary, bonuses, accommodation and deemed benefits in kind	5.6	6.5
Post-employment benefits	0.1	0.1
Share-based payments	1.9	1.5

The information set out in the section above headed 'Remuneration Outcomes in 2025' forms part of the audited financial statements.

Share Schemes

Share-based long-term incentive plans have also been established to provide incentives for eligible team members (including Executive Directors and executive management). The scheme trustee grants share options after consultation between the Chairman and the Group Chief Executive and other Directors as they consider appropriate. Share options are not granted to Non-Executive Directors.

Directors' Share Interests

The Directors of the Company in office on 28 February 2026 had interests* as set out below in the ordinary share capital of the Company. These interests include those notified to the Company regarding the Directors' closely associated persons*.

Scott Price	200,208
Tom van der Lee	224,803

* Within the meaning of MAR

In addition, Scott Price and Tom van der Lee held deferred share awards regarding 2,601,676 and 530,061 ordinary shares, respectively, issued pursuant to the Company's share-based long-term incentive plans.

Audit Committee Report

Chair's Introduction

I am delighted to present the Audit Committee's report for the year ended 31 December 2025. In alignment with the Group's commitment to robust governance, the Audit Committee convened three times during the year.

Throughout 2025, the Audit Committee has concentrated on overseeing the execution of the Group's strategic portfolio changes, including the completed divestments of the Group's interest in Yonghui and Robinsons Retail Holdings Inc, and the divestment of the Singapore Food business. A significant focus was placed on strengthening the internal control environment, with a deepened audit focus for 2026. In parallel, we intensified our scrutiny of IT and Cybersecurity to manage emerging technological risks. These activities were central to our mission of ensuring the integrity of the Group's financial reporting and safeguarding its assets during a period of significant transformation.

We have diligently reviewed significant accounting judgements and estimates made by management, ensuring the transparency and accuracy of the Company's financial reports. More details on these assessments can be found on pages 217 to 219.

In addition, the Audit Committee has overseen the evolution of the Group's non-financial reporting framework, ensuring its progress towards alignment with emerging global standards such as the IFRS S1 and S2. We received consistent updates on the overarching control environment, and have monitored closely on selected internal audit themes that are significant to our business operations or otherwise relate to improvement areas of concern, e.g. cybersecurity risks and buying income.

The Committee has also engaged in a thorough review of the Company's principal risks, utilising business reviews, focused engagements, and continual feedback from management, DFI Internal Audit, and PwC. As the Group executed its strategic priorities throughout 2025, we revisited the risk register. Following a comprehensive review in November, the register was updated to reflect the evolving landscape, most notably through the inclusion of 'Strategic Direction, Acquisitions and Divestitures' and 'Emerging Technology Adoption and Implementation' as part of the principal risks which the Group is facing. Further information on principal risks and uncertainties is set out on pages 128 to 137.

Our role extends to evaluating the effectiveness of the Group's financial reporting processes, including sustainability disclosures, along with the systems of internal control and risk management. We also oversee the integrity of both external and internal audit processes.

Details of the Audit Committee's key responsibilities are set out in below sections. The full terms of reference are available on the Company's website at www.DFIretailgroup.com.

Weiwei Chen

Chair of the Audit Committee

Audit Committee

The Board has established an Audit Committee in November 2021. The Audit Committee consists of a minimum of three members. As at 28 February 2026, the members of the Audit Committee are Weiwei Chen (Chair of the Audit Committee and INED), Graham Baker (Financial Expert and a Board member) and Dave Cheesewright (INED). None of them is directly involved in the Group's operational management.

The Company considers that the Audit Committee has a majority of independent members. Weiwei Chen and Graham Baker are members of the Audit Committee with financial experience; Weiwei Chen and Dave Cheesewright also have retail expertise. All members have deep understanding in risk management.

The Group Chief Executive and Group Chief Financial Officer, together with representatives of the internal and external auditors, also attend the Audit Committee meetings by invitation. Other individuals may attend part of a meeting for specific agenda items as appropriate. The Committee meets on a scheduled basis three times a year, and report to the Board after each meeting.

The role of the Audit Committee is governed by its terms of reference. The Audit Committee's remit includes:

- Independent oversight and assessment of financial reporting processes including related internal controls;
- Independent oversight of risk management and compliance;
- Independent oversight for cybersecurity;
- Monitoring and reviewing the effectiveness of the internal audit function and the Group's external auditor;
- Considering the independence and objectivity of the external auditor; and
- Reviewing and approving the level and nature of non-audit work performed by the external auditor.

Before completion and announcement of the Company's half-year and full-year results, a review is undertaken by the Audit Committee, with the executive management, of the Company's financial information and any issues raised in connection with the preparation of the results, including the adoption of new accounting policies. A report is also received by the Audit Committee from the external auditor. The external auditor also has access to the entire Board when necessary, in addition to the Group Chief Executive, Group Chief Financial Officer and other executive management. The Audit Committee confirms, to the best of its knowledge, the consolidated financial statements prepared in accordance with IFRS, including International Accounting Standards and Interpretations as issued by the International Accounting Standards Board, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group.

The matters considered by the Audit Committee during 2025 included:

- Reviewing the 2024 annual financial statements, 2025 half-year financial statements, interim management statement, a financial summary as at 30 September 2025 and full year forecast;
- Reviewing significant actions and judgements of management in relation to changes in accounting policies and practices to ensure clarity and accuracy of disclosures and compliance with new accounting standards;
- Receiving reports from internal audit on the status of the control and compliance environment of the Group, with particular focus on the mechanisms supporting financial reporting, and its business divisions, and progress made in resolving matters identified in the reports;
- Reviewing the principal risks, evolving trends and emerging risks that affect the Group, and monitoring changes to the risk profile, as well as the effectiveness of risk management measures and crisis management arrangements;
- Receiving updates on the cybersecurity threat landscape and the Group's cybersecurity environment, risk management approach, training, priorities and control effectiveness;
- Receiving reports from the risk management, ethics, compliance and legal functions on key legal matters and compliance and code of conduct issues, and the actions taken in addressing those issues and strengthening controls;
- Reviewing the annual internal audit plan and status updates;
- Reviewing the Group's governance approach to cybersecurity management, data security and privacy management across its businesses;
- Reviewing the independence, audit plan and related status updates, and fees of PwC; and recommending their re-appointment as the external auditor at the Company's annual general meeting;
- Reviewing the Non-Assurance Services Concurrence Policy and recommending amendments;
- Conducting a review of the terms of reference of the Audit Committee; and
- Reviewing the ESG Assurance Plan submitted by PwC and the full-year projections on ESG performance.

Audit Committee Attendance

The table below shows the attendance at the scheduled 2025 Audit Committee meetings:

Members of the Audit Committee	Meetings eligible to attend	% Attended
Current Members		
Weiwei Chen (Chair)	3/3	100%
Dave Cheesewright	3/3	100%
Graham Baker	3/3	100%

Auditor Independence and effectiveness

The independence and objectivity of the Group's external auditor are safeguarded by control measures including:

- Reviewing the nature of non-audit services (including the amendment of the non-audit services policy);
- The external auditor's own internal processes to approve requests for non-audit work to the external audit work;
- Monitoring changes in legislation related to auditor independence and objectivity;
- The rotation of the lead audit partner after seven years;
- Independent reporting lines from the external auditor to the Audit Committee and providing an opportunity for the external auditor to discuss with the Audit Committee;
- Restrictions on the employment by the Group of certain team members of the external auditor; and
- An annual review by the Audit Committee of the policy to ensure the objectivity and independence of the external auditor.

The Board's annual review in 2025 of the external auditor's independence and effectiveness found that they performed their duties effectively. The Board found the level of professional scepticism, the number and regularity of meetings with the Audit Committee, feedback from Audit Committee members and internal stakeholders and the levels of technical skills and experience to be effective.

At each AGM of the Company, the Company is required to appoint an external auditor to hold office until the conclusion of the next AGM. The Company's shareholders approved the appointment of PwC Hong Kong as the Company's external auditor at the AGM on 2 May 2025.

Risk Management and Governance

The prioritisation and ranking of the Group's key risks are based upon the Total Shareholder Return (TSR) Operating Model, which underpins DFI's commitment to sustained performance and protecting shareholder value through robust risk management.

The Board retains ultimate accountability for risk management across the Group. To support this responsibility, it has delegated oversight of risk management activities to the Audit Committee to ensure that the framework and processes remain effective and aligned with the Group's strategic objectives.

The Group has enhanced its annual process for reviewing key risks, including the assessment, reprioritisation, and reporting of risks to the Board. This approach incorporates input from all business units under the Formats, the Management Committee, and the Board, ensuring a more comprehensive and integrated methodology. The revised process aligns risk assessment with business strategy, defines risk tolerances, and embeds them into business planning and operational management. Each Management Committee member is accountable for the key risks relevant to their area, as identified through this assessment.

The Group adopts the Three Lines of Defense model to ensure clear accountability and robust risk governance across DFI.

- **First Line of Defense – Business Units and Formats**
Each business unit under each Format and Group Function sponsored by their respective Management Committee member, is responsible for identifying and assessing both inherent and emerging risks within their store and non store operations. They develop and implement appropriate mitigation measures to manage these risks effectively as part of day-to-day business activities.

Risk Management and Governance continued

- **Second Line of Defense – Oversight and Control Functions**
 This includes the Management Committee and Group Function’s oversight. Within DFI, Group Functions entail Finance, Legal, Ethics, Risk and Compliance, and Technical, that has oversight and provides guidance to ensure risks are managed within the Group’s defined risk appetite for their respective areas. These functions establish policies, procedures, limits, and escalation protocols for business units and Formats to follow, safeguarding the Group against financial, operational, compliance, and reputational risks.

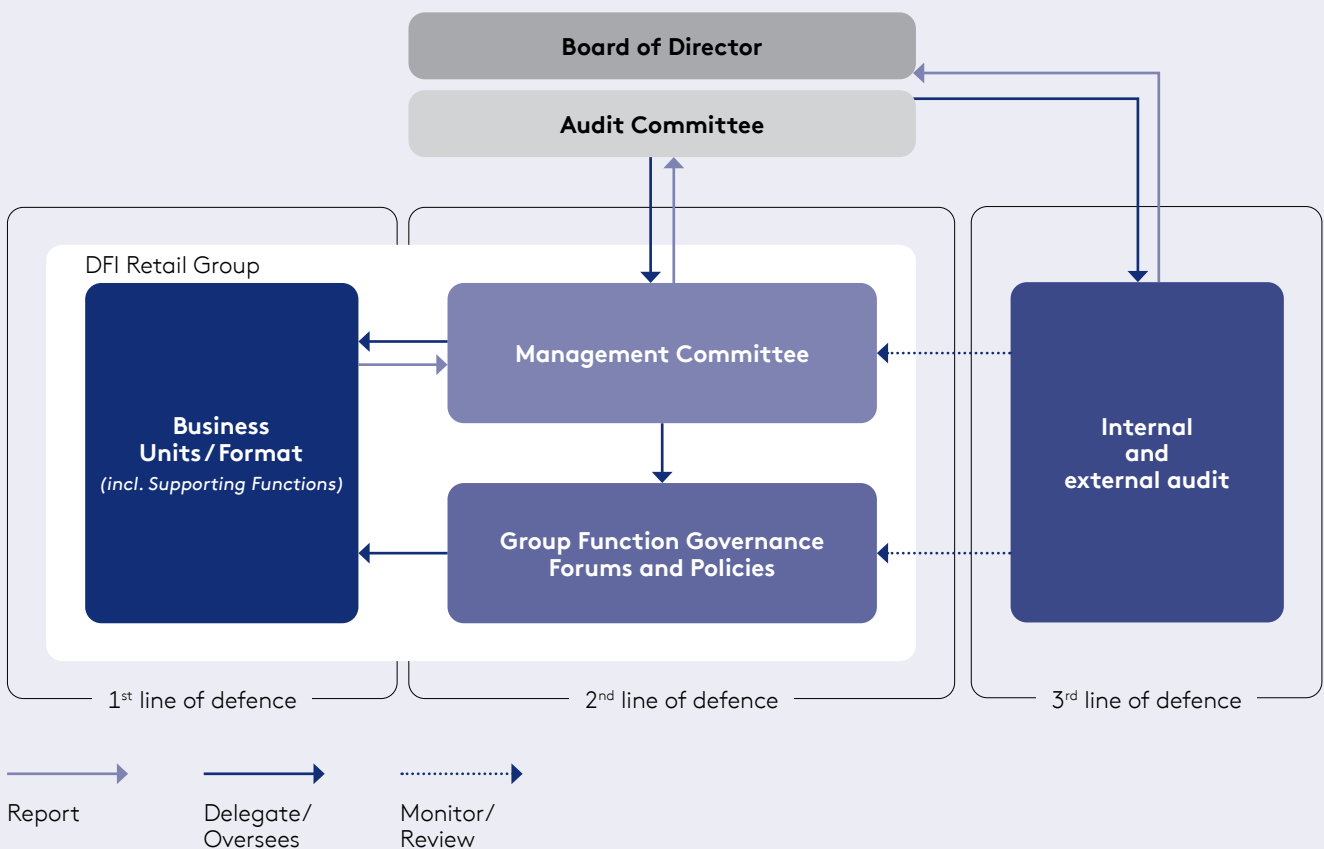
In addition, Group Functions coordinate various local forums to oversee audit, risk, and compliance matters across all Formats and functions within DFI. These internal forums ensure that risks are appropriately identified and managed, financial reporting remains accurate, and adherence to internal policies and regulatory requirements is maintained.

- **Third Line of Defense – Independent Assurance**
 The Group’s Internal Audit function, along with external auditors, provides independent assurance on the effectiveness of the Group’s risk management framework and internal controls. To safeguard its independence and objectivity, the Internal Audit function reports to the Audit Committee and has full and unrestricted access to all business functions, records, properties and personnel.

This structured approach ensures that the Group’s risk management is embedded throughout the organisation, aligned with strategic objectives, and supported by clear accountability at all levels.

The Company’s principal risks and uncertainties are set out on pages 128 to 137.

Risk Governance Structure



Risk Management Framework

Risk management is integrated into each business unit's strategic planning, budgeting, decision-making and operations. Central to this is the continuous and systematic application of:



A Risk Management Framework based on ISO 31000 and COSO principles is embedded in the Group to identify, assess and define the strategies to monitor risks. The risk registers prepared by each business unit provide the basis for the aggregation process, which summarises the principal risks and uncertainties facing the Group as a whole.

Risk Identification	<ul style="list-style-type: none"> Identify and document the Group's exposure to uncertainty with existing strategic objectives. Adopt structured and methodical techniques to identify critical risks.
Risk Assessment	<ul style="list-style-type: none"> Evaluate risks by estimating likelihood, financial and reputational damage, and the speed at which the risk materialises, based on its inherent and residual level. Determine risk rating using the risk heatmap, with four levels of residual risk status.
Risk Treatment	<ul style="list-style-type: none"> Tolerate – accept if within the Group's risk appetite. Terminate – dispose or avoid risks were no appetite. Risks may be accepted if mitigated to an appropriate level via: <ul style="list-style-type: none"> Transfer – take out insurance or share risk through contractual arrangements with business partners; and Treat – redesign or monitor existing controls or introduce new controls.
Risk Reporting & Monitoring	<ul style="list-style-type: none"> Periodic review of principal risks and uncertainties. Setting key risk indicators to enhance monitoring and mitigation of risks. Regular reporting of principal risks and uncertainties from business units to the Company's Board of Directors via Audit Committee.

Principal Risks and Uncertainties

The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the DTRs issued by the FCA and are in addition to the matters referred to in the Chairman's Statement, Group Chief Executive's Review and other parts of this Annual Report.

Competition and Changing Customer Behaviour

Description

The Asia regional retail sector faces rapid transformation driven by improved transport links with neighbouring markets, aggressive domestic players, and expanding e-commerce platforms, creating market fragmentation and intensifying competition. The Group's position is challenged in the digital arena and competitors' adoption of advanced technologies like AI to enhance engagement and efficiency.

Shifting demographics and evolving tourism trends are reshaping purchasing patterns, with visitors favouring local experiences over luxury retail. Generational differences in expectations further heighten the need for adaptation. Failure to align products, services, and strategies with these changing behaviours risks eroding relevance and competitiveness in a fast-evolving retail landscape.

Mitigation Measures

- Maintain strict cost control, enforce disciplined investment and return strategies, and ensure tight management of inventory and cash flow.
- Target key customer segments and missions, refine product assortment through comprehensive category reviews, and modernise store formats to enhance customer experience.
- Expand retail media and data monetisation initiatives, broaden product categories aligned with brand positioning, and accelerate development of digital channels.
- Reassess strategic plans with a focus on reprioritising capital expenditure (CAPEX) to support long-term growth.
- Enhance digital touchpoints by improving assortment, shopping convenience, payment options, and return processes.
- Optimise channel selection and determine the appropriate balance between partnerships and self-operated models to maintain competitiveness.
- Differentiate between current and emerging customer personas to tailor offerings effectively.
- Align brand positioning, assortment, and channel strategies with evolving consumer expectations, including sustainability.
- Pilot innovative store formats tailored to the needs of future customer segments.

Principal Risks and Uncertainties continued

IT System, Cybersecurity and Data Protection**Description**

DFI relies on a complex and evolving technology ecosystem that supports daily operations and strategic growth, including legacy systems, SaaS platforms, e-commerce and omnichannel services, loyalty programmes, in-store digital tools, distribution centres and employee experience initiatives. While this deep technology integration is critical to business performance, it also increases DFI's exposure to cyber threats. Cyber incidents could compromise data confidentiality, disrupt critical systems such as inventory management and customer-facing platforms, reduce product availability and adversely affect customer trust and experience.

DFI's retail operations and critical services also depends on third-party vendors. Risks may arise from vulnerabilities introduced through vendor systems, whether due to control weaknesses, service disruptions or unintended incidents. These exposures could affect operational continuity, system availability and data integrity.

Rapid technological evolution increases the risk that parts of DFI's technology applications and infrastructure may become aged or obsolete, giving rise to inherent operational and resilience risks until such systems are replaced or modernised.

Reliable network performance is essential to support trading operations, customer interactions and employee productivity. Ongoing challenges affecting network stability could disrupt business operations if not effectively managed.

Mitigation Measures

- Maintain appropriate controls supported by a structured roadmap to address key technology risks and implement a continuous improvement program leveraging industry best practices to strengthen security and resilience.
- Deploy comprehensive IT prevention, detection, response, and resilience measures and conduct continuous cybersecurity awareness training.
- Perform rigorous vendor assessments, enforce contractual safeguards to ensure compliance and security and diversify third-party providers to reduce dependency and enhance operational resilience.
- Maintain redundancy and contingency planning for critical third-party systems and legacy system, including Disaster Recovery Plan (DRP) preparedness.
- Implement proactive monitoring, capacity management, performance reviews, and regular system maintenance.

Principal Risks and Uncertainties continued

Geopolitical and Macro-Economic

Description

Ongoing geopolitical tensions may disrupt supply chains, shipping routes, and pricing, while political uncertainty could affect investments and growth. Global economic slowdowns, tight credit conditions, currency volatility, and rising financing costs may weaken consumer confidence and demand. Inflationary pressures from supply constraints and energy price fluctuations could increase costs and reduce purchasing power, impacting profitability.

Additionally, evolving regulations—such as foreign ownership limits, ESG reporting, and e-commerce requirements—may impose compliance burdens and necessitate operational adjustments. The Group must remain agile to mitigate these risks and safeguard its competitive position.

Mitigation Measures

- Diversification of country of origin of imports.
- Monitor the volatile macroeconomic environment and incorporates economic considerations into its strategic and financial planning processes.
- Strengthen loyalty programs and continued investment in omnichannel capabilities to deliver a seamless shopping experience.
- Focus on essential product categories and its own brands, where greater control over pricing and assortment can be exercised.
- Implement cost optimisation projects which include increasing direct sourcing, renegotiating supplier terms, reviewing pricing strategies, and closely monitoring competitor pricing, to improve productivity and reduce expenses.
- Invest in sustainability and sustainable practices and proactive engagement with government bodies to anticipate and prepare for regulatory changes ahead of implementation, ensuring compliance and operational continuity.

Principal Risks and Uncertainties continued

Supply Chain Management	Description
	<p>The Group faces global and local supply chain disruptions that may affect product availability at distribution centres and retail stores, impacting customer service and market performance. These risks are intensified by geopolitical tensions, transportation bottlenecks, and border delays, which can also lead to manpower shortages.</p> <p>Upstream vulnerabilities include supplier incidents such as facility breakdowns, fires, power outages, labour strikes, and transport issues. Capacity constraints or infrastructure failures at distribution centres may further increase delays and costs.</p> <p>Ethical sourcing remains critical, as engaging non-compliant suppliers on sustainability or labour standards exposes the Group to reputational damage, regulatory breaches, and legal consequences. Proactive supplier oversight and robust risk management are essential to maintain operational resilience and protect brand integrity.</p>
	<p>Mitigation Measures</p> <ul style="list-style-type: none"> • Established cross-functional crisis management task force to ensure product availability and business continuity. • Coordinated with government bodies to maintain supply chain effectiveness and regulatory compliance. • Maintain workforce continuity by assessing headcount across work locations, defining barebone structures, review resource allocation and propose incentives. • Implemented supplier ethical pre-qualification and delisting protocols to ensure compliance with sustainability and labour standards. • Conducted risk assessments and ongoing tailored monitoring for factory operations to mitigate ethical sourcing risks.

Principal Risks and Uncertainties continued

Product, Food and Health & Safety

Description

The Group faces key risks related to product quality, regulatory compliance, and food safety, driven by evolving regulations, differences in supplier capability, and operational pressures from range expansion. These factors increase the likelihood of regulatory breaches, compromised standards, and reputational damage that may affect customer trust and sales. Additional risks stem from food fraud, limited regulatory support in smaller markets, and growing global requirements for Extended Producer Responsibility (EPR), which introduce complexity in packaging data, recycling processes, and levy compliance.

Health and safety risks arise from regulatory changes, gaps in hygiene and handling practices, and the introduction of new in-store food offerings. Further vulnerabilities include equipment performance issues, inconsistent supplier compliance, and weaknesses in operational controls, all of which elevate the risk of injuries, reputational harm, and operational inefficiencies.

Mitigation Measures

Product related

- Manage regulatory changes through the 3 Steps to Quality framework, with AI-enabled tools under review.
- Ensure early Group Technical involvement through cross-functional planning.
- Reduce supplier risk via pre-screening, evaluation, and continuous monitoring.
- Upgrade digital capabilities through CBX enhancements and potential intranet integration.
- Apply proactive resourcing, including third-party support when needed.
- Strengthen capability through targeted training and role rotation.
- Use standard escalation protocols to resolve market issues quickly.
- Monitor food fraud risks through manual checks and AI-driven tools.
- Enhance oversight in smaller markets through local representatives.
- Plan early for EPR compliance with stakeholder input.

Food Safety (FS) & Health and Safety (H&S)

- Conduct horizon scanning for regulatory changes and update policies.
- Provide FS and H&S expertise during operational changes.
- Maintain governance through audits, cross-checks, and coaching.
- Review new in-store food processes before launch.
- Align FS requirements with supply chain and equipment procurement.
- Reinforce hygiene and handling standards through training.
- Support non-trade services via audits and pest-control oversight.
- Investigate market issues promptly to protect customer trust.

Principal Risks and Uncertainties continued

**Strategic Direction,
Investment and
Divestitures**
Description

Mergers and acquisitions (M&A) decisions significantly influence the Group's long-term strategy, including investments, expansion, and divestitures. Inefficient capital allocation or inadequate funding may hinder execution or lead to poor returns on new ventures, technologies, or products.

Entering new markets also introduces risks such as cultural misalignment, regulatory hurdles, and infrastructure gaps. Integration challenges include overvaluation, unrealistic synergy expectations, and underestimated costs. Misaligned objectives between the Group and acquired entities can create resource inefficiencies and operational complexity, while merging systems and teams may result in talent attrition and loss of institutional knowledge.

Divestments also carry risks of losing strategic capabilities, cost synergies, and customer relationships. Additionally, evolving regulations—such as foreign investment restrictions and import requirements in certain markets—may delay transactions or increase compliance costs, impacting strategic execution and financial performance.

Mitigation Measures

- Implement a structured M&A framework with clear governance and decision-making protocols.
- Prioritise opportunities based on risk-reward analysis and incorporate lessons learned from previous transactions.
- Conduct comprehensive financial assessments, strategic fit evaluations, and long-term value analysis.
- Perform thorough market research and ensure oversight of major initiatives by the Finance Committee or the Board.
- Undertake rigorous financial due diligence with realistic projections for revenue, cost synergies, and integration expenses.
- Conduct comprehensive legal and operational reviews, including contingency clauses in agreements, to mitigate risks from undisclosed liabilities and ensure robust deal execution.
- Engage key stakeholders early to align interests and expectations across all parties and maintain consistent senior management support and communication throughout integration to preserve focus on core priorities.
- Identify and retain or transfer critical capabilities essential for continuity during restructuring or divestment.

Principal Risks and Uncertainties continued

**Talent Attraction,
Development and Retention****Description**

The Group faces challenges in attracting and retaining younger generations amid a shrinking workforce and evolving expectations. Younger generations seek flexibility and purpose, contrasting with the retail sector's traditional job nature, while demographic shifts toward aging populations further limit talent supply. Rising competition and multiple job offers demand faster, personalised recruitment and competitive rewards.

Capability development can also be strained from misaligned skills and increasing customer expectations, risking inefficiencies and higher costs without continuous learning investment. There are also challenges in retaining talent, driven by the complexities and diverse needs of a multigenerational workforce, while ensuring engagement levels remain high. Addressing these issues is critical to sustaining organisational capability and competitiveness in a rapidly changing retail environment.

Mitigation Measures

- Integrate the Team Member Value Proposition into recruitment and onboarding processes to reinforce the Group's purpose-driven culture and commitment to talent development.
- Promote inclusive hiring practices and strengthen Diversity, Equity, and Inclusion (DEI) initiatives by engaging diverse talent pools, supporting the Group's future-ready workforce strategy.
- Enhance onboarding through technology-enabled, standardised processes to accelerate integration and improve candidate experience.
- Review and adjust pay structures and incentive programs to remain competitive and aligned with market expectations.
- Foster continuous learning by enhancing Learning Management Systems (LMS) and Learning Experience Platforms (LXP), supported by data-driven upskilling initiatives.
- Enhance recognition programs using digital tools and real-time feedback mechanisms to improve engagement and minimise turnover.
- Develop a comprehensive skills strategy, including taxonomy and tailored development plans, to enable a responsive, future-ready, skills-based organisation.

Principal Risks and Uncertainties continued

Emerging Technology Adoption and Implementation
Description

Emerging technologies, such as artificial intelligence (AI), offer significant potential to enhance customer experience and operational efficiency. However, delayed adoption may lead to missed opportunities, rising inefficiencies, and reduced competitiveness. Rapid innovation cycles can quickly render advanced solutions obsolete, increasing costs and diminishing returns on technology investments.

Accelerated adoption also introduces execution risks if poorly managed. Integration challenges with legacy systems, skill shortages, resistance to change, and inaccurate AI outputs can disrupt operations and erode customer trust, resulting in reputational harm and inefficiencies.

Financial and legal risks include high investment costs, uncertain returns, and evolving regulatory requirements. Ethical concerns arise from data privacy breaches, intellectual property issues, and compliance failures, particularly when third-party platforms are involved. Environmental risks linked to high-performance computing—such as increased energy consumption and e-waste from frequent hardware upgrades—pose sustainability challenges and potential regulatory implications. Proactive governance and strategic planning are essential to mitigate these risks.

Mitigation Measures

- Proactively adopt emerging technologies aligned with business objectives to drive innovation and operational efficiency and prioritise technology investments based on strategic fit and return on investment (ROI).
- Continuously monitor the technology landscape for impactful innovations and secure executive sponsorship for key initiatives.
- Conduct regular reviews to assess value creation and capture lessons learned from implementation outcomes.
- Strengthen architectural governance through a Group Technology Forum, supported by agile workforce training, transparent communication, and cross-functional collaboration. Engage customers and stakeholders via open feedback channels and clear disclosures on technology use.
- Apply security-by-design principles and maintain oversight through a dedicated Governance Committee to safeguard data integrity and intellectual property.

Principal Risks and Uncertainties continued

Climate and Environmental Sustainability

Description

The Group operates in a dynamic environment shaped by evolving ESG regulations and increasing investor scrutiny, particularly around delivering on decarbonisation targets and sustainability disclosures. Compliance is critical to maintaining investor confidence and access to capital. Weak governance or insufficient board oversight of ESG strategy and reporting could lead to regulatory breaches and reputational harm. Inaccurate or misleading sustainability claims – whether due to inadequate data or otherwise – pose greenwashing risks, exposing the Group to legal consequences and loss of stakeholder trust.

Climate change further amplifies operational risks through extreme weather events, which may damage assets, disrupt supply chains, and increase costs. Regulatory and consumer demands for waste reduction and sustainable packaging are intensifying, driving higher costs for packaging redesign and waste management. Failure to meet these expectations could impair efficiency and brand reputation. Additionally, growing consumer preference for sustainable products requires timely adaptation of offerings to avoid market share erosion and reputational impact.

Mitigation Measures

- Develop and implement a disclosure strategy aligned with listed company requirements and implement robust internal controls for ESG data and disclosures to ensure transparency and regulatory compliance.
- Establish and periodically review Business Continuity Processes to address physical climate risks and conduct annual climate risk assessments to identify vulnerabilities and inform resilience strategies.
- Monitor regulatory developments and maintain active engagement with government bodies.
- Develop low-impact own-brand products and improve sustainability certification rates across product categories.
- Align external communications with actual performance to prevent misleading disclosures and reputational damage.
- Embed sustainability considerations into board agendas and decision-making processes.

Principal Risks and Uncertainties continued

Financial Reporting and Treasury**Description**

The Group prepares financial statements under IFRS, and changes to these standards may significantly affect financial reporting and performance.

Exposure to market risks includes foreign exchange fluctuations from transactions and investments, interest rate volatility impacting borrowing costs, and securities price risk from equity holdings. Credit risk arises from bank deposits and derivative instruments, while liquidity risk may occur if credit ratings decline or financing obligations cannot be met.

Additionally, cash handling for top-up and bill payment services poses risks of theft, fraud, and operational errors, potentially leading to financial loss and compliance breaches. Effective risk management is essential to maintain financial stability and support growth.

Mitigation Measures

- Continuous monitoring of changes in accounting standards and reporting requirements and regular engagement with external auditors to ensure compliance and accurate financial disclosure.
- Use of forward contracts to hedge foreign exchange exposures arising from commercial transactions and commitments.
- Ongoing monitoring of interest rate exposure by currency and business unit and maintaining a target range of long-term borrowings in fixed-rate instruments to mitigate volatility.
- Monitor counterparty credit ratings and capital adequacy and continuous tracking of debt investments for signs of credit deterioration.
- Diversify funding sources and maintain committed credit facilities.
- Daily cash settlement and reconciliation, cash insurance, increase cash collection frequency and enforce store bank deposit policy.
- Implement robust cash flow forecasting and a global liquidity cash pooling scheme to optimise daily working capital.

The detailed steps taken by the Group to manage its exposure to financial risk are set out in the Financial Review on page 31 and note 38 to the financial statements on pages 207 to 216.

Effectiveness Review of Risk Management and Internal Control Systems

The effectiveness of the Company's risk management and internal control systems is monitored by the internal audit function, which reports functionally to the Audit Committee. The internal audit function also monitors the approach taken by the business units to manage risk. The findings of the internal audit function and recommendations for any corrective actions required are reported to the Audit Committee.

Consolidated Profit and Loss Account

for the year ended 31 December 2025

	Note	2025			2024		
		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
Revenue	2	8,868.9	–	8,868.9	8,868.9	–	8,868.9
Cost of sales		(5,613.9)	–	(5,613.9)	(5,639.8)	–	(5,639.8)
Other operating income		10.2	4.9	15.1	5.8	57.5	63.3
Selling and distribution costs		(2,362.1)	–	(2,362.1)	(2,375.7)	–	(2,375.7)
Administration and other operating expenses		(534.6)	(11.8)	(546.4)	(516.1)	(201.5)	(717.6)
Net operating costs		(8,500.4)	(6.9)	(8,507.3)	(8,525.8)	(144.0)	(8,669.8)
Operating profit	3	368.5	(6.9)	361.6	343.1	(144.0)	199.1
Gain on divestment of Singapore Food business	8	–	124.6	124.6	–	–	–
Impairment charge on interests in associates	13	–	(13.5)	(13.5)	–	(231.3)	(231.3)
Loss on divestments of associates	8	–	(143.2)	(143.2)	–	(114.4)	(114.4)
Financing charges		(136.6)	–	(136.6)	(155.5)	–	(155.5)
Financing income		12.0	–	12.0	4.7	–	4.7
Net financing charges	4	(124.6)	–	(124.6)	(150.8)	–	(150.8)
Share of results of associates and joint ventures	5	87.7	4.5	92.2	42.5	42.1	84.6
Profit/(loss) before tax		331.6	(34.5)	297.1	234.8	(447.6)	(212.8)
Tax	6	(57.9)	(0.5)	(58.4)	(29.5)	2.9	(26.6)
Profit/(loss) after tax		273.7	(35.0)	238.7	205.3	(444.7)	(239.4)
Attributable to:							
Shareholders of the Company		270.3	(35.6)	234.7	200.6	(445.1)	(244.5)
Non-controlling interests		3.4	0.6	4.0	4.7	0.4	5.1
		273.7	(35.0)	238.7	205.3	(444.7)	(239.4)
				US¢			US¢
Earnings/(loss) per share	7						
– basic				17.41			(18.17)
– diluted				17.34			(18.17)

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2025

	Note	2025 US\$m	2024 US\$m
Profit/(loss) for the year		238.7	(239.4)
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss:			
Net exchange translation loss arising during the year		(0.3)	(0.3)
Remeasurements of defined benefit plans	17	10.2	4.6
Remeasurements of statutory employee entitlements		(2.0)	(1.4)
Net revaluation surplus on right-of-use assets before transfer to investment properties	11	-	5.7
Tax relating to items that will not be reclassified	6	(1.7)	(0.3)
		6.2	8.3
Share of other comprehensive income/(expense) of associates and joint ventures		0.8	(0.8)
		7.0	7.5
Items that may be reclassified subsequently to profit or loss:			
Net exchange translation differences			
- net loss arising during the year		(1.1)	(40.4)
- transfer to profit and loss		117.4	8.4
		116.3	(32.0)
Cash flow hedges			
- net (loss)/gain arising during the year		(1.1)	6.6
- transfer to profit and loss		(4.9)	(12.9)
		(6.0)	(6.3)
Tax relating to items that may be reclassified	6	1.2	(0.2)
Share of other comprehensive income/(expense) of associates and joint ventures			
- exchange translation gain/(loss) and other arising during the year		30.6	(17.0)
- exchange translation loss transfer to profit and loss		45.3	0.4
		75.9	(16.6)
		187.4	(55.1)
Other comprehensive income/(expense) for the year, net of tax		194.4	(47.6)
Total comprehensive income for the year		433.1	(287.0)
Attributable to:			
Shareholders of the Company		429.5	(292.4)
Non-controlling interests		3.6	5.4
		433.1	(287.0)

Consolidated Balance Sheet

at 31 December 2025

	Note	2025 US\$m	2024 US\$m
Net operating assets			
Intangible assets	9	132.0	137.5
Tangible assets	10	559.8	618.4
Right-of-use assets	11	2,086.1	2,542.1
Investment properties	12	90.4	100.8
Associates and joint ventures	13	624.6	839.1
Other investments	14	11.7	20.3
Non-current debtors	15	87.6	97.9
Deferred tax assets	16	31.7	38.7
Pension assets	17	16.5	7.6
Non-current assets		3,640.4	4,402.4
Stocks		645.9	686.3
Current debtors	15	182.7	222.7
Current tax assets		10.2	13.3
Cash and bank balances	18	168.7	273.8
Assets held for sale	19	4.2	1,673.5
Current assets		1,011.7	2,869.6
Current creditors	20	(1,772.1)	(2,949.8)
Current borrowings	21	(99.2)	(504.9)
Current lease liabilities	22	(509.1)	(560.4)
Current tax liabilities		(40.5)	(33.7)
Current provisions	23	(42.3)	(42.2)
Current liabilities		(2,463.2)	(4,091.0)
Net current liabilities		(1,451.5)	(1,221.4)
Long-term borrowings	21	-	(236.5)
Non-current lease liabilities	22	(1,762.4)	(2,202.6)
Deferred tax liabilities	16	(13.5)	(25.8)
Pension liabilities	17	(4.5)	(4.4)
Non-current creditors	20	(10.1)	(5.3)
Non-current provisions	23	(101.9)	(111.7)
Non-current liabilities		(1,892.4)	(2,586.3)
		296.5	594.7

	Note	2025 US\$m	2024 US\$m
Total equity			
Share capital	24	75.2	75.2
Share premium and capital reserves	26	83.6	75.6
Revenue and other reserves		119.3	430.6
Shareholders' funds		278.1	581.4
Non-controlling interests		18.4	13.3
		296.5	594.7

Approved by the Board of Directors

Scott Price
Tom van der Lee
Directors

3 March 2026

Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

	Share capital US\$m	Share premium US\$m	Capital reserves US\$m	Revenue reserves US\$m	Other reserves US\$m	Attributable to shareholders of the Company US\$m	Attributable to non-controlling interests US\$m	Total equity US\$m
2025								
At 1 January	75.2	39.6	36.0	742.9	(312.3)	581.4	13.3	594.7
Total comprehensive income	–	–	–	243.3	186.2	429.5	3.6	433.1
Dividends paid by the Company (note 27)	–	–	–	(738.9)	–	(738.9)	–	(738.9)
Dividends paid to non-controlling interests	–	–	–	–	–	–	(0.5)	(0.5)
Unclaimed dividends forfeited	–	–	–	0.8	–	0.8	–	0.8
Share-based long-term incentive plans (note 25)	–	–	15.1	–	–	15.1	–	15.1
Repurchase of shares for a share-based long-term incentive plan	–	–	–	(14.6)	–	(14.6)	–	(14.6)
Capital contribution from non-controlling interests	–	–	–	–	–	–	0.7	0.7
Untraceable shares	–	–	–	4.5	–	4.5	–	4.5
New subsidiary (note 29(d))	–	–	–	–	–	–	1.3	1.3
Change in interests in associates and joint ventures	–	–	–	0.3	–	0.3	–	0.3
Transfer	–	–	(7.1)	14.1	(7.0)	–	–	–
At 31 December	75.2	39.6	44.0	252.4	(133.1)	278.1	18.4	296.5
2024								
At 1 January	75.2	39.6	33.2	1,088.3	(256.1)	980.2	7.9	988.1
Total comprehensive income	–	–	–	(241.0)	(51.4)	(292.4)	5.4	(287.0)
Dividends paid by the Company (note 27)	–	–	–	(114.3)	–	(114.3)	–	(114.3)
Unclaimed dividends forfeited	–	–	–	0.1	–	0.1	–	0.1
Share-based long-term incentive plans (note 25)	–	–	11.1	–	–	11.1	–	11.1
Repurchase of shares 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)	13.1	(4.8)	–	–	–
At 31 December	75.2	39.6	36.0	742.9	(312.3)	581.4	13.3	594.7

Other reserves at 31 December 2025 comprised hedging reserves of US\$0.9 million (2024: US\$5.6 million), revaluation reserves of US\$91.8 million (2024: US\$98.8 million) and exchange reserves of US\$225.8 million loss (2024: US\$416.7 million loss).

Consolidated Cash Flow Statement

for the year ended 31 December 2025

	Note	2025 US\$m	2024 US\$m
Operating activities			
Operating profit	3	361.6	199.1
Depreciation and amortisation	29(a)	839.4	837.4
Other non-cash items	29(b)	57.2	163.7
Increase in working capital	29(c)	(34.5)	(79.1)
Interest received		12.2	4.8
Interest and other financing charges paid		(136.7)	(153.9)
Tax paid		(48.4)	(50.7)
		1,050.8	921.3
Dividends from associates and joint ventures		48.4	51.6
Cash flows from operating activities		1,099.2	972.9
Investing activities			
Reclassification of a joint venture as a subsidiary	29(d)	6.1	–
Purchase of associates and joint ventures	29(e)	–	(6.4)
Purchase of other investments	29(f)	–	(46.5)
Purchase of intangible assets		(35.7)	(19.7)
Purchase of tangible assets		(113.1)	(153.3)
Sale of subsidiaries	29(g)	67.2	94.1
Sale of associates and joint ventures	29(h)	897.0	40.2
Sale of other investments	29(i)	11.3	0.2
Sale of supermarkets in Indonesia	29(j)	–	7.3
Sale of properties	29(k)	15.3	18.9
Sale of other tangible assets		1.1	1.6
Cash flows from investing activities		849.2	(63.6)
Financing activities			
Sale of untraceable shares	29(l)	4.5	–
Capital contribution from non-controlling interests		0.7	–
Repurchase of shares for a share-based long-term incentive plan	29(m)	(14.6)	(2.7)
Drawdown of borrowings	21	732.3	1,490.0
Repayment of borrowings	21	(1,206.7)	(1,617.1)
Net decrease in other short-term borrowings	21	(168.7)	(44.6)
Principal elements of lease payments	29(n)	(668.9)	(641.7)
Dividends paid by the Company	27	(738.9)	(114.3)
Dividends paid to non-controlling interests		(0.5)	–
Cash flows from financing activities		(2,060.8)	(930.4)
Net decrease in cash and cash equivalents		(112.4)	(21.1)
Cash and cash equivalents at 1 January		273.8	298.2
Effect of exchange rate changes		5.8	(3.3)
Cash and cash equivalents at 31 December	29(o)	167.2	273.8

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 address of the registered office is given on page 2.

The principal activities of the Company and its subsidiaries, and the nature of the Group's operations are set out on note 35 of the financial statements.

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 36.

There are no amendments, which are effective in 2025 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 37).

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 Robinsons Retail operating in the Philippines and Yonghui operating on the Chinese mainland up to their respective dates of divestment). 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, 3, 5 and 29(a).

2. Revenue

	2025	2024
	US\$m	US\$m
Sales of goods		
<i>Analysis by reportable segments:</i>		
Health and Beauty	2,622.9	2,457.3
Convenience	2,342.0	2,378.8
Food	3,040.0	3,130.6
Home Furnishings	676.8	701.2
	8,681.7	8,667.9
Revenue from other sources	187.2	201.0
	8,868.9	8,868.9

The Group's revenue is further analysed as follows:

	2025	2024
	US\$m	US\$m
<i>From contracts with customers:</i>		
Recognised at a point in time	8,854.2	8,853.1
Recognised over time	11.9	12.6
	8,866.1	8,865.7
<i>Other:</i>		
Rental income from investment properties	2.8	3.2
	8,868.9	8,868.9
<i>Analysis by geographical areas:</i>		
North Asia	6,441.5	6,489.8
Southeast Asia	2,427.4	2,379.1
	8,868.9	8,868.9

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

3. Operating Profit

	2025	2024
	US\$m	US\$m
<i>Analysis by reportable segments*:</i>		
Health and Beauty	227.7	210.8
Convenience	96.7	102.3
Food	61.5	57.8
Home Furnishings	25.9	16.1
	411.8	387.0
Selling, general and administrative expenses	(142.7)	(138.7)
Underlying operating profit before IFRS 16†	269.1	248.3
IFRS 16 adjustment‡	99.4	94.8
Underlying operating profit	368.5	343.1
<i>Non-trading items (note 8):</i>		
– business restructuring costs	(4.8)	(21.6)
– gain on sale of subsidiaries	1.0	8.8
– loss on reclassification of a joint venture as a subsidiary	(0.9)	–
– gain on sale of joint ventures	–	43.6
– profit on sale of supermarkets in Indonesia	–	1.4
– profit on sale of properties	1.2	3.7
– impairment of intangible assets	–	(133.4)
– impairment of properties	–	(0.2)
– change in fair value of investment properties	(6.1)	(13.6)
– change in fair value of equity and debt investments	2.7	(32.7)
	361.6	199.1

* Underlying operating profit is calculated as revenue less underlying net operating costs. Underlying net operating costs before selling, general and administrative expenses and the IFRS 16 adjustment amounted to US\$8,457.1 million (2024: US\$8,481.9 million). These costs were attributable to Health and Beauty US\$2,430.3 million (2024: US\$2,281.8 million); Convenience US\$2,312.5 million (2024: US\$2,346.1 million); Food US\$3,035.4 million (2024: US\$3,139.6 million); and Home Furnishings US\$678.9 million (2024: US\$714.4 million).

† 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 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 and impairment charge on right-of-use assets.

3. Operating Profit *continued*

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

	2025 US\$m	2024 US\$m
Cost of stocks recognised as expense	(5,569.6)	(5,594.4)
Amortisation of intangible assets (note 9)	(21.2)	(28.6)
Depreciation of tangible assets (note 10)	(140.5)	(140.5)
Amortisation/depreciation of right-of-use assets (note 11)	(677.7)	(668.3)
Impairment of intangible assets (note 9)		
– goodwill	–	(133.4)
– computer software	(1.5)	(8.0)
	(1.5)	(141.4)
Impairment of tangible assets (note 10)	(6.3)	(2.0)
Impairment of right-of-use assets (note 11)	(12.8)	(4.6)
Impairment of trade and other debtors	(0.5)	(2.0)
Write down of stocks	(3.6)	(3.3)
Reversal of write down of stocks	6.2	5.3
Operating expenses arising from investment properties	(1.0)	(0.8)
Employee benefit expense		
– salaries and benefits in kind	(985.9)	(996.4)
– share options and share awards (note 25)	(15.1)	(11.1)
– defined benefit pension plans (note 17)	(12.6)	(13.8)
– defined contribution pension plans	(46.7)	(47.7)
	(1,060.3)	(1,069.0)
Expenses relating to short-term leases	(30.6)	(52.7)
Expenses relating to variable lease payments not included in lease liabilities	(51.7)	(48.4)
Gain on lease modification and termination	7.2	5.7
Sublease income	5.8	5.9
Rental income from properties	0.6	0.2
Interest income from debt investments	0.6	0.6
Auditors' remuneration		
– audit	(4.1)	(5.2)
– non-audit services	(0.6)	(0.5)
	(4.7)	(5.7)
Net foreign exchange gains	9.0	3.5
Profit on sale of properties (note 8)	1.2	3.7
Loss on disposals of other tangible and intangible assets	(17.7)	(7.8)

4. Net Financing Charges

	2025	2024
	US\$m	US\$m
Interest expense		
– bank loans and advances	(16.9)	(35.5)
– lease liabilities	(113.6)	(113.5)
– discounted liability on provisions	(0.9)	(1.0)
	(131.4)	(150.0)
Commitment and other fees	(5.2)	(5.5)
Financing charges	(136.6)	(155.5)
Financing income	12.0	4.7
	(124.6)	(150.8)

5. Share of Results of Associates and Joint Ventures

	2025*	2024*
	US\$m	US\$m
<i>Analysis by reportable segments:</i>		
Health and Beauty	5.0	5.9
Food	15.0	11.4
Restaurants	69.8	63.9
Other Retailing	2.4	3.4
	92.2	84.6

Share of results of associates and joint ventures included the following net gain from non-trading items (note 8):

	2025*	2024*
	US\$m	US\$m
Change in fair value of Maxim's investment property	(1.4)	(1.7)
Change in fair value of Yonghui's investment property	–	(0.7)
Change in fair value of Robinsons Retail's equity investments	5.8	34.4
Change in fair value of Yonghui's equity investments	–	(8.0)
Restructuring costs by Maxim's	(0.5)	–
Gain from sale of an associate by Robinsons Retail	–	16.5
Gain from partial sale of an investment by Yonghui	–	1.6
Net gain from reclassification of associates and joint ventures' other comprehensive income items upon discontinuation of equity accounting	0.6	–
	4.5	42.1

* In 2025, this included eight months results for Robinsons Retail from 1 October 2024 to 30 May 2025, the date of disposal (note 13). In 2024, it included 12 months results for both Yonghui and Robinsons Retail from 1 October 2023 to 30 September 2024, based on their latest published announcements.

The share of results from Robinsons Retail from 1 October 2024 to 30 May 2025 was US\$23.6 million which comprised share of underlying results and share of non-trading results amounted to US\$17.3 million and US\$6.3 million, respectively.

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

In 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 owned 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 in 2025 and 2024 largely represented the fair value change of BPI.

6. Tax

	2025 US\$m	2024 US\$m
<i>Tax charged to profit and loss is analysed as follows:</i>		
Current tax	(57.6)	(46.9)
Deferred tax	(0.8)	20.3
	(58.4)	(26.6)
<i>Reconciliation between tax expense and tax at the applicable tax rate*:</i>		
Tax at applicable tax rate	(13.4)	61.4
Income not subject to tax	22.5	11.1
Expenses not deductible for tax purposes		
– change in fair value of investment properties	(1.1)	(2.1)
– change in fair value of equity and debt investments	–	(5.4)
– impairment charge on interests in associates	(2.3)	(57.8)
– loss on divestments of associates	(46.1)	(18.8)
– other items	(25.6)	(27.0)
	(75.1)	(111.1)
Tax losses and temporary differences not recognised	(3.6)	(8.7)
Utilisation of previously unrecognised tax losses	7.7	8.2
Recognition of previously unrecognised tax losses and temporary differences	5.5	3.4
(Under)/over provision in prior years	(1.5)	2.4
Withholding tax	(2.3)	(6.5)
Effect of changes in tax legislation	–	13.9
Other	1.8	(0.7)
	(58.4)	(26.6)
<i>Tax relating to components of other comprehensive income is analysed as follows:</i>		
Remeasurements of defined benefit plans	(2.0)	(0.5)
Remeasurements of statutory employee entitlements	0.3	0.2
Cash flow hedges	1.2	(0.2)
	(0.5)	(0.5)

*The applicable tax rate for the year was 17.9% (2024: 19.3%) and represented the weighted average of the rates of taxation prevailing in the territories in which the Group operates.

6. Tax continued

Share of tax charge of associates and joint ventures of US\$26.1 million (2024: US\$26.0 million) is included in share of results of associates and joint ventures.

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.

Pillar Two legislation has been enacted in most jurisdictions in which the Group operates. The Group is in scope of the 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 2025 of the constituent entities in the Group. Based on the assessment, the effective tax rates in most of the jurisdictions in which the Group operate are above 15%. The income tax expense related to Pillar Two income taxes in the relevant jurisdiction is assessed to be immaterial.

7. Earnings/(Loss) per Share

Basic earnings/(loss) per share are calculated on profit attributable to shareholders of US\$234.7 million (2024: loss of US\$244.5 million), and on the weighted average number of 1,347.9 million (2024: 1,345.3 million) shares in issue during the year.

Diluted earnings/(loss) per share are calculated on profit attributable to shareholders of US\$234.7 million (2024: loss of US\$244.5 million), and on the weighted average number of 1,353.7 million shares in issue after adjusting for 5.8 million shares which were deemed to be granted for no consideration under the share-based long-term incentive plans during the year (2024: 1,345.3 million shares in issue).

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

	Ordinary shares in millions	
	2025	2024
Weighted average number of shares in issue	1,353.7	1,353.7
Shares held by a subsidiary of the Group under a share-based long-term incentive plan	(5.8)	(8.4)
Weighted average number of shares for basic earnings per share calculation	1,347.9	1,345.3
Adjustment for shares deemed to be issued or granted for no consideration under the share-based long-term incentive plans	5.8	8.4*
Weighted average number of shares for diluted earnings per share calculation	1,353.7	1,353.7

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

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

	2025			2024		
	US\$m	Basic earnings per share	Diluted earnings per share	US\$m	Basic (loss)/earnings per share	Diluted (loss)/earnings per share
		US¢	US¢		US¢	US¢
Profit/(loss) attributable to shareholders	234.7	17.41	17.34	(244.5)	(18.17)	(18.17)
Non-trading items (note 8)	35.6			445.1		
Underlying profit attributable to shareholders	270.3	20.05	19.97	200.6	14.91	14.82

8. Non-trading Items

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

	Operating profit		Profit/(loss) attributable to shareholders	
	2025 US\$m	2024 US\$m	2025 US\$m	2024 US\$m
Business restructuring costs	(4.8)	(21.6)	(5.6)	(20.5)
Gain on sale of subsidiaries	1.0	8.8	1.0	10.7
Loss on reclassification of a joint venture as a subsidiary	(0.9)	–	(0.9)	–
Gain on sale of joint ventures	–	43.6	–	43.6
Profit on sale of supermarkets in Indonesia	–	1.4	–	1.2
Profit on sale of properties (note 29(k))	1.2	3.7	1.1	3.3
Impairment of intangible assets (note 9)	–	(133.4)	–	(133.4)
Impairment of properties	–	(0.2)	–	(0.2)
Change in fair value of investment properties	(6.1)	(13.6)	(6.2)	(13.5)
Change in fair value of equity and debt investments (note 14)	2.7	(32.7)	2.7	(32.7)
Gain on divestment of Singapore Food business	–	–	124.5	–
Impairment charge on interests in associates (note 13)	–	–	(13.5)	(231.3)
Loss on divestments of associates	–	–	(143.2)	(114.4)
Share of change in fair value of Maxim's investment property	–	–	(1.4)	(1.7)
Share of change in fair value of Yonghui's investment property	–	–	–	(0.7)
Share of change in fair value of Robinsons Retail's equity investments (note 5)	–	–	5.8	34.4
Share of change in fair value of Yonghui's equity investments	–	–	–	(8.0)
Share of restructuring costs by Maxim's	–	–	(0.5)	–
Share of gain from sale of an associate by Robinsons Retail (note 5)	–	–	–	16.5
Share of gain from partial sale of an investment by Yonghui	–	–	–	1.6
Net gain from reclassification of associates and joint ventures' other comprehensive income items upon discontinuation of equity accounting	–	–	0.6	–
	(6.9)	(144.0)	(35.6)	(445.1)

8. Non-trading Items *continued*

The Group continues to review and restructure its operation formats and organisational structure to align with its strategic framework. Accordingly, restructuring costs primarily comprising employee costs of US\$11.0 million (2024: US\$17.0 million) and business closure costs of US\$0.9 million (2024: US\$6.2 million) were charged to profit and loss. In addition, within the restructuring costs for 2025, the Group recognised a release of an overprovision of US\$5.3 million relating to the restructuring undertaken in the prior years for its Southeast Asia Food business.

In March 2025, the Group entered into an agreement with a third party to divest its Singapore Food business. The transaction was completed in December 2025. The Group disposed of its 100% shareholding in Cold Storage Singapore (1983) Pte Limited (Cold Storage Singapore), and recorded a gain on sale of a subsidiary of US\$123.3 million, which included a cumulative exchange translation gain of US\$3.6 million. Together with other associated gains, the Group recorded a total gain of US\$124.6 million in respect of the divestment during the year.

In 2025, the Group recorded a loss on divestments of associates arising from the disposals of its 21.44% interest in Yonghui and its 22.22% interest in Robinsons Retail, amounting to US\$128.2 million (note 19) and US\$15.0 million (note 13), respectively. The losses on divestments of Yonghui and Robinsons Retail included cumulative translation losses of US\$127.8 million and US\$37.6 million, respectively. Combined with cumulative exchange translation gain of US\$3.6 million from the divestment of Singapore Food business and US\$0.9 million loss from the reclassification of Pan Asia Trading and Investment One Member Company Limited (PATI) as a subsidiary (note 29(d)), the Group reclassified a total cumulative exchange translation loss of US\$162.7 million from other comprehensive income to profit and loss during the year. The loss on divestments of associates in 2024 related to the Group's divestment of Yonghui (note 19).

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.

Gain on sale of joint ventures in 2024 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. The Group had no interest in these joint ventures upon the completion of the transactions.

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

9. Intangible Assets

	Goodwill US\$m	Computer software US\$m	Other US\$m	Total US\$m
2025				
Cost	373.2	243.3	7.5	624.0
Amortisation and impairment	(305.3)	(174.9)	(6.3)	(486.5)
Net book value at 1 January	67.9	68.4	1.2	137.5
Exchange differences	1.0	0.6	–	1.6
New subsidiary	–	0.3	–	0.3
Additions	–	35.7	–	35.7
Disposal of a subsidiary	(12.4)	(2.2)	–	(14.6)
Disposals	–	(5.8)	–	(5.8)
Amortisation	–	(21.1)	(0.1)	(21.2)
Impairment charge	–	(1.5)	–	(1.5)
Net book value at 31 December	56.5	74.4	1.1	132.0
Cost	298.1	245.4	7.4	550.9
Amortisation and impairment	(241.6)	(171.0)	(6.3)	(418.9)
	56.5	74.4	1.1	132.0
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

9. Intangible Assets *continued*

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.

Key assumptions used in value-in-use calculations in 2025 included budgeted gross margins between 29% and 62% and long-term sales growth rates between 2.0% and 3.0% 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 rates between 10% to 15% applied to the cash flow projections. On the basis of this review, management concluded that no impairment has occurred.

In 2024, the Group had recognised impairment charges against goodwill relating to its San Miu business in Macau amounting to US\$120.5 million and its Lucky business in Cambodia amounting to US\$12.9 million. Goodwill relating to San Miu was fully impaired and goodwill relating to Lucky was reduced to US\$12.3 million. Key assumptions used in the respective value-in-use calculations are listed below:

	San Miu	Lucky
Cash flow projection period	5 years	5 years
Average sales growth rate	2.2%	3.0%
Average gross profit growth rate	0.8%	7.0%
Pre-tax discount rate	9.9%	14.1%
Long-term growth rate	2.2%	3.0%

The key assumptions used in value-in-use calculations for the remaining balances of goodwill in 2024 included budgeted gross margins between 37% and 64% and long-term sales growth rates between 2.0% and 2.2% 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% applied to the cash flow projections.

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 6 years

10. 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
2025						
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)
Net book value at 1 January	-	106.1	217.1	226.3	68.9	618.4
Exchange differences	-	(3.5)	4.3	2.3	1.2	4.3
New subsidiary	-	-	1.7	-	0.5	2.2
Additions	-	0.3	51.7	64.5	13.0	129.5
Disposal of a subsidiary	-	-	(13.1)	(15.2)	(3.0)	(31.3)
Disposals	-	-	(5.3)	(5.1)	(2.5)	(12.9)
Depreciation charge	-	(3.4)	(53.8)	(61.8)	(21.5)	(140.5)
Impairment charge	-	-	(5.1)	(1.2)	-	(6.3)
Reclassified to assets held for sale (note 19)	-	(3.6)	-	-	-	(3.6)
Transfer	-	1.2	(1.2)	-	-	-
Net book value at 31 December	-	97.1	196.3	209.8	56.6	559.8
Cost	-	142.0	776.9	720.9	262.0	1,901.8
Depreciation and impairment	-	(44.9)	(580.6)	(511.1)	(205.4)	(1,342.0)
	-	97.1	196.3	209.8	56.6	559.8

10. 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
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 12)	–	(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 19)	–	(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

Rental income from properties amounted to US\$0.6 million (2024: US\$0.2 million) with no contingent rents for both 2025 and 2024.

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

	2025 US\$m	2024 US\$m
Within one year	–	0.2
Between one and two years	–	0.2
Between two and five years	–	0.3
Beyond five years	–	–
	–	0.7

There were no tangible assets pledged as security for borrowings at 31 December 2025 and 2024.

11. Right-of-use Assets

	Leasehold land US\$m	Properties US\$m	Furniture, equipment & other US\$m	Total US\$m
2025				
Net book value at 1 January	62.1	2,478.6	1.4	2,542.1
Exchange differences	(1.9)	57.5	0.1	55.7
New subsidiary (note 29(d))	–	26.5	–	26.5
Additions	–	69.9	2.5	72.4
Disposal of a subsidiary	–	(385.0)	–	(385.0)
Disposals	(0.4)	–	–	(0.4)
Modifications to lease terms	–	465.9	–	465.9
Amortisation/depreciation charge	(2.0)	(674.7)	(1.0)	(677.7)
Impairment charge	–	(12.8)	–	(12.8)
Reclassified to assets held for sale (note 19)	(0.6)	–	–	(0.6)
Net book value at 31 December	57.2	2,025.9	3.0	2,086.1
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 12)	(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 19)	(3.7)	–	–	(3.7)
Net book value at 31 December	62.1	2,478.6	1.4	2,542.1

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

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

Leasehold land	25 to 999 years
Properties	1 to 35 years
Furniture, equipment & other	1 to 6 years

There was no leasehold land pledged as security for borrowings at 31 December 2025 and 2024.

12. Investment Properties

	Commercial properties US\$m	Residential property US\$m	Total US\$m
2025			
At 1 January	69.9	30.9	100.8
Exchange differences	(1.9)	(0.1)	(2.0)
Additions	–	0.2	0.2
Disposals	(2.5)	–	(2.5)
Change in fair value	(5.3)	(0.8)	(6.1)
At 31 December	60.2	30.2	90.4
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 10)	0.7	–	0.7
Transfer from right-of-use assets (note 11)	7.3	–	7.3
Change in fair value	(5.0)	(8.6)	(13.6)
Reclassified to assets held for sale (note 19)	(7.7)	–	(7.7)
At 31 December	69.9	30.9	100.8

The future use of the Group's properties is reviewed by the Directors regularly. In 2024, 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 11) was credited to the revaluation reserves and an impairment charge of US\$0.2 million (note 10) was recorded.

During the year, an investment property in Indonesia was disposed of at a loss of US\$0.7 million. In 2024, 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 2025 and 2024 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.

12. 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
2025			
Fair value measurements			
– using no significant unobservable inputs	–	30.2	30.2
– using significant unobservable inputs	60.2	–	60.2
	60.2	30.2	90.4
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

12. Investment Properties *continued*

Information about fair value measurements of the commercial properties using significant unobservable inputs at 31 December 2025 and 2024:

Locations	Fair value US\$m	Range of significant unobservable inputs	
		Prevailing market rent per month US\$	Capitalisation rate %
2025			
Hong Kong	13.8	3.1 to 10.0 per square foot	7.00 to 9.00
Indonesia	46.4	3.7 to 4.9 per square metre	8.40
	<u>60.2</u>		
2024			
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
	<u>69.9</u>		

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 rent and capitalisation rate on the commercial properties in Hong Kong at the balance sheet dates. 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	Decrease in assumption US\$m
2025			
Prevailing market rent per month	5.0	2.7	(2.8)
Capitalisation rate	0.1	(0.8)	0.9
2024			
Prevailing market rent per month	5.0	3.2	(2.5)
Capitalisation rate	0.1	(1.1)	1.2

12. Investment Properties *continued*

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:

	2025	2024
	US\$m	US\$m
Within one year	2.6	2.2
Between one and two years	1.9	1.1
Between two and five years	2.7	0.6
Beyond five years	1.0	1.1
	8.2	5.0

There were no investment properties pledged as security for borrowings at 31 December 2025 and 2024.

13. Associates and Joint Ventures

	2025	2024
	US\$m	US\$m
Associates		
Listed associate	–	247.7
Unlisted associates	624.6	588.4
Share of attributable net assets	624.6	836.1
Unlisted joint ventures	–	3.0
	624.6	839.1

13. Associates and Joint Ventures *continued*

At 31 December 2024, the fair value of the Group's listed associate, Robinsons Retail, which was based on quoted prices in active market, amounted to US\$196.3 million.

	Associates		Joint ventures	
	2025 US\$m	2024 US\$m	2025 US\$m	2024 US\$m
<i>Movements during the year:</i>				
At 1 January	836.1	1,791.9	3.0	1.8
Exchange differences	28.2	(6.5)	(0.2)	(0.2)
Share of results after tax and non-controlling interests	92.0	88.6	0.2	(4.0)
Share of other comprehensive income after tax and non-controlling interests	2.2	0.5	–	–
Dividends received	(48.4)	(51.6)	–	–
Capital injections	–	4.5	–	1.9
Disposals	(258.1)	–	–	3.0
Impairment charge	(13.5)	(231.3)	–	–
Reclassified to assets held for sale (<i>note 19</i>)	–	(758.9)	–	–
Reclassified a joint venture as a subsidiary (<i>note 29(d)</i>)	–	–	(3.0)	–
Other movements in attributable interests	(13.9)	(1.1)	–	0.5
At 31 December	624.6	836.1	–	3.0

Disposals in 2025 represented the carrying value of the Group's interest in Robinsons Retail at the date of disposal. In May 2025, the Group completed the disposal of its entire interest in Robinsons Retail, which operated multi-format retail business in the Philippines, to its controlling shareholder. As a result, the equity basis of accounting for Robinsons Retail was discontinued after May 2025. Including a cumulative translation loss of US\$37.6 million, the Group recognised a loss of US\$15.0 million on the divestment of Robinson Retail during the year (*note 8*).

In 2024, the Group signed a share transfer agreement with a third party to sell its entire interest in Yonghui. The interest in Yonghui, with a carrying value of US\$758.9 million, was reclassified to assets held for sale, and accordingly, the equity basis of accounting was discontinued (*note 19*).

13. Associates and Joint Ventures *continued*

Following the impairment review performed by the management, the Group fully impaired the carrying value of its investment in Minden International Pte. Ltd (Minden), an associate operating a customer loyalty programme in Singapore, during the year.

At 31 December 2024, the fair value of Robinsons Retail based on quoted prices in active market 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.

To calculate the value-in-use, management estimated the discounted future cash inflows derived from holding the investment and from its ultimate disposal. For the disposal cash inflow, management 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 further impairment of US\$24.0 million in 2024.

(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 2025 and 2024:

Name of entity	Nature of business	Place of incorporation/listing	% of ownership interest	
			2025	2024
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	n/a	21.98

Following the continuous share buyback in Robinsons Retail, the Group's interest in Robinsons Retail increased from 21.98% to 22.22% at the date of disposal, 30 May 2025.

13. 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
	2025	2024	2024*
	US\$m	US\$m	US\$m
Non-current assets	2,530.4	2,611.9	1,781.0
Current assets			
Cash and cash equivalents	321.0	194.9	160.6
Other current assets	303.9	263.8	633.0
Total current assets	624.9	458.7	793.6
Non-current liabilities			
Financial liabilities†	(827.3)	(603.5)	(509.7)
Other non-current liabilities	(193.6)	(179.8)	(112.1)
Total non-current liabilities	(1,020.9)	(783.3)	(621.8)
Current liabilities			
Financial liabilities†	(603.4)	(889.2)	(274.7)
Other current liabilities	(115.4)	(108.2)	(429.7)
Total current liabilities	(718.8)	(997.4)	(704.4)
Non-controlling interests	(166.4)	(141.1)	(85.5)
Net assets	1,249.2	1,148.8	1,162.9

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

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

13. 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
	2025	2024	2024 [†]
	US\$m	US\$m	US\$m
Revenue	3,083.4	3,070.1	3,460.6
Depreciation and amortisation	(425.8)	(435.0)	(129.4)
Interest income	3.3	3.5	3.0
Interest expense	(41.7)	(47.7)	(54.0)
Profit from underlying business performance	199.3	169.4	117.1
Tax	(43.0)	(28.7)	(25.1)
Profit after tax from underlying business performance	156.3	140.7	92.0
(Loss)/profit after tax from non-trading items	(3.9)	(3.5)	237.3
Profit after tax	152.4	137.2	329.3
Non-controlling interests	(12.8)	(9.4)	(10.0)
Profit after tax and non-controlling interests	139.6	127.8	319.3
Other comprehensive income/(expense)	37.7	(11.4)	4.9
Total comprehensive income	177.3	116.4	324.2
Dividends received from associates	37.2	41.0	10.6

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

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.

13. 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
	2025 US\$m	2024 US\$m	2024 US\$m
Net assets	1,249.2	1,148.8	1,162.9*
<i>Interests in associates (%)</i>	50	50	21.98
Group's share of net assets in associates	624.6	574.4	255.6
Other reconciling items	–	–	(7.9)
Carrying value	624.6	574.4	247.7
Fair value†	n/a	n/a	196.3

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

† Fair value of the listed associate was based on quoted prices in active market at 31 December 2024.

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 2025 and 2024.

(b) Investment in joint ventures

The Group had no interest in joint ventures at 31 December 2025. At 31 December 2024, none of the Group's interest in unlisted joint ventures was considered material in the opinion of the Directors.

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.

14. Other Investments

	2025	2024
	US\$m	US\$m
Equity investments measured at fair value through profit and loss		
– listed equity investments	–	8.4
– unlisted equity investments	11.7	11.9
	11.7	20.3
Debt investments measured at fair value through profit and loss		
– unlisted debt investments	–	–
	11.7	20.3

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 on the Hong Kong Stock Exchange. These shares were disposed of during the year (note 29(i)).

The Group's unlisted equity and debt investments in Pickup Limited, a delivery platform founded in Hong Kong, amounted to US\$15.0 million. The fair value of the investments was determined at US\$nil following a review by the management in 2025 and 2024.

All equity and debt investments are non-current assets.

	2025	2024
	US\$m	US\$m
<i>Movements during the year:</i>		
At 1 January	20.3	6.7
Additions (note 29(f))	–	46.5
Disposals	(11.3)	(0.2)
Change in fair value (note 8)	2.7	(32.7)
At 31 December	11.7	20.3

Movements of equity and debt investments which were valued based on unobservable inputs during the years ended 31 December 2025 and 2024 are disclosed in note 38.

15. Debtors

	2025 US\$m	2024 US\$m
Trade debtors		
Third parties	60.8	83.8
Associate	1.1	–
	61.9	83.8
Less: provision for impairment	(0.1)	(0.4)
	61.8	83.4
Other debtors		
Third parties	214.2	242.9
Less: provision for impairment	(5.7)	(5.7)
	208.5	237.2
	270.3	320.6
Non-current		
– trade debtors	–	–
– other debtors	87.6	97.9
	87.6	97.9
Current		
– trade debtors	61.8	83.4
– other debtors	120.9	139.3
	182.7	222.7
	270.3	320.6

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:

	2025 US\$m	2024 US\$m
Derivative financial instruments (note 30)	1.4	14.7
Rental and other deposits	126.1	135.4
Consideration receivables (note 29(g))	7.5	–
Other receivables	18.2	21.8
Financial assets	153.2	171.9
Prepayments	47.4	50.6
Other	7.9	14.7
	208.5	237.2

15. 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 2025, trade debtors of US\$0.1 million (2024: US\$0.4 million) were impaired, which have been fully provided for in both years. The ageing analysis of these debtors is as follows:

	Trade debtors	
	2025	2024
	US\$m	US\$m
Over 90 days	0.1	0.4

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 they are due. At 31 December 2025 and 2024, provisions were provided for the amounts deemed uncollectible.

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, among others, the failure of a debtor to engage in a repayment plan with the Group.

Movements in provisions for impairment are as follows:

	Trade debtors		Other debtors	
	2025	2024	2025	2024
	US\$m	US\$m	US\$m	US\$m
At 1 January	(0.4)	(0.5)	(5.7)	(4.5)
Exchange differences	-	-	-	0.1
Additional provisions	-	-	(1.0)	(2.2)
Disposal of a subsidiary	0.2	-	-	-
Unused amounts reversed	0.1	-	0.7	0.3
Amounts written off	-	0.1	0.3	0.6
At 31 December	(0.1)	(0.4)	(5.7)	(5.7)

There were no debtors pledged as security for borrowings at 31 December 2025 and 2024.

16. Deferred Tax Assets/(Liabilities)

	Accelerated tax depreciation	Fair value gains/ losses	Losses	Employee benefits	Lease liabilities and other temporary differences	Total
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
2025						
At 1 January	(269.0)	(1.4)	2.6	0.2	280.5	12.9
Exchange differences	(11.6)	–	–	–	12.8	1.2
Credited/(charged) to profit and loss	10.8	–	2.8	0.6	(15.0)	(0.8)
Credited/(charged) to other comprehensive income	–	1.2	–	(1.7)	–	(0.5)
Disposal of a subsidiary	68.6	–	–	–	(78.2)	(9.6)
Other movements	–	–	–	–	15.0	15.0
At 31 December	(201.2)	(0.2)	5.4	(0.9)	215.1	18.2
Deferred tax assets	(172.2)	(0.1)	5.4	1.2	197.4	31.7
Deferred tax liabilities	(29.0)	(0.1)	–	(2.1)	17.7	(13.5)
	(201.2)	(0.2)	5.4	(0.9)	215.1	18.2
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

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\$46.4 million (2024: US\$62.9 million) arising from unused tax losses of US\$216.5 million (2024: US\$286.8 million) have not been recognised in the financial statements. Included in the unrecognised tax losses, US\$63.7 million have no expiry date and the remaining balance of US\$152.8 million will expire at various dates up to and including 2030.

At 31 December 2025 and 2024, no deferred tax liabilities arising on temporary differences associated with investments in subsidiaries were recognised as there were no undistributed earnings of these subsidiaries. At 31 December 2024, there were deferred tax liabilities of US\$15.0 million recognised for the temporary differences arising from unremitted earnings related to investment in associates. These liabilities were derecognised during the year following the divestments of associates.

17. Pension Plans

The Group operates corporate defined benefit pension plans in Hong Kong, where benefits are calculated based on members' length of service and salaries, paid as a lump sum. In 2025, the Group decided to close the Hong Kong corporate defined benefit plans to new entrants with effect from 1 January 2026. New joiners in 2026 will have the option to choose between a new supplementary corporate defined contribution pension plan or a Mandatory Provident Fund scheme. The Group also has defined benefit obligations in Indonesia, the Philippines and Taiwan following the local statutory requirements.

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:

	2025	2024
	US\$m	US\$m
Fair value of plan assets	208.4	197.1
Present value of funded obligations	(193.4)	(191.0)
	15.0	6.1
Present value of unfunded obligations	(3.0)	(2.9)
Net pension assets	12.0	3.2
<i>Analysis of net pension assets:</i>		
Pension assets	16.5	7.6
Pension liabilities	(4.5)	(4.4)
	12.0	3.2

17. Pension Plans *continued*

Movements in the net pension assets are as follows:

	Fair value of plan assets US\$m	Present value of obligations US\$m	Total US\$m
2025			
At 1 January	197.1	(193.9)	3.2
Exchange differences	(0.4)	0.4	–
Current service cost	–	(13.3)	(13.3)
Interest income/(expense)	8.3	(7.8)	0.5
Past service cost	–	1.0	1.0
Administration expenses	(0.8)	–	(0.8)
Total amount recognised in profit and loss	7.5	(20.1)	(12.6)
Remeasurements			
– return on plan assets, excluding amounts included in interest income	15.2	–	15.2
– change in financial assumptions	–	(4.0)	(4.0)
– experience losses	–	(1.0)	(1.0)
Total amount recognised in other comprehensive income	15.2	(5.0)	10.2
Contributions from employers	10.9	–	10.9
Contributions from plan participants	0.1	(0.1)	–
Benefit payments	(22.2)	22.4	0.2
Settlements	–	0.1	0.1
Transfer from/(to) other plans	0.2	(0.2)	–
At 31 December	208.4	(196.4)	12.0

17. Pension Plans continued

	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

17. Pension Plans *continued*

The weighted average duration of the defined benefit obligations at 31 December 2025 was 5.5 years (2024: 5.5 years). The expected maturity analysis of undiscounted pension benefits at 31 December is as follows:

	2025	2024
	US\$m	US\$m
Within one year	42.0	39.5
Between one and two years	20.1	23.6
Between two and five years	56.8	60.1
Between five and ten years	109.1	111.0
Between ten and fifteen years	84.6	91.5
Between fifteen and twenty years	54.6	63.9
Beyond twenty years	49.3	55.2
	416.5	444.8

The principal actuarial assumptions at 31 December are as follows:

	Hong Kong		Indonesia		Taiwan		The Philippines	
	2025	2024	2025	2024	2025	2024	2025	2024
	%	%	%	%	%	%	%	%
Discount rate	3.6	4.5	6.3	7.0	1.4	1.6	6.4	6.1
Salary growth rate	4.0	4.5	6.0	6.0	3.0	4.0	2.0	5.0

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	10.1	(11.2)
Salary growth rate	1	(10.7)	9.8

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.

17. Pension Plans continued

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

	2025	2024
	US\$m	US\$m
Investment funds		
Asia Pacific	36.1	35.8
Europe	43.5	37.8
North America	113.5	109.5
Global	23.2	20.8
Total investments	216.3	203.9
Cash and cash equivalents	8.5	8.5
Benefits payable and other	(16.4)	(15.3)
	208.4	197.1

At 31 December 2025, 83% (2024: 76%) 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 2025, the Hong Kong plans had assets of US\$203.7 million (2024: US\$192.4 million).

The Group maintains an active and regular contribution schedule in the plans. The contributions to the plans in 2025 were US\$10.9 million and the estimated amounts of contributions expected to be paid to the plans in 2026 are US\$11.0 million.

18. Cash and Bank Balances

	2025	2024
	US\$m	US\$m
Deposits with banks	31.1	31.9
Bank balances	50.8	119.3
Cash balances	86.8	122.6
	168.7	273.8
<i>Analysis by currencies:</i>		
Chinese yuan	37.5	38.3
Hong Kong dollar	76.6	105.8
Indonesian rupiah	2.3	7.6
Macau pataca	8.8	16.6
Malaysian ringgit	3.5	3.8
New Taiwan dollar	2.9	63.0
Singapore dollar	12.1	18.5
United States dollar	16.1	16.5
Vietnam dong	5.1	–
Other	3.8	3.7
	168.7	273.8

The weighted average interest rate on deposits with banks at 31 December 2025 was 1.8% (2024: 2.0%) per annum.

19. Assets Held for Sale

The major classes of assets held for sale are set out below:

	2025	2024
	US\$m	US\$m
Tangible and right-of-use assets	4.2	3.7
Investment properties (note 12)	–	7.7
Interest in an associate	–	1,662.1
	4.2	1,673.5

19. Assets Held for Sale *continued*

Tangible and right-of-use assets

At 31 December 2025, the tangible and right-of-use assets held for sale represented a property in Indonesia. This property was sold at a profit of approximately US\$2.8 million in January 2026.

At 31 December 2024, the right-of-use assets held for sale represented a property in Indonesia. This property was sold at a profit of US\$2.1 million during the year.

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

	2025 US\$m	2024 US\$m
At 1 January	3.7	6.5
Exchange differences	(0.1)	–
Reclassified from tangible assets (note 10)	3.6	2.3
Reclassified from right-of-use assets (note 11)	0.6	3.7
Disposal of subsidiaries	–	(2.4)
Disposals	(3.6)	(6.4)
At 31 December	4.2	3.7
Tangible assets	3.6	–
Right-of-use assets	0.6	3.7
	4.2	3.7

Investment properties

The investment properties held for sale at 31 December 2024 were sold at a loss of US\$0.4 million during the year.

Interest in an associate

In February 2025, the Group completed the disposal of its 21.44% interest in Yonghui. As of 31 December 2024, this interest was classified under held for sale and carried at fair value on the consolidated balance sheet.

Movements in the interest in Yonghui are as follows:

	2025 US\$m	2024 US\$m
At 1 January	1,662.1	–
Reclassified from associates and joint ventures (note 13)	–	758.9
Impairment charge	–	(149.3)
Change in fair value	–	1,081.8
Disposal	(1,664.0)	–
Exchange differences	1.9	(29.3)
At 31 December	–	1,662.1

19. Assets Held for Sale *continued*

Interest in an associate *continued*

In 2024, the Group entered into a share transfer agreement (the Agreement) with a third party for the disposal of its entire interest in Yonghui. 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 38), 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 was applied, with changes in the fair values 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.

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

On completion of the divestment in 2025, the assets classified as held for sale and related liabilities pertaining to the fair value of the forward contract used to hedge the changes in fair value of the shares associated with Yonghui as at 31 December 2024, were settled. The Group recognised a total loss of US\$128.2 million which included the impact of the forward foreign exchange contracts entered into for this divestment and a cumulative exchange translation loss of US\$127.8 million reclassified from other comprehensive income to profit and loss upon disposal.

Together with the loss of US\$114.4 million charged to profit and loss in 2024, the Group had recognised a total loss of US\$242.6 million relating to the divestment of Yonghui.

The loss relating to divestment of Yonghui for the years ended 31 December 2025 and 2024 is summarised as below:

	2025	2024
	US\$m	US\$m
Loss on divestment of Yonghui	(123.1)	–
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 30)	–	(1,050.7)
Fair value (loss)/gain on forward foreign exchange contracts	(7.8)	7.8
Transaction costs reversed/(provided)	2.7	(4.0)
Loss relating to the divestment (note 8)	(128.2)	(114.4)

19. Assets Held for Sale continued**Interest in an associate** continued

Additional information on the impact to the consolidated balance sheet relating to the divestment of interest in Yonghui 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)
	<u>616.5</u>

20. Creditors

	2025 US\$m	2024 US\$m
Trade creditors		
– third parties	1,012.5	1,114.1
– associates	6.9	6.7
	1,019.4	1,120.8
Accruals	433.3	423.6
Rental and other refundable deposits	21.1	19.8
Derivative financial instruments (note 30)	0.2	1,051.3
Other creditors	145.6	156.1
Financial liabilities	1,619.6	2,771.6
Contract liabilities	161.9	176.1
Rental income received in advance	0.7	0.9
Other	–	6.5
	1,782.2	2,955.1
Non-current	10.1	5.3
Current	1,772.1	2,949.8
	1,782.2	2,955.1

Derivative financial instruments are stated at fair value. At 31 December 2024, it included a US\$1,050.7 million fair value loss on the forward contract relating to the divestment of Yonghui. 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\$111.4 million (2024: US\$139.2 million). Management expects that 57% of the contract liabilities at 31 December 2025 (2024: 62%) will be recognised as revenue during the next reporting period based on redemption history.

21. Borrowings

	2025 US\$m	2024 US\$m
Current		
– other bank advances	82.2	474.0
– current portion of long-term bank borrowings	17.0	30.9
	99.2	504.9
Long-term bank borrowings	–	236.5
	99.2	741.4

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:

By currencies	Fixed rate borrowings		US\$m	Floating rate borrowings US\$m	Total US\$m
	Weighted average interest rates %	Weighted average period outstanding Years			
2025					
Hong Kong dollar	4.0	–	–	31.1	31.1
Indonesian rupiah	5.6	–	–	34.6	34.6
Malaysian ringgit	3.9	–	–	33.5	33.5
			–	99.2	99.2
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

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

21. 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:

	2025	2024
	US\$m	US\$m
Floating rate borrowings	99.2	640.9
Fixed rate borrowings		
– within one year	–	–
– between one and two years	–	–
– between two and three years	–	100.5
	99.2	741.4

Movements in borrowings are as follows:

	Bank overdrafts	Short-term borrowings	Long-term borrowings	Total
	US\$m	US\$m	US\$m	US\$m
2025				
At 1 January	–	504.9	236.5	741.4
Exchange differences	–	0.9	–	0.9
Drawdown of borrowings	–	668.0	64.3	732.3
Repayment of borrowings	–	(905.9)	(300.8)	(1,206.7)
Net decrease in other short-term borrowings	–	(168.7)	–	(168.7)
At 31 December	–	99.2	–	99.2
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

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.

22. Lease Liabilities

	2025	2024
	US\$m	US\$m
At 1 January	2,763.0	2,847.8
Exchange differences	64.3	(41.4)
New subsidiary (note 29(d))	35.3	–
Additions	71.5	221.1
Disposal of subsidiaries	(439.0)	(35.2)
Modifications to lease terms	445.3	411.8
Lease payments	(782.5)	(754.6)
Interest expense	113.6	113.5
At 31 December	2,271.5	2,763.0
Non-current	1,762.4	2,202.6
Current	509.1	560.4
	2,271.5	2,763.0

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 lessors.

The Group was not exposed to any residual guarantees in respect of the leases entered into at 31 December 2025 and 2024.

The Group has not entered into any material lease contracts which have not commenced at 31 December 2025 and 2024.

23. Provisions

	Closure cost provisions US\$m	Reinstatement and restoration costs US\$m	Statutory employee entitlements US\$m	Others US\$m	Total US\$m
2025					
At 1 January	11.8	134.1	6.8	1.2	153.9
Exchange differences	0.2	2.0	–	–	2.2
Additional provisions	5.5	10.4	1.1	9.6	26.6
Disposal of a subsidiary	(0.1)	(20.5)	–	–	(20.6)
Interest on discounted liability on provisions	–	0.9	–	–	0.9
Loss on remeasurement of statutory employee entitlements	–	–	2.8	–	2.8
Unused amounts reversed	(4.0)	(2.5)	–	–	(6.5)
Utilised	(4.5)	(3.2)	(0.6)	(6.8)	(15.1)
At 31 December	8.9	121.2	10.1	4.0	144.2
Non-current	–	91.8	10.1	–	101.9
Current	8.9	29.4	–	4.0	42.3
	8.9	121.2	10.1	4.0	144.2
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
Loss on remeasurement 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

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.

24. Share Capital

		2025	2024
		US\$m	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	2025	2024
		US\$m	US\$m
	2025		2024
Issued and fully paid:			
Ordinary shares of US¢5 5/9 each			
At 31 December	1,353.7	1,353.7	75.2
			75.2

25. Share-based Long-term Incentive Plans

Share-based long-term incentive plans (LTIP) have been put in place to provide incentives for selected executives to align their long-term rewards with shareholders' interest. Under the LTIP, share awards vest free of payment are made. Awards normally vest on or after the first, second, third and fourth anniversary of the dates of grant and may be subject to the achievement of performance conditions. Conditions, if any, are at the discretion of the Directors.

The LTIP was adopted by the Company on 5 March 2015. In 2024, the Group redesigned the LTIP by adopting a dual-metric approach in measuring performance share units through return on capital employed and relative total shareholder return ranking against relevant retail peers. This aligns management incentives with shareholders' interests.

During 2025, conditional awards of 9,707,081 shares (2024: 9,262,996 shares) were awarded under the LTIP. The fair value of the share awards granted during the year was US\$27.0 million (2024: US\$17.7 million). The inputs into the discounted cash flow valuation model were share prices ranged from US\$2.33 to US\$3.95 (2024: US\$1.74 to US\$2.20) per share at the grant dates.

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 with exercise price based on the then prevailing market prices. The exercise price 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 dates of grant. No options were granted in 2025 and 2024.

Share options and share awards amounting to US\$15.1 million (2024: US\$11.1 million) were charged to profit and loss during the year.

25. Share-based Long-term Incentive Plans continued**Share awards***Movements in the outstanding conditional awards:*

	Conditional awards in millions	
	2025	2024
At 1 January	12.5	7.6
Granted	9.7	9.3
Lapsed	(1.9)	(1.4)
Released	(4.7)	(3.0)
At 31 December	15.6	12.5

Outstanding conditional awards by awards vesting dates at 31 December:

	Conditional awards in millions	
	2025	2024
2025	–	4.1
2026	4.4	3.2
2027	5.9	5.0
2028	5.3	0.2
	15.6	12.5

There were also conditional awards in dollars awarded in prior years. In 2024, conditional awards amounting to US\$1.5 million carried-forward from 2023 were lapsed. In 2025, there were no movements in conditional awards in dollars, and there were no such awards outstanding at 31 December 2025 and 2024.

25. Share-based Long-term Incentive Plans *continued*

Share options

There were 0.9 million outstanding share options brought forward to 2024. During the years ended 31 December 2025 and 2024, there were no movements in the outstanding share options.

Outstanding options by expiry dates at 31 December:

Expiry date	Exercise price	Options in millions	
	US\$	2025	2024
2026	5.9320	0.4	0.4
2026	8.9060	0.3	–
2027	8.9060	0.2	0.5
		0.9	0.9
of which exercisable		0.9	0.9

The weighted average exercise price for the outstanding options was US\$7.5065 (2024: US\$7.5065). The average share price during the year was US\$2.94 (2024: US\$2.06) per share.

26. Share Premium and Capital Reserves

	Share premium	Capital reserves	Total
	US\$m	US\$m	US\$m
2025			
At 1 January	39.6	36.0	75.6
Share-based long-term incentive plans			
– value of employee services	–	15.1	15.1
Transfer	–	(7.1)	(7.1)
At 31 December	39.6	44.0	83.6
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

Capital reserves comprise contributed surplus of US\$20.1 million (2024: US\$20.1 million) and other reserves of US\$23.9 million (2024: US\$15.9 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.

27. Dividends

	2025	2024
	US\$m	US\$m
Final dividend in respect of 2024 of US\$7.00 (2023: US\$5.00) per share	94.8	67.7
Interim dividend in respect of 2025 of US\$3.50 (2024: US\$3.50) per share	47.4	47.4
Special dividend of US\$44.30 per share	599.7	–
	741.9	115.1
Dividends on shares held by a subsidiary of the Group under a share-based long-term incentive plan	(3.0)	(0.8)
	738.9	114.3

A final dividend in respect of 2025 of US\$10.50 (2024: US\$7.00) per share amounting to a total of US\$142.1 million (2024: US\$94.8 million) is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the 2026 Annual General Meeting and will be accounted for as an appropriation of revenue reserves in the year ending 31 December 2026.

28. Geographical Analysis of Non-current Assets

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

	2025	2024
	US\$m	US\$m
North Asia	2,656.3	2,763.6
Southeast Asia	836.6	1,474.3
	3,492.9	4,237.9

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

29. Notes to Consolidated Cash Flow Statement

	2025	2024
	US\$m	US\$m
(a) Depreciation and amortisation		
<i>Analysis by reportable segments:</i>		
Health and Beauty	186.8	164.2
Convenience	246.4	243.9
Food	311.0	318.1
Home Furnishings	87.0	92.9
Selling, general and administrative expenses	8.2	18.3
	839.4	837.4
(b) Other non-cash items		
<i>Analysis by nature:</i>		
Gain on sale of subsidiaries	(1.0)	(8.8)
Gain on sale of joint ventures	–	(43.6)
Loss on reclassification of a joint venture as a subsidiary	0.9	–
Profit on sale of properties	(1.2)	(3.7)
Loss on disposals of other tangible and intangible assets	17.7	7.8
Change in fair value of investment properties	6.1	13.6
Change in fair value of equity and debt investments	(2.7)	32.7
Impairment of tangible and intangible assets	7.8	143.4
Impairment of right-of-use assets	12.8	4.6
Write down of stocks	3.6	3.3
Reversal of write down of stocks	(6.2)	(5.3)
Change in provisions	11.6	12.8
Gain on lease modification and termination	(7.2)	(5.7)
Share-based payment	15.1	11.1
Impairment of trade and other debtors	0.5	2.0
Interest income from debt investments	(0.6)	(0.6)
Fair value loss on fair value hedges	–	0.1
	57.2	163.7
(c) Increase in working capital		
Decrease in stocks	21.4	67.6
Decrease in debtors	21.1	32.0
Decrease in creditors	(77.0)	(178.7)
	(34.5)	(79.1)

29. Notes to Consolidated Cash Flow Statement *continued*

(d) Reclassification of a joint venture as a subsidiary

During the year, management reassessed the classification of its investment in PATI, which operates health and beauty stores in Vietnam, in accordance with the terms of the agreement. As a result, PATI has been reclassified as a subsidiary of the Group. A loss of US\$0.9 million, attributable to cumulative translation differences, was recognised in profit and loss (*note 8*).

The net cash inflow of US\$6.1 million arising from the reclassification of a joint venture as a subsidiary represented the cash and cash equivalents held by PATI at the date of reclassification.

(e) Purchase of associates and joint ventures in 2024 related to the Group's capital injections of US\$4.5 million to Minden and US\$1.9 million to PATI.

(f) Purchase of other investments in 2024 related to the Group's subscription of 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.

(g) Sale of subsidiaries

	2025	2024
	US\$m	US\$m
Non-current assets	450.3	79.3
Current assets	85.8	42.9
Current liabilities	(133.5)	(19.8)
Non-current liabilities	(396.5)	(35.3)
Net assets disposed of	6.1	67.1
Cumulative exchange translation (gain)/loss	(3.6)	8.4
Net gain on disposals	124.3	8.8
Total consideration	126.8	84.3
Deferred gain on sale and leaseback of properties	–	11.6
Non-cash items:		
– consideration settled	(47.8)	–
– consideration receivables (<i>note 15</i>)	(7.5)	–
– transaction costs payable	17.4	2.0
	(37.9)	2.0
Cash and cash equivalents of the subsidiaries disposed of	(21.7)	(3.8)
Net cash inflows	67.2	94.1

In December 2025, the Group completed the sale of its 100% interest in Cold Storage Singapore to a third party (*note 8*). The net cash inflows for the sale of subsidiaries in 2025 mainly related to the net proceeds of US\$66.5 million from this disposal. Included within the consideration, an amount of US\$47.8 million represented a loan payable by the Group to Cold Storage Singapore on the date of disposal. This loan was subsequently settled via an offset against the consideration received by the Group on the disposal.

The revenue and profit after tax in respect of the subsidiary disposed of during the year amounted to US\$1,410.0 million and US\$12.6 million, respectively.

In 2024, the Group disposed 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 8*).

29. Notes to Consolidated Cash Flow Statement *continued*

(h) Sale of associates and joint ventures in 2025 represented the net cash inflows from the Group's disposals of its entire interests in Yonghui and Robinsons Retail, amounting to US\$616.4 million and US\$280.6 million, respectively. A total loss on divestments of Yonghui and Robinsons Retail amounting to US\$143.2 million (note 8) was recorded.

Sale 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.

(i) Sale of other investments in 2025 mainly related to the net cash proceeds from the Group's sale of equity shares in Dmall.

(j) 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 in respect of tangible assets and inventories, and liabilities supporting the business were sold at a profit of US\$1.4 million (note 8).

(k) Sale of properties in 2025 related to the disposal of five properties in Indonesia for a total cash consideration of US\$15.3 million, and a profit on sale of properties amounted to US\$1.2 million (note 8) was recognised.

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 profit on sale of properties amounted to US\$3.7 million (note 8) was recognised.

(l) Sale of untraceable shares related to the net proceeds from the Group's sale of untraceable shares during the year.

(m) Repurchase of shares for a share-based long-term incentive plan in 2025 related to the repurchase of 4,149,575 ordinary shares by a subsidiary of the Group for a total consideration of US\$14.6 million. In 2024, 1,432,716 ordinary shares were repurchased for US\$2.7 million.

(n) Cash outflows for leases

	2025	2024
	US\$m	US\$m
Cash outflows for lease rentals paid are included in		
– operating activities	(195.9)	(214.6)
– investing activities	–	–
– financing activities	(668.9)	(641.7)
	(864.8)	(856.3)

(o) Analysis of balances of cash and cash equivalents

	2025	2024
	US\$m	US\$m
Cash and bank balances (note 18)	168.7	273.8
Deposits with original maturities over three months	(1.5)	–
Cash and cash equivalents	167.2	273.8

30. Derivative Financial Instruments

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

	2025		2024	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
	US\$m	US\$m	US\$m	US\$m
Designated as cash flow hedges				
– forward foreign exchange contracts	1.4	0.2	6.9	0.3
– interest rate swaps	–	–	–	0.1
	1.4	0.2	6.9	0.4
Designated as fair value hedges				
– cross-currency swaps	–	–	–	–
– forward foreign exchange contracts	–	–	–	0.2
– a forward contract relating to the divestment of Yonghui (note 19)	–	–	–	1,050.7
	–	–	–	1,050.9
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 2025 were US\$197.2 million (2024: US\$1,143.1 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

There were no interest rate swaps at 31 December 2025.

At 31 December 2024, the notional principal amounts of the outstanding interest rate swap contracts were US\$100.5 million and the fixed interest rates relating to interest rate swaps varied from 3.97% to 4.02% per annum. The fair values of interest rate swaps were based on the estimated cash flows discounted at market rate of 4.6% per annum.

Cross-currency swaps

At 31 December 2025, the contract amounts of the outstanding cross-currency swap contracts were US\$64.4 million.

31. Commitments

	2025	2024
	US\$m	US\$m
Capital commitments:		
Authorised not contracted	81.6	40.4
Contracted not provided	29.7	4.2
	111.3	44.6

At 31 December 2025 and 2024, 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 years ended 31 December 2025 and 2024.

Total future sublease payments receivable amounted to US\$12.3 million at 31 December 2025 (2024: US\$9.9 million).

32. Contingent Liabilities

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

33. Related Party Transactions

The parent company of the Group is Jardine Strategic Limited and the ultimate parent company is Jardine Matheson Holdings Limited (JMHS). 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 JMHS (Jardine Matheson group), and its associates and joint ventures. The more significant of such transactions are described below.

	2025	2024
	US\$m	US\$m
Management services provided by Jardine Matheson Limited (JML)		
– management consultancy services	1.2	0.4
– directors’ fees and other fees	0.3	0.3
Property, purchases and other services provided by Jardine Matheson group		
– lease payments	2.6	3.0
– motor vehicles	1.6	1.5
– accounting, and repairs and maintenance services	10.4	8.2
Purchases and services received from the Group’s associates and joint ventures		
– ready-to-eat products	41.6	45.6
– point-of-sale system implementation and consultancy services	–	19.5
– customer loyalty programme launched in Singapore	4.7	4.7

33. Related Party Transactions *continued*

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

In 2024, 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.

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 are included in debtors or creditors, as appropriate.

Balances with group companies of JMH at 31 December 2025 and 2024 are immaterial, unsecured, and have no fixed terms of repayment.

Details of Directors' remuneration (being key management personnel compensation) are shown on page 121 under the heading of 'Remuneration Outcomes in 2025'.

34. 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.

	2025	2024
	US\$m	US\$m
Subsidiaries, at cost	92.4	92.4
Current assets*	116.5	345.9
Current liabilities*	(12.7)	(10.4)
Net operating assets	196.2	427.9
Share capital (note 24)	75.2	75.2
Share premium and capital reserves (note 26)	83.6	75.6
Revenue and other reserves	37.4	277.1
Shareholders' funds	196.2	427.9

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

35. Principal Subsidiaries

The Group's principal subsidiaries at 31 December 2025 are set out below:

Name of entity	Place of incorporation	Nature of business	Attributable interests		Proportion of ordinary shares and voting powers at 31 December 2025 held by	
			2025 %	2024 %	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	–
Pan Asia Trading And Investment One Member Company Limited	Vietnam	Health and beauty	70	70	70	30
DFI Retail Singapore Pte Limited	Singapore	Health and beauty and convenience	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.

36. 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.

36. 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 acquisition 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.

36. 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 20 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 basis over the shorter of their estimated useful lives and the lease terms.

36. 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 significant event or a significant change in circumstances, that is within the control of the Group, that results in a 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.

36. 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 the estimated open market value determined annually by independent qualified valuers who have recent experience in the location and segments 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 or 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.

36. Material Accounting Policies *continued*

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash and bank balances, deposits at call with banks, with original maturities of three months or less, net of bank overdrafts. In the balance sheet, bank overdrafts are included in current borrowings where applicable.

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.

36. 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 and share award 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 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.

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).

36. Material Accounting Policies *continued*

Derivative financial instruments *continued*

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 or 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.

36. Material Accounting Policies *continued*

Non-trading items

Non-trading items are separately identified to provide greater understanding of underlying performance from continuing businesses. The Group presents the Profit and Loss account in columnar format with analysis of underlying business performance and items outside of the underlying business performance (Non-trading items). The Group considers the following as non-trading items:

- Items that are unrealised valuation changes, infrequent or one-off in nature. Such items include fair value gains or losses on revaluation 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, associates and joint ventures and other investments; provisions for the restructuring or closure of businesses; acquisition-related costs in business combinations; and other credits and charges of a nonrecurring nature, that require inclusion in order to provide additional insight into underlying business performance.
- Results of non-strategic businesses. This relates to the profit or loss of business not aligned with the Group's strategy and where there is an explicit and announced intention to exit or wind-down the business.

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 mainly 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.

36. Material Accounting Policies *continued*

Revenue recognition *continued*

(ii) Revenue from other sources *continued*

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.

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.

37. Standards and Amendments Issued But Not Yet Effective

A number of amendments effective for accounting periods beginning after 2025 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.

38. 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, cross-currency 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 designated portion of the loans up to the notional amount of the swaps. As all critical terms matched in 2024, 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 in relation to interest rate swaps was not material.

38. 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 cross-currency swaps and 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 2025 and 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 2025, the Group had no outstanding fixed rate borrowings. At 31 December 2024, the Group's fixed rate borrowings were 14% of the total borrowings, with an average tenor of 0.1 year. The interest rate profile of the Group's borrowings after taking into account hedging transactions is set out in note 21.

Cash flow interest rate risk is the risk that changes in market interest rates will impact cash flows arising from variable rate financial instruments. Borrowings at floating rates therefore expose the Group to cash flow interest rate risk. The Group manages this risk by entering into interest rate swaps for a maturity of up to three 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 30.

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.

38. Financial Risk Management *continued*

Financial risk factors *continued*

(i) Market risk *continued*

Interest rate risk continued

At 31 December 2025, if interest rates had been 100 basis points higher/lower with all other variables held constant, the Group's profit after tax would have been US\$0.4 million lower/higher (2024: loss after tax would have been US\$4.7 million higher/lower), and with no change to hedging reserves (2024: US\$1.1 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 Chinese mainland, Hong Kong and Indonesian 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

At 31 December 2025, the Group's exposure to price risk was minimal. At 31 December 2024, the Group was exposed to securities price risk because of its listed equity investments which were measured at fair value through profit and loss. Gains or losses arising from changes in the fair value of these investments were recognised in profit and loss. The performance of these investments were 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 14.

The Group's interest in these investments was 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. The sensitivity analysis was determined based on a reasonable expectation of possible valuation volatility over the next 12 months.

At 31 December 2024, the Group was 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 30) 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 values of both the forward contract and the interest in Yonghui were recognised in profit and loss (note 19). The divestment was completed in February 2025.

38. 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 2025, total available borrowing facilities amounted to US\$2,016.5 million (2024: US\$2,505.8 million), of which US\$673.4 million (2024: US\$1,290.9 million) were committed facilities. A total of US\$99.2 million (2024: US\$741.4 million) from both committed and uncommitted facilities was drawn down. Undrawn committed facilities, in the form of revolving credit facilities, totalled US\$655.2 million (2024: US\$985.8 million).

38. 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 2025							
Creditors	1,614.6	2.5	1.3	0.5	0.3	0.2	1,619.4
Borrowings	101.0	0.3	–	–	–	–	101.3
Lease liabilities	599.4	468.2	350.5	258.5	196.7	705.9	2,579.2
Net-settled derivative financial instruments	–	–	–	–	–	–	–
Gross-settled derivative financial instruments							
– inflow	157.6	–	–	–	–	–	157.6
– outflow	156.7	–	–	–	–	–	156.7
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

38. 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 2025 and 2024 are as follows:

	2025	2024
Gearing ratio (%)	n/a	79
Interest cover (times)	33	8

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 levels 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.

38. 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 2025 and 2024:

	Quoted prices in active markets US\$m	Observable current market transactions US\$m	Unobservable inputs US\$m	Total US\$m
2025				
Assets				
Other investments (note 14)				
– equity investments	–	4.8	6.9	11.7
– debt investments	–	–	–	–
Derivative financial instruments at fair value (note 30)	–	1.4	–	1.4
	–	6.2	6.9	13.1
Liabilities				
Derivative financial instruments at fair value (note 30)	–	(0.2)	–	(0.2)
	–	(0.2)	–	(0.2)

38. 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
2024				
Assets				
Other investments (<i>note 14</i>)				
– equity investments	8.4	5.0	6.9	20.3
– debt investments	–	–	–	–
Derivative financial instruments at fair value (<i>note 30</i>)	–	14.7	–	14.7
	<u>8.4</u>	<u>19.7</u>	<u>6.9</u>	<u>35.0</u>
Liabilities				
Derivative financial instruments at fair value (<i>note 30</i>)	–	(1,051.3)	–	(1,051.3)
	<u>–</u>	<u>(1,051.3)</u>	<u>–</u>	<u>(1,051.3)</u>

There were no transfers among the three categories during the years ended 31 December 2025 and 2024.

Movements of unlisted equity and debt investments which are valued based on unobservable inputs during the years ended 31 December 2025 and 2024 are as follows:

	2025 US\$m	2024 US\$m
At 1 January	6.9	–
Additions	–	6.9
At 31 December	<u>6.9</u>	<u>6.9</u>

38. 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 2025 and 2024 are as follows:

	Fair value of hedging instruments	Fair value through profit and loss	Financial assets at amortised cost	Other financial liabilities	Total carrying amounts
	US\$m	US\$m	US\$m	US\$m	US\$m
2025					
Financial assets measured at fair value					
Other investments					
– equity investments	–	11.7	–	–	11.7
– debt investments	–	–	–	–	–
Derivative financial instruments	1.4	–	–	–	1.4
	1.4	11.7	–	–	13.1
Financial assets not measured at fair value					
Debtors	–	–	213.6	–	213.6
Cash and bank balances	–	–	168.7	–	168.7
	–	–	382.3	–	382.3
Financial liabilities measured at fair value					
Derivative financial instruments	(0.2)	–	–	–	(0.2)
	(0.2)	–	–	–	(0.2)
Financial liabilities not measured at fair value					
Borrowings	–	–	–	(99.2)	(99.2)
Lease liabilities	–	–	–	(2,271.5)	(2,271.5)
Trade and other payables excluding non-financial liabilities	–	–	–	(1,619.4)	(1,619.4)
	–	–	–	(3,990.1)	(3,990.1)

38. 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
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)

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

39. 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.

39. 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.

39. 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

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.

Independent Auditor's Report

To the Members of DFI Retail Group Holdings Limited
(incorporated in Bermuda with limited liability)

Report on the Audit of the Consolidated Financial Statements

Opinion

What we have audited

The consolidated financial statements of DFI Retail Group Holdings Limited (the 'Company') and its subsidiaries (the 'Group'), included within the Annual Report, which comprise:

- the Consolidated Balance Sheet as at 31 December 2025;
- the Consolidated Profit and Loss Account for the year then ended;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended; and
- the Notes to the Financial Statements, comprising material accounting policy information and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the consolidated financial statements. These disclosures are cross-referenced from the consolidated financial statements and are identified as audited.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB').

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ('IESBA Code') as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our Audit Approach

Overview

Materiality

- Overall Group materiality: US\$21.7 million (2024: US\$22.1 million), based on 0.25% (2024: 0.25%) of the total revenue of the Group.

Audit scope

- A full scope audit was performed on four entities including three subsidiaries and one associate, Maxim's Caterers Limited ('Maxim's').
- These entities, together with the audit of specific balances and transactions performed on six other subsidiaries, and procedures performed on central functions and at the Group level, accounted for 90% of the Group's revenue, 85% of the Group's profit before tax and 72% of the Group's underlying profit before tax.

Key audit matters identified in our audit are summarised as follows:

- Recognition of buying income; and
- IT environment.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	US\$21.7 million (2024: US\$22.1 million)
How we determined it	0.25% of the total revenue of the Group (2024: 0.25% of the total revenue of the Group)
Rationale for the materiality benchmark applied	Total revenue is a primary measure used by the shareholders in assessing the performance of the Group when underlying profit before tax is relatively thin.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above US\$1.08 million (2024: US\$1.10 million), other than classifications within the Consolidated Profit and Loss Account or Consolidated Balance Sheet, which were only reported above US\$3.2 million (2024: US\$2.9 million). We would also report misstatements below these amounts that in our view, warranted reporting for qualitative reasons.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

How our audit addressed the key audit matter

Recognition of buying income

Refer to note 36 (Material Accounting Policies) and note 39 (Critical Accounting Estimates and Judgements) to the consolidated financial statements.

The Group has arrangements with suppliers whereby volume-based, promotional, and various other incentives, rebates and discounts are earned in connection with the purchase of goods for resale from those suppliers (collectively referred to as 'buying income'). As such, the Group recognises buying income as deductions from cost of sales.

The individual supplier arrangements in place across the Group vary in nature. The majority of buying income is driven by volume-based measures, with the remainder related to conditional incentives and promotional activities.

We assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in determining the amounts of buying income recognised.

We gained an understanding of, and evaluated, the key manual and IT controls over buying income and tested key controls on a sample basis. We performed analytical procedures of buying income by type and location to identify unusual trends.

Key Audit Matter**How our audit addressed the key audit matter****Recognition of buying income** continued

The level of judgement in each category of buying income is detailed below:

Volume-based income

Volume-based income is generally driven by achieving sales or purchase volume targets set with individual suppliers for specific products over a pre-set period of time. In instances where the agreement does not fully coincide with the period-end, the key judgement that we focused on was the estimate of expected sales or purchase volumes in the period covered by the agreement.

Conditional incentives and promotional income

The nature of this income, and the manner in which it is recognised, varies depending on the nature of the agreement with the individual supplier. The income is earned as the relevant conditions are met.

Buying income is material to the consolidated financial statements. Given the types of buying income arrangements, as well as various conditions which differ by supplier, and the estimates made by management to determine the expected entitlement which has been earned up to the balance sheet date, we identified buying income as a key audit matter.

In addition, on a sample basis:

- we checked buying income recognised to supporting documents e.g. cash receipts or supplier contracts;
- where buying income amounts were estimated based on volume or other criteria, we checked that there was appropriate supporting evidence to determine those estimates;
- for conditional incentives and promotional income, we assessed whether the conditions of the items selected had been met in accordance with the contractual terms with suppliers;
- where buying income amounts were offset against outstanding amounts payable to suppliers we assessed whether there was a right to offset, based on the contractual terms with suppliers;
- we assessed the appropriateness of journal entries and adjustments associated with buying income by agreeing them to supporting documentation; and
- we assessed supplier dispute logs to determine whether material disputes or disagreements with suppliers existed. Where significant disputes or disagreements existed, we understood the nature of these disputes through discussions with management and obtained evidence to assess whether the corresponding buying income recognised was reasonable.

Based on the procedures performed, we found the buying income recognised in the consolidated financial statements to be supportable, based on available evidence.

Key Audit Matter

How our audit addressed the key audit matter

IT environment

The Group is heavily reliant on its IT infrastructure and systems for the daily operations of its businesses. We focused on IT systems given the complexity of the system landscape across the Group with varying levels of standardisation and integration between new and legacy systems. These systems are important to the ongoing operations of the business and to the integrity of the financial reporting process, particularly in respect of recording revenue, buying income and stocks transactions and balances.

Given the complexity and audit effort required, we identified the IT environment as a key audit matter.

Together with our IT specialists, we updated our understanding of the IT environment, including cybersecurity risks, through discussions with management and carrying out process walkthrough procedures to understand the relevant IT systems and controls which were integral to the Group's controls over financial reporting. These procedures allowed us to determine which systems, processes and controls we planned to test and rely upon for the purposes of our audit, being those in relation to recording revenue, buying income and stocks transactions and balances.

We performed audit procedures to assess the IT control environment where the relevant systems operate, including user access to programs and data; program development; program changes made to systems; and computer operations. Our procedures included the testing of the key automated controls and calculations operating within systems, system interfaces and system generated information.

Where we noted deficiencies which affected systems and/or system controls on which we planned to place reliance, we tested mitigating controls or extended the scope of our substantive audit procedures. We performed additional testing in order to mitigate the risk of material misstatement due to deficiencies in the IT general control environment and did not identify issues from this testing.

How We Tailored Our Group Audit Scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industries in which the Group operates.

The Group's accounting processes are based upon the finance functions, which are responsible for their own accounting records and controls, which in turn report financial information to the Group's finance function in Hong Kong to enable the preparation of the Group's consolidated financial statements.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by members of the Group engagement team or by component auditors from member firms within the PwC Network operating under our instruction. Where the work was performed by component auditors, we determined the level of direction and supervision necessary for us to have in the audit work at those components to be able to conclude whether sufficient, appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole. The Group engagement team directed and supervised the component auditors in scope for Group reporting during the audit cycle through a combination of meetings, visits and conference calls. The engagement partner and/or other senior team members undertook visits to the Chinese mainland, Indonesia, Singapore and Taiwan during the year to direct and supervise the audits, along with regular communication through conference calls and on site review of the work of component teams in those locations.

For four entities, including three subsidiaries and one associate (Maxim's), a full scope audit of the complete financial information was performed. These entities, together with the audit of specific balances and transactions performed on six other subsidiaries, and procedures performed on central functions and at the Group level (on the consolidation and other areas involving significant judgement), accounted for 90% of the Group's revenue, 85% of the Group's profit before tax and 72% of the Group's underlying profit before tax.

This gave us the evidence we needed for our opinion on the consolidated financial statements as a whole.

Other Information

The Directors of the Company are responsible for the other information. The other information comprises all of the information included in the Annual Report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

As explained more fully in the Responsibility Statements and the Corporate Governance section in the Annual Report, the Directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee assists the Directors in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of this report

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 90 of the Companies Act 1981 (Bermuda) and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

The engagement partner on the audit resulting in this independent auditor's report is James Noel Crockford.

Other Matter

The Company is required by the United Kingdom Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these consolidated financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R – 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditor's report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

PricewaterhouseCoopers

Certified Public Accountants
Hong Kong,
3 March 2026

Five Year Summary

	2025	2024	2023	2022	2021
	US\$m	US\$m	US\$m	US\$m	US\$m
Profit and Loss					
Revenue*	8,868.9	8,868.9	9,169.9	9,174.2	9,188.2
Profit/(loss) attributable to shareholders	234.7	(244.5)	32.2	(114.6)	102.9
Underlying profit attributable to shareholders	270.3	200.6	154.7	28.8	104.6
Underlying earnings per share (US¢)	20.05	14.91	11.49	2.14	7.73
Earnings/(loss) per share (US¢)	17.41	(18.17)	2.39	(8.51)	7.61
Ordinary dividend per share (US¢)	14.00	10.50	8.00	3.00	9.50
Special dividend per share (US¢)	44.30	-	-	-	-
Balance Sheet					
Total assets	4,652.1	7,272.0	7,111.1	7,326.3	7,604.8
Total liabilities	(4,355.6)	(6,677.3)	(6,123.0)	(6,384.9)	(6,337.6)
Net operating assets	296.5	594.7	988.1	941.4	1,267.2
Shareholders' funds	278.1	581.4	980.2	947.1	1,267.2
Non-controlling interests	18.4	13.3	7.9	(5.7)	-
Total equity	296.5	594.7	988.1	941.4	1,267.2
Net cash/(debt)	69.5	(467.6)	(617.8)	(865.5)	(843.9)
Net asset value per share (US¢)	20.54	42.95	72.41	69.98	93.67
Cash Flow					
Cash flows from operating activities	1,099.2	972.9	1,043.6	939.8	942.3
Cash flows from investing activities	849.2	(63.6)	(94.6)	(201.0)	(124.7)
Cash flows before financing activities	1,948.4	909.3	949.0	738.8	817.6
Cash flow per share from operating activities (US¢)	81.20	71.87	77.10	69.45	69.65

* Figure in 2021 has been restated to include revenue from other sources.

Responsibility Statements

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

- a. the consolidated financial statements prepared in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations as issued by the International Accounting Standards Board, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and
- b. the Chairman's Statement, Group Chief Executive's Review, Business Review, Financial Review and the description of Principal Risks and Uncertainties facing the Group as set out in the Company's 2025 Annual Report, which constitute the management report required by the Disclosure Guidance and Transparency Rule 4.1.8, include a fair review of all information required to be disclosed under Rules 4.1.8 to 4.1.11 of the Disclosure Guidance and Transparency Rules issued by the Financial Conduct Authority in the United Kingdom.

For and on behalf of the Board

Scott Price

Tom van der Lee

Directors

3 March 2026

Shareholder Information

Financial Calendar

2025 full-year results announced	3 March 2026
Shares quoted ex-dividend	19 March 2026
Share registers closed	23 to 27 March 2026
Annual General Meeting to be held	7 May 2026
2025 final dividend payable	13 May 2026
2026 half-year results to be announced	28 July 2026*
Shares quoted ex-dividend	20 August 2026*
Share registers to be closed	24 to 28 August 2026*
2026 interim dividend payable	14 October 2026*

* Subject to change

Dividends

Shareholders will ordinarily receive cash dividends in United States Dollars, save as provided below.

Shareholders on the Jersey Branch Register

Shareholders registered on the Jersey branch register can elect for their dividends to be paid in Pounds Sterling. These shareholders may make new currency elections for the 2025 final dividend by notifying the United Kingdom transfer agent in writing by no later than 4.00 p.m. (local time) on 24 April 2026. The Pounds Sterling equivalent of dividends declared in United States Dollars will be calculated based on the exchange rate prevailing on 29 April 2026.

Shareholders holding their shares through the CREST system in the United Kingdom will receive cash dividends in Pounds Sterling only, as calculated above.

Shareholders on the Singapore Branch Register who hold their shares through The Central Depository (Pte) Limited (CDP)

Shareholders **enrolled in CDP's Direct Crediting Service (DCS)**

Those shareholders enrolled in CDP's DCS will receive their cash dividends in Singapore Dollars, unless they opt out of CDP Currency Conversion Service, through CDP, to receive United States Dollars.

Shareholders **not enrolled in CDP's DCS**

Those shareholders **not** enrolled in CDP's DCS will receive their cash dividends in United States Dollars, unless they elect, through CDP, to receive Singapore Dollars.

Registrars and Transfer Agent

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

Principal Registrar

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

Jersey Branch Registrar

MUFG Corporate Markets (Jersey) Limited
IFC 5
St Helier, Jersey JE1 1ST
Channel Islands

Singapore Branch Registrar

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632

United Kingdom Transfer Agent

MUFG Corporate Markets
Central Square
29 Wellington Street
Leeds LS1 4DL, United Kingdom

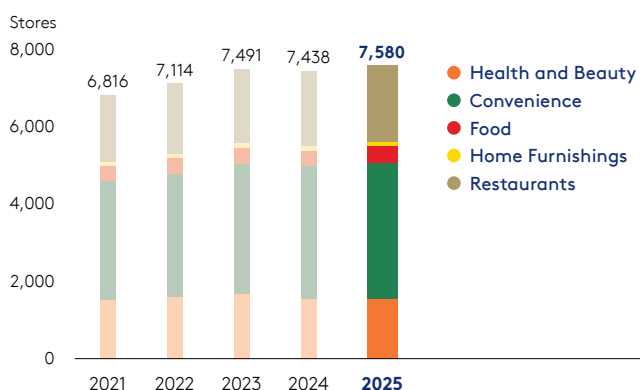
Press releases and other financial information can be accessed through the internet at www.DFIretailgroup.com.

Retail Outlet Summary

2025	Health and Beauty	Convenience	Food	Home Furnishings	Restaurants	Total	Net change
Hong Kong	310	1,089	324	10	731	2,464	(50)
Macau	20	49	21	1	21	112	(6)
Chinese mainland	3	1,932	-	-	285	2,220	91
Singapore	119	457	-	-	171	747	(23)
Indonesia	367	-	-	7	-	374	26
Malaysia	560	-	-	-	7	567	6
Brunei	27	-	-	-	-	27	(1)
Taiwan	-	-	-	8	-	8	-
Vietnam	127	-	-	-	156	283	30
Cambodia	-	-	98	-	62	160	25
Thailand	-	-	-	-	612	612	44
Laos	-	-	-	-	6	6	-
Total	1,533	3,527	443	26	2,051	7,580	142
Net change over 2024	9	91	14	-	28	142	

2024	Health and Beauty	Convenience	Food	Home Furnishings	Restaurants	Total	Net change
Hong Kong	306	1,087	323	10	788	2,514	(48)
Macau	22	49	21	1	25	118	(2)
Chinese mainland	16	1,833	-	-	280	2,129	-
Singapore	128	467	-	-	175	770	(35)
Indonesia	341	-	-	7	-	348	6
Malaysia	556	-	-	-	5	561	(47)
Brunei	28	-	-	-	-	28	-
Taiwan	-	-	-	8	-	8	-
Vietnam	127	-	-	-	126	253	27
Cambodia	-	-	85	-	50	135	(2)
Thailand	-	-	-	-	568	568	47
Laos	-	-	-	-	6	6	1
Total	1,524	3,436	429	26	2,023	7,438	(53)
Net change over 2023	(137)	61	(2)	-	25	(53)	

Store Network



7,580 Stores

Note: Includes 2,051 associates and joint ventures stores (2024: 2,023), on a comparable and continuing basis.

Management and Offices

Management Committee

Scott Price

Tom van der Lee

Martin Lindström

Curtis Liu

Yoep Man

Andrew Wong

Crystal Chan

Ella Chan

Erica Chan

Wee Lee Loh

Joy Jinghui Xu

Group Chief Executive

Group Chief Financial Officer

Chief Executive Officer, DFI IKEA

Chief Executive Officer, Food

Chief Executive Officer, 7-Eleven

Chief Executive Officer, Health & Beauty

Group Chief Technology and Information Officer

Group Chief Strategy Officer

Group Chief Legal, Sustainability and Corporate Affairs Officer

Group Chief Digital and yuu Rewards Officer

Group Chief People & Culture Officer

Corporate Office

5/F FWD Tower, Taikoo Place

979 King's Road, Quarry Bay

Hong Kong

P.O. Box 286, G.P.O.

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Fax : (852) 2299 4888

Website: www.DFIretailgroup.com

Brunei

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Rimba Point, Kampung Rimba

Mukim Gadong, BE3119

Bandar Seri Begawan

Brunei Darussalam

Tel: (673) 246 1274

Cambodia

DFI Lucky Private Limited

No. 01, Street 55P

Phum Trong Moan

Sangkat Ou Baek K'am

Khan Sen Sok

Phnom Penh

Cambodia. 120805

Tel: (855 23) 885 722

Website: www.dfilucky.com

Hong Kong and Macau

The Dairy Farm Company, Limited

5/F FWD Tower

Taikoo Place

979 King's Road

Quarry Bay, Hong Kong

Tel: (852) 2299 1888

Fax: (852) 2299 4888

Maxim's Caterers Limited*

18/F Maxim's Centre

17 Cheung Shun Street

Cheung Sha Wan

Kowloon, Hong Kong

Tel: (852) 2523 4107

Fax: (852) 2216 7883

Website: www.maxims.com.hk

Indonesia

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Indy Bintara Office Park

Building B, 3rd Floor

CBD Bintaro Jaya

Jalan Boulevard Bintaro Jaya

Blok B7/A6, Sektor 7

Pondok Jaya, Pondok Aren

South Tangerang, Banten

Tel: (62 21) 3950 6668

Website: www.dfinusantara.co.id

Chinese mainland

Guangdong Sai Yi Convenience Stores Limited

Room 1601, CTS Centre

219 Zhong Shan 5th Road

Yue Xiu District

Guangzhou 510030

Tel: (86 20) 8364 7118

Fax: (86 20) 8364 7436

Website: www.7-11.cn

Mannings Guangdong Retail Company Limited

2/F Guangdong Mechanical

Main-Building

185 Yue Hua Road

Yue Xiu District

Guangzhou 510030

Tel: (86 20) 8318 1388

Fax: (86 20) 8318 2388

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Guardian Health And Beauty Sdn Bhd

Level 11, 8 First Avenue

Bandar Utama, 47800

Petaling Jaya

Selangor Darul Ehsan

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Singapore

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21 Tampines North Drive 2

#04-01

Singapore 528765

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Taiwan

DFI Home Furnishings Taiwan Limited

4/F, No. 128 Section 1

Jiuzong Road

Neihu District, 114066

Taipei City

Taiwan

Tel: (886) 2 2791 8820

Website: www.IKEA.com.tw

Vietnam

Pan Asia Trading And Investment One Member Company Limited

L2-VP-01, 346 Ben Van Don

Ward Vinh Hoi

Ho Chi Minh City

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* Associates

