Dairy Farm International Holdings Ltd
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To: Business Editor

6th March 2014
For immediate release

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

DAIRY FARM INTERNATIONAL HOLDINGS LIMITED
2013 PRELIMINARY ANNOUNCEMENT OF RESULTS

Highlights

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

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

Ben Keswick, *Chairman*
6th March 2014

Results

	Year ended 31st December 2013 US$m	2012 US$m restated#	Change %
Sales			
- subsidiaries	**10,357**	9,801	+6
- including associates and joint ventures+	**12,432**	11,540	+8
Underlying profit attributable to shareholders*	**480**	444	+8
Profit attributable to shareholders	**501**	447	+12
Adjusted underlying profit**	**480**	502	–4
	US¢	US¢	%
Underlying earnings per share*	**35.52**	32.86	+8
Basic earnings per share	**37.05**	33.07	+12
Adjusted underlying earnings per share**	**35.52**	37.20	–5
Dividends per share	**23.00**	23.00	-

+ on a 100% basis.
* the Group uses 'underlying profit' in its internal financial reporting to distinguish between ongoing business performance and non-trading items, as more fully described in note 1 to the financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group's underlying business performance.
** excluding the effect of the overstatement of supplier income for prior years in 2012 amounting to US$58.6 million.
# the accounts have been restated due to a change in accounting policy upon adoption of IAS 19 (amended 2011) 'Employee Benefits', as set out in note 1 to the financial statements.

The final dividend of US¢16.50 per share will be payable on 14th May 2014, subject to approval at the Annual General Meeting to be held on 7th May 2014, to shareholders on the register of members at the close of business on 21st March 2014. The ex-dividend date will be on 19th March 2014, and the share registers will be closed from 24th to 28th March 2014, inclusive.

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DAIRY FARM INTERNATIONAL HOLDINGS LIMITED

PRELIMINARY ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31ST DECEMBER 2013

OVERVIEW

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

PERFORMANCE

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

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

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

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

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

BUSINESS DEVELOPMENTS

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

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

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

The Health & Beauty division has moved to align the Mannings and Guardian brands to improve strategic positioning and execution. Significant range enhancements have been made in China, Singapore and Indonesia, which have been received positively by consumers.

Indonesian expansion continued with 50 net new stores in 2013. In December 2013, Guardian opened its first store in Phnom Penh in Cambodia, and a second store was opened in January with the overall pace of new store openings set to accelerate in 2014.

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

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

CORPORATE DEVELOPMENTS

The Company has announced its intention, subject to shareholder approval, to transfer the listing of its shares on the Main Market of the London Stock Exchange to the Standard listing category from the current Premium listing category. The Standard listing category represents the common listing standards across all European Union member states and complies fully with the relevant European Directives. A circular containing full details of the proposals, including the notice of a Special General Meeting, is being dispatched to shareholders.

PEOPLE

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

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

PROSPECTS

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

Ben Keswick
Chairman
6th March 2014

GROUP CHIEF EXECUTIVE'S REVIEW

BUSINESS MODEL

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

The Group has strong market positions and cash generative operations in 12 different Asian countries and territories, and it continues to invest to strengthen these businesses. In addition to achieving organic growth in established markets, it is the Group's strategy to seek further investment opportunities in current and new markets in Asia. This approach builds upon the Group's knowledge and expertise, as well as providing a good balance of risk and return. By combining our investment approach with a strong balance sheet, we aim to achieve consistent and sustained, long-term earnings growth.

2013 PERFORMANCE

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

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

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

IKEA in both Hong Kong and Taiwan reported good like-for-like growth in addition to the successful opening of the fifth IKEA store in Tai Chung.

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

DEVELOPMENTS

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

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

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

A number of additional developments took place during the year:

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

BUSINESS REVIEW

FOOD

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

Hong Kong

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

Macau

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

Mainland China

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

Taiwan

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

Singapore

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

Cambodia

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

The Philippines

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

Malaysia and Brunei

The Giant and Cold Storage Hypermarket and Supermarket operations had a difficult year. Sales were soft in the face of weak consumer confidence, rapid expansion of the industry store base and aggressive pricing from competitors. Three additional Giant hypermarkets were opened, bringing the year-end total to 79 hypermarkets and 71 supermarkets. A significant store refurbishment programme was also introduced to improve overall standards, which will continue in 2014.

Indonesia

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

HEALTH & BEAUTY

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

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

HOME FURNISHINGS

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

RESTAURANTS

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

THE YEAR AHEAD

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

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

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

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

Graham Allan
Group Chief Executive
6th March 2014

Dairy Farm International Holdings Limited
Consolidated Profit and Loss Account
for the year ended 31st December 2013

	2013 Underlying business performance US$m	2013 Non-trading items US$m	2013 Total US$m	2012 Underlying business performance US$m restated	2012 Non-trading items US$m	2012 Total US$m restated
Sales *(note 2)*	**10,357.4**	**-**	**10,357.4**	9,800.6	-	9,800.6
Cost of sales	**(7,270.4)**	**-**	**(7,270.4)**	(6,970.5)	-	(6,970.5)
Gross margin	**3,087.0**	**-**	**3,087.0**	2,830.1	-	2,830.1
Other operating income *(note 3)*	**149.6**	**29.0**	**178.6**	145.4	3.0	148.4
Selling and distribution costs	**(2,318.6)**	**-**	**(2,318.6)**	(2,152.5)	-	(2,152.5)
Administration and other operating expenses	**(395.7)**	**-**	**(395.7)**	(345.8)	(0.3)	(346.1)
Operating profit *(note 4)*	**522.3**	**29.0**	**551.3**	477.2	2.7	479.9
Financing charges	**(10.7)**	**-**	**(10.7)**	(14.0)	-	(14.0)
Financing income	**7.6**	**-**	**7.6**	2.7	-	2.7
Net financing charges	**(3.1)**	**-**	**(3.1)**	(11.3)	-	(11.3)
Share of results of associates and joint ventures *(note 5)*	**68.9**	**(2.2)**	**66.7**	63.5	-	63.5
Profit before tax	**588.1**	**26.8**	**614.9**	529.4	2.7	532.1
Tax *(note 6)*	**(101.3)**	**(0.7)**	**(102.0)**	(82.5)	-	(82.5)
Profit after tax	**486.8**	**26.1**	**512.9**	446.9	2.7	449.6
Attributable to:						
Shareholders of the Company	**480.1**	**20.8**	**500.9**	443.8	2.7	446.5
Non-controlling interests	**6.7**	**5.3**	**12.0**	3.1	-	3.1
	486.8	**26.1**	**512.9**	446.9	2.7	449.6
	US¢		**US¢**	US¢		US¢
Earnings per share *(note 7)*						
- basic	**35.52**		**37.05**	32.86		33.07
- diluted	**35.48**		**37.02**	32.81		33.01

Dairy Farm International Holdings Limited
Consolidated Statement of Comprehensive Income
for the year ended 31st December 2013

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

Dairy Farm International Holdings Limited
Consolidated Balance Sheet

	At 31st December **2013** **US$m**	2012 US$m restated	At 1st January 2012 US$m restated
Net operating assets			
Intangible assets	**407.5**	439.8	352.4
Tangible assets	**1,081.7**	1,069.5	896.0
Associates and joint ventures	**369.8**	337.9	193.5
Other investments	**5.8**	5.2	4.0
Non-current debtors	**138.2**	132.7	126.9
Deferred tax assets	**22.2**	25.2	20.5
Pension assets	**7.2**	-	0.7
Non-current assets	**2,032.4**	2,010.3	1,594.0
Stocks	**976.0**	958.4	949.1
Current debtors	**213.2**	195.6	217.8
Current tax assets	**6.6**	11.6	0.9
Bank balances and other liquid funds	**728.4**	667.2	729.7
	1,924.2	1,832.8	1,897.5
Non-current assets classified as held for sale *(note 9)*	**6.9**	7.6	47.4
Current assets	**1,931.1**	1,840.4	1,944.9
Current creditors	**(2,309.3)**	(2,275.5)	(2,140.2)
Current borrowings	**(47.9)**	(55.5)	(130.2)
Current tax liabilities	**(58.2)**	(54.5)	(80.6)
Current provisions	**(11.0)**	(5.1)	(6.2)
Current liabilities	**(2,426.4)**	(2,390.6)	(2,357.2)
Net current liabilities	**(495.3)**	(550.2)	(412.3)
Long-term borrowings	**(42.9)**	(90.9)	(133.4)
Deferred tax liabilities	**(44.9)**	(48.3)	(43.5)
Pension liabilities	**(24.0)**	(40.2)	(35.7)
Non-current creditors	**(17.3)**	(17.6)	(16.8)
Non-current provisions	**(30.6)**	(23.9)	(21.7)
Non-current liabilities	**(159.7)**	(220.9)	(251.1)
	1,377.4	1,239.2	930.6
Total equity			
Share capital	**75.1**	75.0	75.0
Share premium and capital reserves	**56.5**	53.1	50.2
Revenue and other reserves	**1,149.4**	1,065.1	797.9
Shareholders' funds	**1,281.0**	1,193.2	923.1
Non-controlling interests	**96.4**	46.0	7.5
	1,377.4	1,239.2	930.6

Dairy Farm International Holdings Limited
Consolidated Statement of Changes in Equity

	Attributable to shareholders of the Company							Attributable to non-controlling interests	Total equity
	Share capital US$m	Share premium US$m	Capital reserves US$m	Revenue reserves US$m	Hedging reserves US$m	Exchange reserves US$m	Total US$m	US$m	US$m
2013									
At 1st January									
- as previously reported	75.0	25.8	27.3	1,077.1	(0.9)	(11.6)	1,192.7	46.1	**1,238.8**
- change in accounting policy for employee benefits	-	-	-	0.5	-	-	0.5	(0.1)	**0.4**
- as restated	75.0	25.8	27.3	1,077.6	(0.9)	(11.6)	1,193.2	46.0	**1,239.2**
Total comprehensive income	-	-	-	515.9	1.2	(120.4)	396.7	(7.2)	**389.5**
Dividends paid by the Company *(note 10)*	-	-	-	(311.0)	-	-	(311.0)	-	**(311.0)**
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(0.2)	**(0.2)**
Exercise of options	0.1	-	-	-	-	-	0.1	-	**0.1**
Employee share option schemes	-	-	3.4	-	-	-	3.4	-	**3.4**
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	58.2	**58.2**
Transaction costs in relation to capital contribution from non-controlling interests	-	-	-	(1.5)	-	-	(1.5)	(0.3)	**(1.8)**
Change in interests in a subsidiary	-	-	-	0.1	-	-	0.1	(0.1)	-
Transfer	-	4.7	(4.7)	-	-	-	-	-	-
At 31st December	**75.1**	**30.5**	**26.0**	**1,281.1**	**0.3**	**(132.0)**	**1,281.0**	**96.4**	**1,377.4**
2012									
At 1st January									
- as previously reported	75.0	19.6	30.6	815.0	1.1	(18.6)	922.7	7.6	930.3
- change in accounting policy for employee benefits	-	-	-	0.4	-	-	0.4	(0.1)	0.3
- as restated	75.0	19.6	30.6	815.4	1.1	(18.6)	923.1	7.5	930.6
Total comprehensive income	-	-	-	445.1	(2.0)	6.1	449.2	1.8	451.0
Dividends paid by the Company *(note 10)*	-	-	-	(290.3)	-	-	(290.3)	-	(290.3)
Unclaimed dividends forfeited	-	-	-	0.3	-	-	0.3	-	0.3
Employee share option schemes	-	-	2.9	-	-	-	2.9	-	2.9
Subsidiary acquired	-	-	-	-	-	-	-	3.4	3.4
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	2.5	2.5
Change in interests in a subsidiary	-	-	-	108.0	-	-	108.0	30.8	138.8
Transfer	-	6.2	(6.2)	(0.9)	-	0.9	-	-	-
At 31st December	75.0	25.8	27.3	1,077.6	(0.9)	(11.6)	1,193.2	46.0	1,239.2

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

Dairy Farm International Holdings Limited
Consolidated Cash Flow Statement
for the year ended 31st December 2013

	2013 US$m	2012 US$m restated
Operating activities		
Operating profit *(note 4)*	**551.3**	479.9
Depreciation and amortization	**196.1**	191.3
Other non-cash items *(note 11(a))*	**0.2**	83.8
(Increase)/decrease in working capital	**(10.5)**	37.7
Interest received	**7.4**	2.8
Interest and other financing charges paid	**(11.0)**	(14.6)
Tax paid	**(95.1)**	(120.6)
	638.4	660.3
Dividends from associates and joint ventures	**44.5**	37.4
Cash flows from operating activities	**682.9**	697.7
Investing activities		
Purchase of tangible assets	**(296.2)**	(289.6)
Purchase of a subsidiary *(note 11(b))*	**-**	(32.1)
Purchase of associates and joint ventures *(note 11(c))*	**(17.7)**	(112.0)
Purchase of intangible assets	**(21.9)**	(68.5)
Sale of properties *(note 11(d))*	**49.8**	4.1
Sale of tangible assets	**1.0**	2.1
Cash flows from investing activities	**(285.0)**	(496.0)
Financing activities		
Capital contribution from non-controlling interests *(note 11(e))*	**56.4**	2.5
Sale of interests in a subsidiary *(note 11(f))*	**-**	138.8
Drawdown of borrowings	**1,528.1**	1,188.3
Repayment of borrowings	**(1,589.1)**	(1,301.0)
Dividends paid by the Company *(note 10)*	**(311.0)**	(290.3)
Dividends paid to non-controlling interests	**(0.2)**	-
Cash flows from financing activities	**(315.8)**	(261.7)
Net increase/(decrease) in cash and cash equivalents	**82.1**	(60.0)
Cash and cash equivalents at 1st January	**664.9**	718.7
Effect of exchange rate changes	**(35.8)**	6.2
Cash and cash equivalents at 31st December *(note 11(g))*	**711.2**	664.9

Dairy Farm International Holdings Limited
Notes

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

The financial information contained in this announcement has been based on the audited results for the year ended 31st December 2013 which have been prepared in conformity with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board.

The following standards and amendments which were effective in the current accounting year and relevant to the Group's operations were adopted in 2013:

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

As set out on page 21, the only standard adopted that impacts the consolidated profit and loss account and balance sheet is IAS 19 (amended 2011).

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

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

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

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

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

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

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

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

IAS 19 (amended 2011) 'Employee Benefits' requires, for defined benefit plans, the assumed return on plan assets recognized in the profit and loss to be the same as the rate used to discount the defined benefit obligation. Previously, the Group determined income on plan assets based on their long-term rate of expected return. It also requires past service costs to be recognized immediately in profit or loss. Additional disclosures are required to present the characteristics of defined benefit plans, the amount recognized in the financial statements, and the risks arising from defined benefit plans and multi-employer plans. The Group has applied the amended standard retrospectively and the comparative financial statements have been restated in accordance with the transition provisions of the standard. Details of the effect of the change are set out on pages 21 and 22.

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

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

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

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

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

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

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

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

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

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

(a) On the consolidated profit and loss for the year ended 31st December 2012

	Increase/(decrease) in profit US$m
Net operating costs	(4.4)
Tax	0.7
Profit after tax	(3.7)
Attributable to:	
Shareholders of the Company	(3.7)
Non-controlling interests	-
Basic earnings per share (US¢)	(0.27)
Diluted earnings per share (US¢)	(0.28)

(b) On the consolidated statement of comprehensive income for the year ended 31st December 2012

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

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

(c) On the consolidated balance sheet

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

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

2. SALES

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

Sales including associates and joint ventures comprise 100% of sales from associates and joint ventures.

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board for the purpose of resource allocation and performance assessment. Prior to January 2013, Dairy Farm managed the businesses by geographical territory and operated in four operating segments: North Asia, East Asia, South Asia and Maxim's. From 2013 onwards, the Group reorganized the organization structure across the different territories into four operating segments: Food, Health and Beauty, Home Furnishings and Restaurants. Food comprises supermarket, hypermarket and convenience store businesses. Health and Beauty comprises the Group's health & beauty businesses. Home Furnishings is the Group's IKEA businesses. Restaurants is the Group's major associate, Maxim's, a leading Hong Kong restaurant chain.

3. OTHER OPERATING INCOME

	2013 **US$m**	2012 US$m
Concession and service income	**119.1**	112.8
Rental income	**28.0**	24.9
Profit on sale of properties	**29.0**	3.0
Exchange gain and others	**2.5**	7.7
	178.6	148.4

4. OPERATING PROFIT

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

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

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

5. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

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

Share of results of associates and joint ventures included our share of restructuring costs of a business of US$2.2 million classified as non-trading item *(note 8).*

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

6. TAX

	2013 **US$m**	2012 US$m
Tax charged to profit and loss is analyzed as follows:		
Current tax	**(105.9)**	(82.0)
Deferred tax	**3.9**	(0.5)
	(102.0)	(82.5)

Tax relating to components of other comprehensive (expense)/income is analyzed as follows:

Remeasurements of employee benefit plans	**(3.8)**	1.3
Cash flow hedges	**-**	0.3
Revaluation of other investments	**(0.1)**	(0.2)
	(3.9)	1.4

Tax on profits has been calculated at rates of taxation prevailing in the territories in which the Group operates. Share of tax charge of associates and joint ventures of US$15.0 million (*2012: US$15.2 million)* is included in share of results of associates and joint ventures.

7. EARNINGS PER SHARE

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

Diluted earnings per share are calculated on profit attributable to shareholders of US$500.9 million *(2012: US$446.5 million)*, and on the weighted average number of 1,353.0 million *(2012: 1,352.6 million)* shares in issue after adjusting for 1.2 million *(2012: 2.3 million)* shares which are deemed to be issued for no consideration under the Senior Executive Share Incentive Schemes based on the average share price during the year.

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

	2013			2012		
	US$m	**Basic earnings per share US¢**	**Diluted earnings per share US¢**	US$m	Basic earnings per share US¢	Diluted earnings per share US¢
Profit attributable to shareholders	**500.9**	**37.05**	**37.02**	446.5	33.07	33.01
Non-trading items *(note 8)*	**(20.8)**			(2.7)		
Underlying profit attributable to shareholders	**480.1**	**35.52**	**35.48**	443.8	32.86	32.81

Adjusted underlying earnings per share in 2012 was US¢37.20, after adjusting for supplier income of US$58.6 million which was incorrectly recognized in prior years in Giant Malaysia.

8. NON-TRADING ITEMS

Non-trading items are separately identified to provide greater understanding of the Group’s underlying business performance. Items classified as non-trading items include gains or losses arising from the sale of businesses, investments and properties; impairment of non-depreciable intangible assets and other investments; provisions for the closure of businesses; acquisition-related costs in business combinations; and other credits and charges of a non-recurring nature that require inclusion in order to provide additional insight into underlying business performance.

8. NON-TRADING ITEMS *(continued)*

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

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

9. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

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

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

10. DIVIDENDS

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

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

11. NOTES TO CONSOLIDATED CASH FLOW STATEMENT

(a) Other non-cash items in 2012 mainly related to the reversal of supplier income in Giant Malaysia of US$66.9 million which was incorrectly recognized in prior years.

(b) Purchase of a subsidiary

	2012 US$m
Intangible assets	2.7
Tangible assets	2.8
Current assets	6.0
Current liabilities	(0.2)
Fair value of identifiable net assets acquired	11.3
Adjustment for non-controlling interests	(3.4)
Goodwill	25.3
Total consideration	33.2
Cash and cash equivalents acquired	(1.1)
Net cash outflow	32.1

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

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

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

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

(d) Sale of properties

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

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

(e) Capital contribution from non-controlling interests

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

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

(f) Sale of interests in a subsidiary

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

(g) Analysis of balances of cash and cash equivalents

	2013 US$m	2012 US$m
Bank balances and other liquid funds	**728.4**	667.2
Bank overdrafts	**(2.0)**	(2.3)
Less: Bank deposits of three months or more	**(15.2)**	-
	711.2	664.9

12. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Total capital commitments at 31st December 2013 amounted to US$181.7 million *(2012: US$286.5 million).*

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

13. RELATED PARTY TRANSACTIONS

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

In the normal course of business the Group undertakes a variety of transactions with JMH and its subsidiaries, associates and joint ventures. The more significant of such transactions are described below.

Under the terms of a Management Services Agreement, the Group paid a management fee of US$2.5 million *(2012: US$2.3 million)* to Jardine Matheson Limited ('JML'), a wholly-owned subsidiary of JMH, based on 0.5% of the Group's profit attributable to shareholders in consideration for certain management consultancy services provided by JML. The Group also paid directors' fees of US$0.4 million in 2013 *(2012: US$0.4 million)* to JML.

The Group rents properties from Hongkong Land Holdings Limited ('HKL'), a subsidiary of JMH. The gross annual rentals paid by the Group to HKL in 2013 were US$3.2 million *(2012: US$5.4 million).* The Group's 50%-owned associate, Maxim's Caterers Limited ('Maxim's'), also paid gross annual rentals of US$8.8 million *(2012: US$8.2 million)* to HKL in 2013.

13. RELATED PARTY TRANSACTIONS *(continued)*

The Group uses Jardine Lloyd Thompson Limited ('JLT'), an associate of JMH, to place certain of its insurance. Brokerage fees and commissions, net of rebates, paid by the Group to JLT in 2013 were US$2.2 million *(2012: US$2.1 million)*.

The Group sources information technology infrastructure and related services from Jardine OneSolution ('JOS'), a subsidiary of JMH. The total fees paid by the Group to JOS in 2013 amounted to US$8.9 million *(2012: US$6.2 million)*.

The Group also consumes repairs and maintenance services from Jardine Engineering Corporation ('JEC'), a subsidiary of JMH. The total fees paid by the Group to JEC amounted to US$5.5 million *(2012: US$5.2 million)*.

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

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

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

Dairy Farm International Holdings Limited
Principal Risks and Uncertainties

The Board has overall responsibility for risk management and internal control. The process by which the Group identifies and manages risk will be set out in more detail in the Corporate Governance section of the Company's 2013 Annual Report (the 'Report'). The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the Disclosure and Transparency Rules issued by the Financial Conduct Authority in the United Kingdom and are in addition to the matters referred to in the Chairman's Statement and Group Chief Executive's Review.

Economic Risk
Most of the Group's businesses are exposed to the risk of negative developments in global and regional economies and financial markets, either directly or through the impact on the Group's joint venture partners, franchisors, bankers, suppliers or customers. These developments can result in recession, inflation, deflation, currency fluctuations, restrictions in the availability of credit, business failures, or increases in financing costs, oil prices and in the cost of raw materials and finished products. Such developments might increase operating costs, reduce revenues, lower asset values or result in the Group's businesses being unable to meet in full their strategic objectives.

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

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

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

The steps taken by the Group to manage its exposure to financial risk will be set out in the Financial Review and in a note to the Financial Statements in the Report.

Concessions, Franchises and Key Contracts
A number of the Group's businesses and projects are reliant on concessions, franchises, management or other key contracts. Cancellation, expiry or termination, or the renegotiation of any such concessions, franchises, management or other key contracts, could have an adverse effect on the financial condition and results of operations of certain subsidiaries, associates and joint ventures of the Group.

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

Terrorism, Pandemic and Natural Disasters
A number of the Group's operations are vulnerable to the effects of terrorism, either directly through the impact of an act of terrorism or indirectly through the impact of generally reduced economic activity in response to the threat of or an actual act of terrorism.

All Group businesses would be impacted by a global or regional pandemic which could be expected to seriously affect economic activity and the ability of our businesses to operate smoothly. In addition, many of the territories in which the Group operates can experience from time to time natural disasters such as earthquakes and typhoons.

Responsibility Statement

The Directors of the Company confirm to the best of their knowledge that:

a. the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board; and

b. the sections of the Company's 2013 Annual Report, including the Chairman's Statement, Group Chief Executive's Review and Principal Risks and Uncertainties, which constitute the management report include a fair review of all information required to be disclosed by the Disclosure and Transparency Rules 4.1.8 to 4.1.11 issued by the Financial Conduct Authority in the United Kingdom.

For and on behalf of the Board

Graham Allan
Neil Galloway

Directors

6th March 2014

The final dividend of US¢16.50 per share will be payable on 14th May 2014, subject to approval at the Annual General Meeting to be held on 7th May 2014, to shareholders on the register of members at the close of business on 21st March 2014. The ex-dividend date will be on 19th March 2014, and the share registers will be closed from 24th to 28th March 2014, inclusive. Shareholders will receive their dividends in United States dollars, unless they are registered on the Jersey branch register where they will have the option to elect for sterling. These shareholders may make new currency elections for the 2013 final dividend by notifying the United Kingdom transfer agent in writing by 25th April 2014. The sterling equivalent of dividends declared in United States dollars will be calculated by reference to a rate prevailing on 29th April 2014. Shareholders holding their shares through The Central Depository (Pte) Limited ('CDP') in Singapore will receive United States dollars unless they elect, through CDP, to receive Singapore dollars.

Dairy Farm

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

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

<u>Food</u>

- Supermarkets – Wellcome in Hong Kong, Taiwan and the Philippines, Cold Storage in Singapore and Malaysia, Giant in Malaysia, Indonesia, Singapore and Brunei, Hero in Indonesia;
- Hypermarkets – Giant in Malaysia, Indonesia, Singapore, Brunei and Vietnam;
- Convenience stores – 7-Eleven in Hong Kong, Singapore, Southern China and Macau;

<u>Health and Beauty</u>

- Mannings in Greater China and Guardian in the rest of Asia;

<u>Home Furnishings</u>

- IKEA in Hong Kong, Taiwan and Indonesia; and

<u>Restaurants</u>

- Maxim's in Hong Kong and mainland China.

Dairy Farm International Holdings Limited is incorporated in Bermuda and has a Premium listing on the London Stock Exchange, with secondary listings in Bermuda and Singapore. The Group's businesses are managed from Hong Kong by Dairy Farm Management Services Limited through its regional offices. Dairy Farm is a member of the Jardine Matheson Group.

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For further information, please contact:

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Full text of the Preliminary Announcement of Results and the Preliminary Financial Statements for the year ended 31st December 2013 can be accessed through the Internet at 'www.dairyfarmgroup.com'.