Dairy Farm International Holdings Ltd
Jardine House, 33-35 Reid Street
Hamilton HM EX, Bermuda

Announcement

29th July 2021

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
HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2021

Highlights

- Total sales down 4% at US$14 billion
- Subsidiaries' underlying profit reduced due to return to more normal customer buying patterns
- Contribution from Associates adversely impacted by Yonghui performance
- Significant improvement in underlying operating cash flow

"Ongoing pandemic-related restrictions have significantly affected trading in all markets, impacting the Group's overall performance in the period. There remains significant uncertainty as to the future impact of the pandemic on Dairy Farm's businesses and trading conditions in the second half are likely to remain challenging. The Group continued to make progress in the first half in implementing its multi-year transformation programme."

Ben Keswick
Chairman

Results

	(unaudited) Six months ended 30th June		
	2021 US$m	2020 US$m	Change %
Combined total sales including 100% of associates and joint ventures	**13,950**	14,547	–4
Sales	**4,537**	5,240	–13
Underlying profit attributable to shareholders*	**32**	105	–69
Profit attributable to shareholders	**17**	115	–85
	US¢	US¢	%
Underlying earnings per share*	**2.38**	7.77	–69
Earnings per share	**1.24**	8.53	–85
Interim dividend per share	**3.00**	5.00	–40

* 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 8 to the condensed financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group's underlying business performance.

The interim dividend of US¢3.00 per share will be payable on 13th October 2021 to shareholders on the register of members at the close of business on 20th August 2021.

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DAIRY FARM INTERNATIONAL HOLDINGS LIMITED
HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2021

OVERVIEW

Ongoing restrictions related to the COVID-19 pandemic imposed by Governments across our markets have significantly affected trading in all markets, impacting the Group's overall performance in the period. The Group continued to implement its multi-year transformation programme in the first half, however, with a number of key initiatives demonstrating further progress. The sales surges experienced by key businesses in the first half of last year, caused by the panic buying behaviour at the start of the pandemic, have ceased as consumers have adjusted to a different way of life. This return to more normal buying patterns as well as the annualisation of Government support from the prior year have been key drivers of the change in underlying profitability for the Group's subsidiaries. Similar behavioural volatility on the Chinese mainland was also responsible in part for Yonghui's weaker performance in the first quarter of this year than the same period last year, when there were very high sales, and this, together with reduced margins due to increasing online competition, significantly impacted the Group's share of profits from this key associate in the first half of 2021.

RESULTS

Combined sales for the Group, including 100% of associates and joint ventures, reduced by 4% to US$14 billion.

Last year's overall sales benefitted from the Group's ownership of Wellcome Taiwan and Rose Pharmacy in the Philippines, both of which have now been divested. The loss of the contributions from these businesses, combined with reduced Grocery Retail sales compared with the prior year, have been the primary contributors to the 13% reduction in sales in the first half from the Group's subsidiaries. Underlying profit for the Group's subsidiaries in the period was US$76 million, a reduction of US$25 million on the same period last year, primarily due to more normal levels of customer shopping behaviour, the absence of panic buying compared to the prior year as well as the annualisation of Government support received in the prior year. Convenience Stores, which experienced adverse trading conditions in 2020, saw a significant improvement in profitability in the first half of 2021. This was not, however, sufficient to offset lower profitability reported by the Group's other subsidiaries.

There was an improvement in performance from Maxim's, which recorded a lower loss than the same period last year despite reduced level of Government support compared to the prior year. The Group's associates and joint ventures made a loss overall, due to the Group's share of losses from Yonghui. Consequently, the total underlying profit for the Group was US$32 million, a 69% reduction from the US$105 million recorded in the same period last year.

Operating cash flow, after lease payments, for the period was a net inflow of US$97 million, compared with US$76 million in the first half of 2020. As at 30th June 2021, the Group's net debt was US$935 million, compared with US$817 million at 31st December 2020. An interim dividend of US¢3.00 per share has been declared, 40% lower than the 2020 interim dividend.

OPERATING PERFORMANCE

Grocery Retail profitability in the first half was primarily impacted by lower sales driven by the normalisation of customer buying behaviours. There were, however, significant underlying improvements to business fundamentals as a result of the implementation of the Group's multi-year transformation plan. The introduction of cost improvement programmes, stronger retail execution, enhanced Own Brand penetration, and a groupwide approach to customer loyalty in Hong Kong have led to significant improvements in profits for the Grocery Retail business compared to 2019 levels.

The Group's Convenience Stores business reported strong growth in profitability compared with the same period last year, when movement restrictions and physical distancing requirements, together with temporary store closures on the Chinese mainland, impacted performance. Like-for-like sales growth was encouraging, particularly on the Chinese mainland despite new COVID-19 cases arising in Guangdong province in May.

The Health and Beauty Division continued to be significantly impacted by the ongoing pandemic and the prolonged closure of the border between Hong Kong and the Chinese mainland. The performance of Mannings in North Asia continued to be significantly affected by the lack of custom from tourists in Hong Kong. In Southeast Asia, heavy restrictions on movement resulted in a significant reduction in footfall in malls, which continued to materially impact sales and profitability. Nevertheless, like-for-like sales performance improved in the second quarter relative to the first quarter. Faced with such challenging external conditions and the desire by consumers to reduce spending, the Group continued to reinvest in prices to enhance the customer value proposition. The short-term impact on profit margins as a result of these price investments has been largely offset by volume growth, and operating cash flow has improved significantly. The Group firmly believes this will enhance brand value and scale over the medium term.

The pandemic also negatively impacted customer traffic for IKEA due to the requirement to close stores periodically or restrict customer numbers to comply with Government policy, particularly in both Indonesia and Taiwan. However, the strong performance of e-commerce, combined with a stronger store opening programme, supported revenue to be broadly in line with the equivalent period last year. During the first six months of 2021, a third IKEA store was opened in Bandung Indonesia, marking another milestone for the growth of IKEA in the country. IKEA remains on track to open its fourth Indonesian store in the second half of the year. In May, IKEA opened a larger replacement store in Neihu, Taipei City, which is almost double the size of the store that it replaced.

Higher pre-opening expenses from strong investment in new spaces, together with the disruptions caused by COVID-19 as well as supply chain constraints which impacted availability, were the primary drivers of the reduction in IKEA profitability compared to the same period last year.

The performance of Maxim's, the Group's 50%-owned associate, improved in the first half relative to the same period last year. Maxim's reported a smaller loss for the period, with encouraging Hong Kong and Chinese mainland like-for-like sales performance, partially offset by challenging trading conditions in Thailand and Singapore resulting from the surge of COVID-19 cases there in the second quarter.

Dairy Farm's share of Yonghui's underlying losses for the six months ended 31st March 2021 was US$31 million. Yonghui's operating performance over the period was impacted by normalisation of sales performance in the first quarter compared with a high base from the prior year, as well as reduced gross margins resulting from rising online competition. Robinsons Retail's performance over the same period was affected by ongoing Government-imposed restrictions on movement, which particularly impacted discretionary retail banners. Revenue growth for Robinsons Retail's supermarket business in the first quarter was also impacted by a high base in 2020.

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BUSINESS DEVELOPMENTS

Despite the challenges posed by COVID-19, the Group made good progress in executing its key transformation initiatives. The Group continues to effectively execute its four key improvement programmes. These programmes have generated significant cost savings for the Group, which have supported the Group's ability to reinvest into its key businesses. The Group's Own Brand initiatives continue to gather momentum, with over 1,200 SKUs now launched. Following the successful launch of the Meadows Own Brand range, our Chinese Own Brand range Yu Pin King was also successfully relaunched in the first half. Own Brand penetration has grown approximately 40% since launch. In addition, *yuu* Rewards in Hong Kong continues to grow and has now attracted over 3.5 million members, with approximately 80 billion points issued.

The Group continues to innovate and upgrade its store formats, taking advantage of changes in supply and demand dynamics for real estate. With the relaunch of the Giant brand in Malaysia, over 100 Giant stores have now been recalibrated across Southeast Asia, with encouraging performance so far. Upscale supermarket refreshes have been piloted and are now being rolled out across a number of key markets, with approximately 40 stores expected to be refreshed in 2021. 7-Eleven reached its 1,000th store milestone in Hong Kong and opened over 90 stores in Guangdong in the first half, bringing total number of 7-Eleven stores in Guangdong to over 1,450.

In May, the Group's 89.3%-owned subsidiary in Indonesia, PT Hero, announced that, following a strategic review, it will be pivoting its trading operations by increasing investment in its strong brands of IKEA, Guardian and Hero Supermarkets and away from the Giant banner. This change in strategy is a decisive and necessary response to changing market dynamics, particularly given the Indonesian consumer's move away from the hypermarket format in recent years, reflecting a similar trend evidenced in other international markets. As part of this pivot, the company intends to convert a number of stores into both the IKEA and Hero supermarket brands. The company is also in active negotiations with a number of third parties with respect to the divestment of some existing Giant stores.

PEOPLE

Given the ongoing challenges associated with the pandemic across the geographies where the Group operates, we would like to express our deep gratitude for the continuing dedication and resolve of our team members in putting our customers first during these difficult times.

OUTLOOK

There remains significant uncertainty as to the future impact of the COVID-19 pandemic on Dairy Farm's businesses and trading conditions in the second half are likely to remain challenging. Nevertheless, Dairy Farm remains committed to its multi-year transformation and we are confident in the Group's ability to continue to adapt and achieve long-term sustainable growth.

Ben Keswick
Chairman

Dairy Farm International Holdings Limited
Consolidated Profit and Loss Account

	(unaudited) Six months ended 30th June						Year ended 31st December		
	2021			2020			2020		
	Underlying business performance US$m	**Non-trading items US$m**	**Total US$m**	Underlying business performance US$m	Non-trading items US$m	Total US$m	Underlying business performance US$m	Non-trading items US$m	Total US$m
Sales *(note 2)*	**4,536.8**	**-**	**4,536.8**	5,239.9	-	5,239.9	10,268.5	-	10,268.5
Cost of sales	**(3,123.9)**	**-**	**(3,123.9)**	(3,640.9)	-	(3,640.9)	(7,077.7)	-	(7,077.7)
Gross margin	**1,412.9**	**-**	**1,412.9**	1,599.0	-	1,599.0	3,190.8	-	3,190.8
Other operating income	**105.2**	**1.3**	**106.5**	136.6	-	136.6	355.4	75.2	430.6
Selling and distribution costs	**(1,114.8)**	**-**	**(1,114.8)**	(1,269.6)	-	(1,269.6)	(2,575.8)	-	(2,575.8)
Administration and other operating expenses	**(248.7)**	**(35.9)**	**(284.6)**	(255.0)	(1.2)	(256.2)	(558.8)	(98.7)	(657.5)
Operating profit *(note 3)*	**154.6**	**(34.6)**	**120.0**	211.0	(1.2)	209.8	411.6	(23.5)	388.1
Financing charges	**(60.5)**	**-**	**(60.5)**	(76.2)	-	(76.2)	(145.1)	-	(145.1)
Financing income	**0.5**	**-**	**0.5**	1.8	-	1.8	2.4	-	2.4
Net financing charges *(note 4)*	**(60.0)**	**-**	**(60.0)**	(74.4)	-	(74.4)	(142.7)	-	(142.7)
Share of results of associates and joint ventures *(note 5)*	**(43.6)**	**15.5**	**(28.1)**	4.4	11.3	15.7	76.0	8.9	84.9
Profit before tax	**51.0**	**(19.1)**	**31.9**	141.0	10.1	151.1	344.9	(14.6)	330.3
Tax *(note 6)*	**(19.0)**	**0.2**	**(18.8)**	(37.5)	0.1	(37.4)	(74.2)	0.4	(73.8)
Profit after tax	**32.0**	**(18.9)**	**13.1**	103.5	10.2	113.7	270.7	(14.2)	256.5
Attributable to:									
Shareholders of the Company	**32.1**	**(15.4)**	**16.7**	105.1	10.2	115.3	275.7	(4.7)	271.0
Non-controlling interests	**(0.1)**	**(3.5)**	**(3.6)**	(1.6)	-	(1.6)	(5.0)	(9.5)	(14.5)
	32.0	**(18.9)**	**13.1**	103.5	10.2	113.7	270.7	(14.2)	256.5
	US¢		**US¢**	US¢		US¢	US¢		US¢
Earnings per share *(note 7)*									
- basic	**2.38**		**1.24**	7.77		8.53	20.38		20.03
- diluted	**2.37**		**1.24**	7.77		8.52	20.37		20.03

Dairy Farm International Holdings Limited
Consolidated Statement of Comprehensive Income

	(unaudited) Six months ended 30th June **2021** **US$m**	2020 US$m	Year ended 31st December 2020 US$m
Profit for the period	**13.1**	113.7	256.5
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	**-**	-	16.3
Tax relating to items that will not be reclassified	**-**	(0.1)	(2.7)
	-	(0.1)	13.6
Share of other comprehensive (expense)/ income of associates and joint ventures	**(0.5)**	(1.0)	2.2
	(0.5)	(1.1)	15.8
Items that may be reclassified subsequently to profit or loss:			
Net exchange translation differences			
- net (loss)/gain arising during the period	**(5.4)**	(8.4)	109.4
- transfer to profit and loss	**-**	-	(16.9)
	(5.4)	(8.4)	92.5
Cash flow hedges			
- net gain/(loss) arising during the period	**7.2**	(5.2)	(11.6)
- transfer to profit and loss	**5.5**	1.5	2.8
	12.7	(3.7)	(8.8)
Tax relating to items that may be reclassified	**(2.5)**	0.7	1.8
Share of other comprehensive (expense)/ income of associates and joint ventures	**(0.5)**	(0.9)	0.5
	4.3	(12.3)	86.0
Other comprehensive income/(expense) for the period, net of tax	**3.8**	(13.4)	101.8
Total comprehensive income for the period	**16.9**	100.3	358.3
Attributable to:			
Shareholders of the Company	**20.6**	102.4	373.9
Non-controlling interests	**(3.7)**	(2.1)	(15.6)
	16.9	100.3	358.3

Dairy Farm International Holdings Limited
Consolidated Balance Sheet

	2021	(unaudited) At 30th June 2020	At 31st December 2020
	US$m	US$m	US$m
Net operating assets			
Intangible assets	**406.6**	579.9	420.6
Tangible assets	**754.5**	800.9	771.9
Right-of-use assets	**2,795.6**	3,140.1	2,872.1
Associates and joint ventures	**2,134.5**	2,080.3	2,256.5
Other investments	**6.2**	6.0	6.0
Non-current debtors	**112.3**	135.9	114.8
Deferred tax assets	**13.6**	18.0	15.5
Non-current assets	**6,223.3**	6,761.1	6,457.4
Stocks	**745.8**	841.8	778.7
Current debtors	**219.5**	294.1	303.6
Current tax assets	**21.1**	25.9	28.0
Cash and bank balances	**262.7**	274.9	277.6
	1,249.1	1,436.7	1,387.9
Non-current assets held for sale *(note 9)*	**19.9**	-	55.2
Current assets	**1,269.0**	1,436.7	1,443.1
Current creditors	**(1,892.4)**	(2,022.9)	(2,060.5)
Current borrowings	**(692.5)**	(1,218.1)	(852.0)
Current lease liabilities	**(633.0)**	(748.2)	(684.1)
Current tax liabilities	**(52.6)**	(82.8)	(84.7)
Current provisions	**(67.8)**	(57.6)	(43.8)
Current liabilities	**(3,338.3)**	(4,129.6)	(3,725.1)
Net current liabilities	**(2,069.3)**	(2,692.9)	(2,282.0)
Long-term borrowings	**(505.5)**	(147.7)	(242.3)
Non-current lease liabilities	**(2,324.7)**	(2,520.9)	(2,386.3)
Deferred tax liabilities	**(37.5)**	(30.6)	(44.3)
Pension liabilities	**(16.1)**	(33.9)	(13.4)
Non-current creditors	**(32.6)**	(87.8)	(43.2)
Non-current provisions	**(105.1)**	(114.6)	(110.0)
Non-current liabilities	**(3,021.5)**	(2,935.5)	(2,839.5)
	1,132.5	1,132.7	1,335.9

(Consolidated Balance Sheet continued on page 10)

Dairy Farm International Holdings Limited
Consolidated Balance Sheet *(continued)*

	2021 US$m	(unaudited) At 30th June 2020 US$m	At 31st December 2020 US$m
Total equity			
Share capital	**75.2**	75.1	75.1
Share premium and capital reserves	**60.2**	59.4	59.6
Revenue and other reserves	**987.2**	970.0	1,187.6
Shareholders' funds	**1,122.6**	1,104.5	1,322.3
Non-controlling interests	**9.9**	28.2	13.6
	1,132.5	1,132.7	1,335.9

Dairy Farm International Holdings Limited
Consolidated Statement of Changes in Equity

	Share capital US$m	Share premium US$m	Capital reserves US$m	Revenue and other reserves US$m	Attributable to shareholders of the Company US$m	Attributable to non-controlling interests US$m	Total equity US$m
Six months ended 30th June 2021 (unaudited)							
At 1st January 2021	75.1	34.1	25.5	1,187.6	1,322.3	13.6	**1,335.9**
Total comprehensive income	-	-	-	20.6	20.6	(3.7)	**16.9**
Dividends paid by the Company *(note 10)*	-	-	-	(155.6)	(155.6)	-	**(155.6)**
Exercise of options	0.1	-	-	-	0.1	-	**0.1**
Share-based long-term incentive plans	-	-	0.6	-	0.6	-	**0.6**
Change in interests in associates and joint ventures	-	-	-	(65.4)	(65.4)	-	**(65.4)**
Transfer	-	1.5	(1.5)	-	-	-	**-**
At 30th June 2021	**75.2**	**35.6**	**24.6**	**987.2**	**1,122.6**	**9.9**	**1,132.5**
Six months ended 30th June 2020 (unaudited)							
At 1st January 2020	75.1	34.1	25.1	1,074.9	1,209.2	30.3	1,239.5
Total comprehensive income	-	-	-	102.4	102.4	(2.1)	100.3
Dividends paid by the Company *(note 10)*	-	-	-	(196.1)	(196.1)	-	(196.1)
Share-based long-term incentive plans	-	-	0.7	-	0.7	-	0.7
Change in interest in a subsidiary	-	-	-	(0.2)	(0.2)	-	(0.2)
Change in interests in associates and joint ventures	-	-	-	(11.5)	(11.5)	-	(11.5)
Transfer	-	-	(0.5)	0.5	-	-	-
At 30th June 2020	75.1	34.1	25.3	970.0	1,104.5	28.2	1,132.7

(Consolidated Statement of Changes in Equity continued on page 12)

Dairy Farm International Holdings Limited
Consolidated Statement of Changes in Equity *(continued)*

	Share capital US$m	Share premium US$m	Capital reserves US$m	Revenue and other reserves US$m	Attributable to shareholders of the Company US$m	Attributable to non-controlling interests US$m	Total equity US$m
Year ended 31st December 2020							
At 1st January 2020	75.1	34.1	25.1	1,074.9	1,209.2	30.3	1,239.5
Total comprehensive income	-	-	-	373.9	373.9	(15.6)	358.3
Dividends paid by the Company	-	-	-	(263.8)	(263.8)	-	(263.8)
Unclaimed dividends forfeited	-	-	-	0.5	0.5	-	0.5
Share-based long-term incentive plans	-	-	1.2	-	1.2	-	1.2
Change in interest in a subsidiary	-	-	-	(0.8)	(0.8)	(1.1)	(1.9)
Change in interests in associates and joint ventures	-	-	-	2.1	2.1	-	2.1
Transfer	-	-	(0.8)	0.8	-	-	-
At 31st December 2020	75.1	34.1	25.5	1,187.6	1,322.3	13.6	1,335.9

Revenue and other reserves at 30th June 2021 comprised revenue reserves of US$1,212.2 million *(2020: US$1,297.1 million)*, hedging reserves of US$0.8 million gain *(2020: US$5.1 million loss)* and exchange reserves of US$225.8 million loss *(2020: US$322.0 million loss)*.

Revenue and other reserves at 31st December 2020 comprised revenue reserves of US$1,417.5 million, hedging reserves of US$9.4 million loss and exchange reserves of US$220.5 million loss.

Dairy Farm International Holdings Limited
Consolidated Cash Flow Statement

	2021	(unaudited) Six months ended 30th June 2020	Year ended 31st December 2020
	US$m	US$m	US$m
Operating activities			
Operating profit *(note 3)*	**120.0**	209.8	388.1
Depreciation and amortisation	**439.3**	496.7	983.4
Other non-cash items	**(26.0)**	15.1	(16.6)
Increase in working capital	**(18.5)**	(115.3)	(102.1)
Interest received	**0.5**	2.8	3.5
Interest and other financing charges paid	**(59.5)**	(76.7)	(146.3)
Tax paid	**(51.3)**	(84.9)	(110.4)
	404.5	447.5	999.6
Dividends from associates and joint ventures	**23.7**	15.4	67.6
Cash flows from operating activities	**428.2**	462.9	1,067.2
Investing activities			
Purchase of a subsidiary *(note 12(a))*	**-**	(21.4)	(21.4)
Purchase of associates and joint ventures	**-**	-	(18.3)
Purchase of intangible assets	**(4.7)**	(8.0)	(20.7)
Purchase of tangible assets	**(100.1)**	(126.0)	(227.2)
Sales of subsidiaries	**-**	-	193.1
Sale of properties *(note 12(b))*	**35.0**	-	2.8
Sale of tangible assets	**0.5**	3.9	5.3
Cash flows from investing activities	**(69.3)**	(151.5)	(86.4)
Financing activities			
Change in interest in a subsidiary	**-**	(0.2)	(1.9)
Drawdown of borrowings	**759.3**	728.6	1,115.9
Repayment of borrowings	**(760.6)**	(501.6)	(918.5)
Net increase/(decrease) in other short-term borrowings	**100.8**	5.1	(268.1)
Principal elements of lease payments	**(330.9)**	(386.9)	(706.5)
Dividends paid by the Company *(note 10)*	**(155.6)**	(196.1)	(263.8)
Cash flows from financing activities	**(387.0)**	(351.1)	(1,042.9)
Net decrease in cash and cash equivalents	**(28.1)**	(39.7)	(62.1)
Cash and cash equivalents at beginning of period	**234.2**	288.3	288.3
Effect of exchange rate changes	**(0.1)**	(2.1)	8.0
Cash and cash equivalents at end of period *(note 12(c))*	**206.0**	246.5	234.2

Dairy Farm International Holdings Limited
Notes to Condensed Financial Statements

1. Accounting Policies and Basis of Preparation

The condensed financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' and on a going concern basis. The condensed financial statements have not been audited or reviewed by the Group's auditors pursuant to the UK Auditing Practices Board guidance on the review of interim financial information.

There are no changes to the accounting policies as described in the 2020 annual financial statements and the Group has not early adopted any other standards or amendments that have been issued but not yet effective, except as mentioned below:

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 *(effective 1st January 2021)*

The amendments provide practical expedient from certain requirements under the IFRSs as a result of the reform which affect the measurement of financial assets, financial liabilities and lease liabilities, and a number of reliefs for hedging relationships. The Group applied the amendments from 1st January 2021 and there is no significant impact on the Group's consolidated financial statements.

COVID-19 Related Rent Concessions beyond 30th June 2021: Amendment to IFRS 16 Leases *(effective 1st April 2021)*

The Group adopted and applied the practical expedient of the COVID-19 Related Rent Concessions: Amendment to IFRS 16 Leases, published in June 2020 ('2020 amendment'), in the 2020 annual financial statements. The 2021 amendment extends the practical expedient in the 2020 amendment to eligible lease payments due on or before 30th June 2022. By using the 2021 amendment, the Group continues to apply the practical expedient consistently to all lease contracts with similar characteristics and in similar circumstances, and does not assess these concessions as lease modifications.

2. Sales

	Including associates and joint ventures		Subsidiaries	
	Six months ended 30th June			
	2021	2020	**2021**	2020
	US$m	US$m	**US$m**	US$m
Analysis by operating segment:				
Food	**11,031.5**	11,550.4	**3,264.9**	3,812.1
- Grocery retail	**9,903.2**	10,480.8	**2,190.6**	2,809.2
- Convenience stores	**1,128.3**	1,069.6	**1,074.3**	1,002.9
Health and Beauty	**1,146.5**	1,248.8	**887.1**	1,038.4
Home Furnishings	**384.8**	389.4	**384.8**	389.4
Restaurants	**1,005.4**	873.3	**-**	-
Other Retailing	**381.7**	485.3	**-**	-
	13,949.9	14,547.2	**4,536.8**	5,239.9

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. Dairy Farm operates in five segments: Food, Health and Beauty, Home Furnishings, Restaurants and Other Retailing. Food comprises grocery retail and convenience store businesses (including the Group's associate, Yonghui, a leading grocery retailer in the Chinese mainland). Health and Beauty comprises the health and beauty businesses. Home Furnishings is the Group's IKEA businesses. Restaurants is the Group's food and beverage associate, Maxim's, a leading Hong Kong restaurant chain. Other Retailing represents the department stores, specialty and Do-It-Yourself ('DIY') stores of the Group's Philippines associate, Robinsons Retail.

Sales and share of results of Yonghui and Robinsons Retail represent six months from October 2020 to March 2021 *(2020: October 2019 to March 2020)*, based on their latest published announcements *(note 5)*.

2. Sales *(continued)*

Set out below is an analysis of the Group's sales by geographical locations:

	Including associates and joint ventures		Subsidiaries	
	Six months ended 30th June			
	2021 US$m	2020 US$m	**2021 US$m**	2020 US$m
Analysis by geographical area:				
North Asia	**10,606.6**	10,769.8	**2,993.9**	3,369.6
Southeast Asia	**3,343.3**	3,777.4	**1,542.9**	1,870.3
	13,949.9	14,547.2	**4,536.8**	5,239.9

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

3. Operating Profit

	Six months ended 30th June	
	2021 US$m	2020 US$m
Analysis by operating segment:		
Food	**101.3**	148.6
- Grocery retail	**82.7**	147.9
- Convenience stores	**18.6**	0.7
Health and Beauty	**20.6**	42.4
Home Furnishings	**11.5**	25.1
	133.4	216.1
Selling, general and administrative expenses	**(29.0)**	(47.4)
Underlying operating profit before IFRS 16*	**104.4**	168.7
IFRS 16 adjustment^	**50.2**	42.3
Underlying operating profit	**154.6**	211.0
Non-trading items:		
- business restructuring costs	**(35.8)**	(0.4)
- profit on sale of properties	**1.0**	-
- change in fair value of equity investments	**0.2**	(0.8)
	120.0	209.8

3. Operating Profit *(continued)*

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

	Six months ended 30th June	
	2021	2020
	US$m	US$m
Analysis by geographical area:		
North Asia	**119.8**	155.3
Southeast Asia	**13.6**	60.8
	133.4	216.1
Selling, general and administrative expenses	**(29.0)**	(47.4)
Underlying operating profit before IFRS 16*	**104.4**	168.7
IFRS 16 adjustment^	**50.2**	42.3
Underlying operating profit	**154.6**	211.0

In relation to the COVID-19 pandemic, the Group had received government grants of US$6.6 million *(2020: US$32.4 million)* and rent concessions of US$23.2 million *(2020: US$32.4 million)*, for the six months ended 30th June 2021. These subsidies were accounted for as other operating income.

* Property lease payments and depreciation of reinstatement costs under the lease contracts were included in the Group's analysis of operating and geographical segments' results.

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

4. Net Financing Charges

	Six months ended 30th June	
	2021	2020
	US$m	US$m
Interest expense	**(57.4)**	(74.3)
- bank loans and advances	**(9.9)**	(17.7)
- lease liabilities	**(46.8)**	(56.6)
- other loans	**(0.7)**	-
Commitment and other fees	**(3.1)**	(1.9)
Financing charges	**(60.5)**	(76.2)
Financing income	**0.5**	1.8
	(60.0)	(74.4)

5. Share of Results of Associates and Joint Ventures

	Six months ended 30th June	
	2021†	2020†
	US$m	US$m
Analysis by operating segment:		
Food	**(14.2)**	38.9
- Grocery retail	**(13.1)**	39.3
- Convenience stores	**(1.1)**	(0.4)
Health and Beauty	**0.6**	0.1
Restaurants	**(13.2)**	(25.0)
Other Retailing	**(1.3)**	1.7
	(28.1)	15.7

Share of results of associates and joint ventures included the following gains/(losses) from non-trading items *(note 8)*:

	Six months ended 30th June	
	2021†	2020†
	US$m	US$m
Change in fair value of Yonghui's equity investments	**29.2**	4.4
Change in fair value of Robinsons Retail's equity investments	**0.1**	0.1
Impairment charge of Yonghui's investments	**(13.9)**	-
Net gain from divestment of an investment by Yonghui	**-**	6.8
Net gains from sale of debt instruments by Robinsons Retail	**0.1**	-
	15.5	11.3

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

In relation to the COVID-19 pandemic, included in share of results of associates and joint ventures were the Group's share of the government grants of US$10.8 million *(2020: US$20.7 million)* and rent concessions of US$9.9 million *(2020: US$16.1 million),* for the six months ended 30th June 2021.

† Included six months results from October 2020 to March 2021 *(2020: October 2019 to March 2020)* for Yonghui and Robinsons Retail *(note 2)*.

6. Tax

	Six months ended 30th June	
	2021	2020
	US$m	US$m
Tax charged to profit and loss is analysed as follows:		
Current tax	**(26.1)**	(40.1)
Deferred tax	**7.3**	2.7
	(18.8)	(37.4)
Tax relating to components of other comprehensive income is analysed as follows:		
Remeasurements of defined benefit plans	**-**	(0.1)
Cash flow hedges	**(2.5)**	0.7
	(2.5)	0.6

Tax on profits has been calculated at rates of taxation prevailing in the territories in which the Group operates. Share of tax credit of associates and joint ventures of US$3.3 million *(2020: share of tax charge of US$3.1 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$16.7 million *(2020: US$115.3 million)*, and on the weighted average number of 1,352.9 million *(2020: 1,352.7 million)* shares in issue during the period.

Diluted earnings per share are calculated on profit attributable to shareholders of US$16.7 million *(2020: US$115.3 million)*, and on the weighted average number of 1,353.1 million *(2020: 1,353.3 million)* shares in issue after adjusting for 0.2 million *(2020: 0.6 million)* shares which are deemed to be issued for no consideration under the share-based long-term incentive plans based on the average share price during the period.

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:

	Six months ended 30th June					
	2021			2020		
	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	**16.7**	**1.24**	**1.24**	115.3	8.53	8.52
Non-trading items *(note 8)*	**15.4**			(10.2)		
Underlying profit attributable to shareholders	**32.1**	**2.38**	**2.37**	105.1	7.77	7.77

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 fair value gains and losses on equity 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, associates and joint ventures, 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.

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

	Six months ended 30th June	
	2021	2020
	US$m	US$m
Business restructuring costs	**(32.0)**	(0.3)
Profit on sale of properties	**0.9**	-
Change in fair value of equity investments	**0.2**	(0.8)
Share of change in fair value of Yonghui's equity investments	**29.2**	4.4
Share of change in fair value of Robinsons Retail's equity investments	**0.1**	0.1
Share of impairment charge of Yonghui's investments	**(13.9)**	-
Share of net gain from divestment of an investment by Yonghui	**-**	6.8
Share of net gains from sale of debt investments by Robinsons Retail	**0.1**	-
	(15.4)	10.2

Following a strategic review recommendation, the management decided to withdraw its Giant brand investment in Indonesia. Restructuring costs of US$30.5 million relating to impairment charge against tangible assets, rent compensation and the expected payments to employees were charged in the profit and loss.

9. Non-current Assets Held for Sale

At 30th June 2021, the non-current assets held for sale represented three retail properties in Malaysia and three retail properties in Taiwan brought forward from 31st December 2020. The sale of these properties is expected to complete in 2021 at amounts not materially different from their carrying values.

At 31st December 2020, the non-current assets held for sale represented six retail properties in Malaysia and three retail properties in Taiwan. Three retail properties in Malaysia were sold during the period.

10. Dividends

	Six months ended 30th June	
	2021	2020
	US$m	US$m
Final dividend in respect of 2020 of US¢11.50 *(2019: US¢14.50)* per share	**155.6**	196.1

An interim dividend in respect of 2021 of US¢3.00 *(2020: US¢5.00)* per share amounting to a total of US$40.6 million *(2020: US$67.7 million)* is declared by the Board, and will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2021.

11. Financial Instruments

Financial instruments by category

The carrying amounts of financial assets and financial liabilities at 30th June 2021 and 31st December 2020 are as follows:

	Fair value of hedging instruments US$m	Fair value through profit and loss US$m	Financial assets at amortised cost US$m	Other financial liabilities US$m	Total carrying amounts US$m
At 30th June 2021					
Financial assets measured at fair value					
Other investments					
- equity investments	-	6.2	-	-	**6.2**
Derivative financial instruments	4.4	-	-	-	**4.4**
	4.4	**6.2**	**-**	**-**	**10.6**
Financial assets not measured at fair value					
Debtors	-	-	239.8	-	**239.8**
Cash and bank balances	-	-	262.7	-	**262.7**
	-	**-**	**502.5**	**-**	**502.5**
Financial liabilities measured at fair value					
Derivative financial instruments	(3.4)	-	-	-	**(3.4)**
	(3.4)	**-**	**-**	**-**	**(3.4)**
Financial liabilities not measured at fair value					
Borrowings	-	-	-	(1,198.0)	**(1,198.0)**
Lease liabilities	-	-	-	(2,957.7)	**(2,957.7)**
Trade and other payables excluding non-financial liabilities	-	-	-	(1,744.9)	**(1,744.9)**
	-	**-**	**-**	**(5,900.6)**	**(5,900.6)**

11. Financial Instruments *(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
At 31st December 2020					
Financial assets measured at fair value					
Other investments					
- equity investments	-	6.0	-	-	6.0
Derivative financial instruments	1.2	-	-	-	1.2
	1.2	6.0	-	-	7.2
Financial assets not measured at fair value					
Debtors	-	-	263.2	-	263.2
Cash and bank balances	-	-	277.6	-	277.6
	-	-	540.8	-	540.8
Financial liabilities measured at fair value					
Derivative financial instruments	(13.0)	-	-	-	(13.0)
	(13.0)	-	-	-	(13.0)
Financial liabilities not measured at fair value					
Borrowings	-	-	-	(1,094.3)	(1,094.3)
Lease liabilities	-	-	-	(3,070.4)	(3,070.4)
Trade and other payables excluding non-financial liabilities	-	-	-	(1,925.7)	(1,925.7)
	-	-	-	(6,090.4)	(6,090.4)

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

11. Financial Instruments *(continued)*

Fair value estimation

(i) Financial instruments that are measured at fair value

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

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities ('quoted prices in active markets')

The fair 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')

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

(c) Inputs for assets or liabilities that are not based on observable market data ('unobservable inputs')

The fair values of other unlisted equity 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 six months ended 30th June 2021 and the year ended 31st December 2020.

11. Financial Instruments *(continued)*

Fair value estimation *(continued)*

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

The table below analyses financial instruments carried at fair value at 30th June 2021 and 31st December 2020, measured by observable current market transactions.

	At 30th June 2021 **US$m**	At 31st December 2020 US$m
Assets		
Other investments		
- equity investments	**6.2**	6.0
Derivative financial instruments at fair value		
- through other comprehensive income	**4.2**	1.1
- through profit and loss	**0.2**	0.1
	10.6	7.2
Liabilities		
Derivative financial instruments at fair value		
- through other comprehensive income	**(3.2)**	(12.7)
- through profit and loss	**(0.2)**	(0.3)
	(3.4)	(13.0)

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

The fair values of current debtors, cash and bank balances, current creditors, 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.

12. Notes to Consolidated Cash Flow Statement

(a) Purchase of a subsidiary

Purchase in 2020 represented the settlement of deferred consideration for the Group's acquisition of the 100% interest in San Miu Supermarket Limited, which operates a supermarket chain in Macau, in 2015.

(b) Sale of properties

Sale of properties in 2021 included disposal of three properties in Malaysia and two properties in Indonesia for a total net consideration of US$35.0 million.

(c) Analysis of balances of cash and cash equivalents

	At 30th June 2021 **US$m**	At 31st December 2020 US$m
Cash and bank balances	**262.7**	277.6
Bank overdrafts	**(56.7)**	(43.4)
	206.0	234.2

13. Capital Commitments and Contingent Liabilities

Total capital commitments at 30th June 2021 and 31st December 2020 amounted to US$157.8 million and US$137.5 million, respectively.

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 condensed financial statements.

14. Related Party Transactions

Jardine Strategic Limited ('JSL') became the parent company of the Group following the completion of the simplification of the Group's parent company structure in April 2021. Jardine Strategic Holdings Limited and JMH Bermuda Limited, a wholly-owned subsidiary of the Group's ultimate parent company, Jardine Matheson Holdings Limited ('JMH'), amalgamated under the Bermuda Companies Act to form JSL, a wholly-owned subsidiary of JMH. Both JMH and JSL are incorporated in Bermuda.

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

14. Related Party Transactions *(continued)*

Under the terms of a Management Services Agreement, the management fee payable by the Group was US$0.1 million *(2020: US$0.6 million)* for the first six months of 2021 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$0.2 million *(2020: US$0.2 million)* to JML for the same period in 2021.

The Group rents properties from Hongkong Land Holdings Limited ('HKL'), a subsidiary of JMH. The lease payments paid by the Group to HKL for the first six months of 2021 were US$1.5 million *(2020: US$1.6 million)*. The Group's 50%-owned associate, Maxim's, also paid lease payments of US$4.5 million *(2020: US$5.2 million)* to HKL for the first six months of 2021.

The Group obtains repairs and maintenance services from Jardine Engineering Corporation ('JEC'), a subsidiary of JMH. The total fees paid by the Group to JEC for the first six months of 2021 amounted to US$0.8 million *(2020: US$0.7 million).*

Maxim's supplies ready-to-eat products at arm's length to certain subsidiaries of the Group. For the first six months of 2021, these amounted to US$12.2 million *(2020: US$11.3 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 first six months of the current financial year.

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

Balances with group companies of JMH at 30th June 2021 and 2020 are immaterial, unsecured, and have no fixed terms of repayment.

Dairy Farm International Holdings Limited
Principal Risks and Uncertainties

The Board has overall responsibility for risk management and internal control. The following have been identified previously as the areas of principal risk and uncertainty facing the Company, and they remain relevant in the second half of the year.

- Economic Risk
- Commercial Risk and Financial Risk
- Concessions, Franchises and Key Contracts
- Regulatory and Political Risk
- Terrorism, Pandemic and Natural Disasters
- Technology Risk
- Cybersecurity Risk

For greater detail, please refer to pages 149 and 150 of the Company's 2020 Annual Report, a copy of which is available on the Company's website at www.dairyfarmgroup.com.

Responsibility Statement

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

a. the condensed financial statements have been prepared in accordance with IAS 34; and

b. the interim management report includes a fair review of all information required to be disclosed by the Disclosure Guidance and Transparency Rules 4.2.7 and 4.2.8 issued by the Financial Conduct Authority in the United Kingdom.

For and on behalf of the Board

Ian McLeod
Clem Constantine

Directors

Dairy Farm International Holdings Limited
Dividend Information for Shareholders

The interim dividend of US¢3.00 per share will be payable on 13th October 2021 to shareholders on the register of members at the close of business on 20th August 2021. The shares will be quoted ex-dividend on 19th August 2021, and the share registers will be closed from 23rd to 27th August 2021, inclusive.

Shareholders will receive their cash dividends in United States Dollars, except when elections are made for alternate currencies in the following circumstances.

Shareholders on the Jersey branch register

Shareholders registered on the Jersey branch register will have the option to elect for their dividends to be paid in Sterling. These shareholders may make new currency elections for the 2021 interim dividend by notifying the United Kingdom transfer agent in writing by 24th September 2021. The Sterling equivalent of dividends declared in United States Dollars will be calculated by reference to a rate prevailing on 29th September 2021.

Shareholders holding their shares through CREST in the United Kingdom will receive their cash dividends in Sterling only as calculated above.

Shareholders on the Singapore branch register who hold their shares through The Central Depository (Pte) Limited ('CDP')

Shareholders who are on CDP's Direct Crediting Service ('DCS')
Those shareholders who are on 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 who are **not on** CDP's DCS
Those shareholders who are not on CDP's DCS will receive their cash dividends in United States Dollars unless they elect, through CDP, to receive Singapore Dollars.

Shareholders on the Singapore branch register who wish to deposit their shares into the CDP system by the dividend record date, being 20th August 2021, must submit the relevant documents to M & C Services Private Limited, the Singapore branch registrar, by no later than 5.00 p.m. (local time) on 19th August 2021.

Dairy Farm International Holdings Limited
About Dairy Farm

Dairy Farm is a leading pan-Asian retailer. At 30th June 2021, the Group and its associates and joint ventures operated over 10,000 outlets and employed some 230,000 people. The Group had total annual sales in 2020 exceeding US$28 billion.

The Group provides quality and value to Asian consumers by offering leading brands, a compelling retail experience and great service; all delivered through a strong store network supported by efficient supply chains.

The Group (including associates and joint ventures) operates under a number of well-known brands across five divisions. The principal brands are:

Food
- Grocery retail – Wellcome in Hong Kong S.A.R.; Yonghui in Chinese mainland; Cold Storage in Malaysia and Singapore; Giant in Malaysia and Singapore; Hero in Indonesia; and Robinsons in the Philippines.
- Convenience stores – 7-Eleven in Hong Kong and Macau S.A.R., Singapore and Southern China.

Health and Beauty
- Mannings in Chinese mainland, Hong Kong and Macau S.A.R.; Guardian in Brunei, Cambodia, Indonesia, Malaysia, Singapore and Vietnam.

Home Furnishings
- IKEA in Hong Kong and Macau S.A.R., Indonesia, and Taiwan.

Restaurants
- Hong Kong Maxim's group in Cambodia, Chinese mainland, Hong Kong and Macau S.A.R., Malaysia, Singapore, Thailand and Vietnam.

Other Retailing
- Robinsons in the Philippines operating department stores, specialty and DIY stores.

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

- end -

For further information, please contact:

Dairy Farm Management Services Limited
Christine Chung (852) 2299 1056

Brunswick Group Limited
Sunitha Chalam (852) 3512 5050

As permitted by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority in the United Kingdom, the Company will not be posting a printed version of the Half-Yearly Results announcement to shareholders. The Half-Yearly Results announcement will remain available on the Company's website, www.dairyfarmgroup.com, together with other Group announcements.