



Dairy Farm International Holdings Ltd

Jardine House, 33-35 Reid Street
Hamilton HM EX, Bermuda

To: Business Editor

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

Interim Management Statement

8th November 2018 – Dairy Farm International Holdings Limited has today issued an Interim Management Statement for the third quarter of 2018.

Dairy Farm's businesses produced mixed results in the period. Although there was a strong performance in Health and Beauty and good results from Home Furnishings and Restaurants, the performance of the Hong Kong Food business has softened and the Food businesses across Southeast Asia continue to face significant challenges. These challenges are expected to continue for the remainder of the year and the Group's full year results are also expected to be impacted by increasing costs from its continuing programme of investment in technology, supply chain infrastructure, stores and people in order to improve the long-term performance of the business.

In North Asia, sales from the Food businesses were slightly ahead of the same period last year, but profits were lower as a result of weakening margins and continued cost pressures, particularly from increased rents. The Health and Beauty businesses in Hong Kong and Macau, however, delivered strong sales and profit growth.

In Southeast Asia, the Group's Food businesses continued to face challenges. Sales and profits decreased further in Singapore and Malaysia. Sales also decreased in Indonesia, but, as a result of management action, losses reduced compared to the same period last year. The Philippines Food business showed good sales growth, benefitting from the opening of several

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Issued by: **Dairy Farm Management Services Ltd**

Incorporated in Bermuda with limited liability

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new stores, but profit was slightly behind the prior year due to operating costs of these new stores. There was continuing good sales and profit improvement in the Group's Health and Beauty businesses, notably in Malaysia and Indonesia.

IKEA's sales and profits were ahead of last year in Taiwan and Indonesia. In Hong Kong, sales were higher, supported by the new store which opened last year; however profits were lower as a result of higher operating costs.

Maxim's delivered another record breaking mooncake sales performance during Mid-Autumn Festival, which was earlier than last year, and helped drive sales and profit higher during the period.

Yonghui reported strong sales growth in the quarter but profit was lower than the prior year due to investment in new formats and the additional costs of the new employee incentive scheme.

Approval was received from the Philippines Competition Commission in August for the combination of Dairy Farm's Food business in the Philippines with Robinsons Retail Holdings, Inc. Completion is expected to take place in the coming weeks.

Dairy Farm announced in early October that it has agreed to acquire the remaining 51% interest in Rose Pharmacy in the Philippines, which is now subject to regulatory approvals. Upon completion of the transaction, Dairy Farm will hold 100% of the company.

Dairy Farm is a leading pan-Asian retailer. The Group, together with its associates and joint ventures, operate over 7,400 outlets – including supermarkets, hypermarkets, convenience stores, health and beauty stores, home furnishings stores and restaurants – employing over 200,000 people, and had total annual sales in 2017 exceeding US\$21 billion. 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. It is a member of the Jardine Matheson Group.

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