



DELFI LIMITED

(Incorporated in Singapore. Registration Number: 198403096C)
AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months ended 30 June 2023

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CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

The Group				
6 months ended				
		30 Jun 2023	30 Jun 2022	Change
	<u>Notes</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Revenue	5	286,174	246,270	16.2
Cost of Sales		(200,293)	(173,797)	15.2
Gross Profit		85,881	72,473	18.5
Other operating income		2,802	2,146	30.6
<u>Expenses</u>				
Selling and distribution costs		(39,038)	(31,133)	25.4
Administrative expenses		(13,040)	(13,723)	(5.0)
Finance costs		(592)	(258)	129.5
Other operating expenses		(579)	(812)	(28.7)
Share of results of associated companies and joint ventures		(69)	(45)	53.3
Profit before income tax		35,365	28,648	23.4
Income tax expense	6	(10,167)	(9,275)	9.6
Total profit	7	25,198	19,373	30.1
Profit attributable to:				
Equity holders of the Company		25,198	19,373	30.1
Non-controlling interest		-	-	-
		25,198	19,373	30.1
EBITDA		39,967	34,582	15.6
Earnings per ordinary share (US cents) - Basic and Diluted ⁽¹⁾	8	4.12	3.17	30.1
Return on equity		19.8%	16.2%	3.6% pt

Note:

⁽¹⁾ Diluted earnings per share for 6 months ended 30 June 2023 and 2022 are the same as basic earnings per share as there were no potentially dilutive ordinary shares.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	The Group	
	6 months ended	
	30 Jun 2023	30 Jun 2022
	<u>US\$'000</u>	<u>US\$'000</u>
Profit for the period	25,198	19,373
Other comprehensive income/(loss):		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation reserve		
- Currency translation differences arising from Consolidation	6,989	(8,567)
Items that will not be reclassified subsequently to profit or loss:		
Defined pension benefit obligation		
- Tax on remeasurements	-	(154)
Other comprehensive income/(loss), net of tax	6,989	(8,721)
Total comprehensive income for the period	32,187	10,652
Total comprehensive income attributable to:		
Equity holders of the Company	32,187	10,652
Non-controlling interest	-	-
	32,187	10,652

CONDENSED INTERIM BALANCE SHEETS

	Notes	The Group		The Company	
		30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
		US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
Current assets					
Cash and bank deposits		73,191	77,135	55,575	58,392
Trade receivables	9	76,027	71,154	1,970	2,195
Loans to joint ventures		-	60	-	60
Inventories	9	97,951	115,451	135	-
Rights to returned goods		2,076	2,206	-	-
Income tax recoverable		5,786	5,354	-	-
Other current assets	10	21,596	14,667	1,627	1,114
		276,627	286,027	59,307	61,761
Non-current assets					
Investments in subsidiaries		-	-	40,919	40,919
Investments in associated companies and joint venture		2,346	2,523	4,560	4,560
Loans to associated company and joint venture		899	827	60	-
Property, plant and equipment	11	90,745	81,460	1,519	1,855
Intangibles assets	12	18,025	18,181	17,596	17,678
Deferred income tax assets		3,794	3,643	-	-
Income tax recoverable		1,683	1,660	-	-
Other non-current assets		657	768	-	-
		118,149	109,062	64,654	65,012
Total Assets		394,776	395,089	123,961	126,773
LIABILITIES					
Current liabilities					
Trade payables		27,395	49,701	1,029	1,856
Refund liabilities		6,996	7,236	-	-
Other payables	13	56,710	54,734	3,794	4,569
Current income tax liabilities		3,249	5,435	-	-
Borrowings	14	24,149	19,009	-	-
		118,499	136,115	4,823	6,425
Non-current liabilities					
Other payables		1,528	880	614	845
Deferred income tax liabilities		1,599	1,753	-	-
Provisions for other liabilities and charges		11,391	10,146	-	-
		14,518	12,779	614	845
Total liabilities		133,017	148,894	5,437	7,270
NET ASSETS		261,759	246,195	118,524	119,503
Capital and reserves attributable to the Company's equity holders					
Share capital		95,936	95,936	95,936	95,936
Foreign currency translation reserve	16	(20,814)	(27,803)	-	-
Other reserves		1,605	2,264	-	-
Retained earnings		185,032	175,798	22,588	23,567
		261,759	246,195	118,524	119,503
Non controlling interest		-	-	-	-
Total equity		261,759	246,195	118,524	119,503

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<u>Attributable to equity holders of the Company</u>							
	<u>Share capital</u>	<u>Foreign currency translation reserve</u>	<u>General reserve</u>	<u>Defined pension benefits obligation</u>	<u>Retained earnings</u>	<u>Total</u>	<u>Non-controlling interest</u>	<u>Total equity</u>
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
The Group								
Balance at 1 January 2023	95,936	(27,803)	2,505	(241)	175,798	246,195	-	246,195
Profit for the period	-	-	-	-	25,198	25,198	-	25,198
Other comprehensive gain for the period	-	6,989	-	-	-	6,989	-	6,989
Total comprehensive income for the period	-	6,989	-	-	25,198	32,187	-	32,187
Transfer from general reserve	-	-	(659)	-	659	-	-	-
Final dividend relating to 2022	-	-	-	-	(16,623)	(16,623)	-	(16,623)
Balance at 30 June 2023	95,936	(20,814)	1,846	(241)	185,032	261,759	-	261,759
Balance at 1 January 2022	95,936	(10,229)	2,505	(7)	151,099	239,304	-	239,304
Profit for the period	-	-	-	-	19,373	19,373	-	19,373
Other comprehensive loss for the period	-	(8,567)	-	(154)	-	(8,721)	-	(8,721)
Total comprehensive (loss)/income for the period	-	(8,567)	-	(154)	19,373	10,652	-	10,652
Final dividend relating to 2021	-	-	-	-	(9,534)	(9,534)	-	(9,534)
Balance at 30 June 2022	95,936	(18,796)	2,505	(161)	160,938	240,422	-	240,422

Attributable to equity holders of the Company

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total equity</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<u>The Company</u>			
Balance as at 1 January 2023	95,936	23,567	119,503
Profit for the year	-	15,644	15,644
Final dividend relating to 2022	-	(16,623)	(16,623)
Balance at 30 June 2023	95,936	22,588	118,524
Balance as at 1 January 2022	95,936	20,792	116,728
Profit for the year	-	15,304	15,304
Final dividend relating to 2021	-	(9,534)	(9,534)
Balance at 30 June 2022	95,936	26,562	122,498

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 30 June	
	2023	2022
	<u>US\$'000</u>	<u>US\$'000</u>
Cash flows from operating activities		
Total profit	25,198	19,373
Adjustments:		
Income tax expense	10,167	9,275
Depreciation and amortisation	5,516	6,247
Gain on disposal of property, plant and equipment	(103)	(37)
Property, plant and equipment written off	-	40
Interest income	(1,506)	(571)
Interest expense	592	258
Fair value gain on derivatives	-	(23)
Share of results of associated companies and joint ventures	69	45
Operating cash flow before working capital changes	<u>39,933</u>	<u>34,607</u>
Changes in working capital		
Inventories	17,500	(2,812)
Trade and other receivables	(7,452)	(4,596)
Rights to returned goods	130	3
Trade and other payables	(14,684)	452
Refund liabilities	(240)	(115)
Cash generated from operations	<u>35,187</u>	<u>27,539</u>
Interest received	1,505	571
Income tax paid, net of tax refund received	(13,196)	(10,246)
Net cash provided by operating activities	<u>23,496</u>	<u>17,864</u>
Cash flows from investing activities		
Purchases of property, plant and equipment ⁽¹⁾	(9,322)	(979)
Advances for purchase of property, plant and equipment	(4,263)	(233)
Purchases of intangible assets	(95)	(104)
Proceeds from disposal of property, plant and equipment	104	37
Net cash used in investing activities	<u>(13,576)</u>	<u>(1,279)</u>
Cash flows from financing activities		
Proceeds from trade finance	9,159	1,551
Repayment of bank loans	(3,071)	(1,044)
Repayment of lease liabilities	(756)	(610)
Interest paid	(592)	(258)
Dividends paid to equity holders of company	(16,623)	(9,534)
Net cash used in financing activities	<u>(11,883)</u>	<u>(9,895)</u>
Net (decrease)/increase in cash and cash equivalents	(1,963)	6,690
Cash and cash equivalents		
Beginning of financial year	76,050	86,238
Effects of currency translation on cash and cash equivalents	(968)	(1,451)
End of financial year	<u>73,119</u>	<u>91,477</u>

⁽¹⁾ The amount excludes additions of property, plant and equipment of US\$1.5 million (2022: US\$0.2 million) that were financed by lease liabilities.

For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

The Group		
6 months ended 30 June		
	2023	2022
	<u>US\$'000</u>	<u>US\$'000</u>
Cash and bank balances	22,191	34,265
Short term deposits	51,000	60,347
	73,191	94,612
<u>Less:</u> Bank overdrafts	(72)	(3,135)
Total	73,119	91,477

Reconciliation of liabilities arising from financing activities

	Non-cash changes						
	31-Dec-22	Proceeds	Principal and interest payment	Additions	Interest expense	Foreign exchange movement	30-Jun-23
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Bank loans	4,633	-	(3,321)	-	250	64	1,626
Trade finance	13,292	9,159	(282)	-	282	-	22,451
Lease liabilities	2,169	-	(816)	1,497	60	(68)	2,842

	Non-cash changes						
	31-Dec-21	Principal and interest payment	Proceeds	Additions	Interest expense	Foreign exchange movement	30-Jun-22
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Bank loans	3,939	(1,145)	-	-	101	(459)	2,436
Trade finance	6,125	(96)	1,551	-	96	-	7,676
Lease liabilities	2,283	(671)	-	227	61	(311)	1,589

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Delfi Limited is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 111 Somerset Road, #16-12 TripleOne Somerset, Singapore 238164.

The principal activities of the Company are the marketing and distribution of chocolate, chocolate confectionery and investment holding.

2. Basis of Preparation

The condensed interim consolidated financial statements as at and for the six months ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Group's and the Company's financial position and performance of the Group since the last financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in United States Dollars which is the Company's functional currency.

2.1. New and Amended Standards Adopted by the Group

On 1 January 2022, the Group adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial periods.

2.2 Use of Judgments and Estimates

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

Note 17 - Claims associated with the disposal of Delfi Cacau Brasil Ltda.

3. Seasonal Operation

The Group's businesses were not significantly affected by seasonal or cyclical factors during the financial period.

4. Segment Information

The Group engages in the manufacture and marketing of chocolate confectionery products under a variety of brands and the distribution of a wide range of food and other consumer products, including agency brands.

Management has determined the operating segments based on the reports reviewed by the Executive Committee that are used to make strategic decisions. The Executive Committee comprises the Executive Directors. The Executive Committee manages and monitors the business based on its two geographical segments, namely Indonesia and Regional Markets (which comprise the Philippines, Malaysia and Singapore).

4. Segment Information (continued)

The segment information provided to the Executive Committee for the reportable segments for the 6 months ended 30 June 2023 is as follows:

	Indonesia	Regional Markets	Group
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Sales:			
- Total segment sales	198,888	96,051	294,939
- Inter-segment sales	(8,765)	-	(8,765)
Sales to external parties	<u>190,123</u>	<u>96,051</u>	<u>286,174</u>
EBITDA	36,879	3,088	39,967
Interest income			1,506
Finance costs			(592)
Share of results of associated companies and joint ventures			(69)
Income tax expense			(10,167)
Other segment information			
Depreciation and amortisation	(4,178)	(1,338)	(5,516)
Capital expenditure on property, plant and equipment	9,106	1,713	10,819
Sales are analysed as:			
- Own Brands	137,402	30,678	168,080
- Agency Brands	52,721	65,373	118,094
Total	<u>190,123</u>	<u>96,051</u>	<u>286,174</u>

4. Segment Information (continued)

The segment information provided to the Executive Committee for the reportable segments for the 6 months ended 30 June 2022 is as follows:

	Indonesia	Regional Markets	Group
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Sales:			
- Total segment sales	175,290	79,080	254,370
- Inter-segment sales	(8,100)	-	(8,100)
Sales to external parties	<u>167,190</u>	<u>79,080</u>	<u>246,270</u>
EBITDA	32,167	2,415	34,582
Interest income			571
Finance costs			(258)
Share of results of associated companies and joint ventures			(45)
Income tax expense			(9,275)
Other segment information			
Depreciation and amortisation	(4,846)	(1,401)	(6,247)
Capital expenditure on property, plant and equipment	662	555	1,217
Sales are analysed as:			
- Own Brands	123,620	27,238	150,858
- Agency Brands	43,570	51,842	95,412
Total	<u>167,190</u>	<u>79,080</u>	<u>246,270</u>

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Executive Committee is measured in a manner consistent with that in the consolidated income statement.

4. Segment Information (continued)

(a) Reconciliation of segment profits

A reconciliation of EBITDA to profit before tax is set out below:

	The Group	
	6 months ended	
	30 Jun 2023	30 Jun 2022
	<u>US\$'000</u>	<u>US\$'000</u>
EBITDA	39,967	34,582
Interest expense	(592)	(258)
Interest income	1,506	571
Depreciation of property, plant and equipment	(5,141)	(5,523)
Amortisation of intangible assets	(375)	(724)
Profit before tax	35,365	28,648

(b) Geographical information

Non-current assets are shown by the country where the assets are located.

	<u>Non-current assets</u>	
	30 Jun 2023	31 Dec 2022
	<u>US\$'000</u>	<u>US\$'000</u>
Indonesia	82,977	74,234
Regional Markets:		
- Philippines	8,511	7,537
- Malaysia	1,036	1,427
- Singapore	21,686	22,084
- Other countries	145	137
	114,355	105,419

5. Revenue

(a) Information is based on the location of the markets in which the Group operates.

	6 months ended		
	30 Jun 2023	30 Jun 2022	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Indonesia	190,123	167,190	13.7
Regional Markets	96,051	79,080	21.5
	286,174	246,270	16.2

(b) Disaggregation of revenue

Sales are based on the country in which the customer is located.

	6 months ended		
	30 Jun 2023	30 Jun 2022	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Indonesia	190,123	167,190	13.7
Regional Markets:			
- Philippines	27,689	22,693	22.0
- Malaysia	64,392	52,737	22.1
- Singapore	992	843	17.7
- Other countries	2,978	2,807	6.1
	286,174	246,270	16.2

(c) Breakdown of Sales

	6 months ended		
	30 Jun 2023	30 Jun 2022	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Own Brands	168,080	150,858	11.4
Agency Brands	118,094	95,412	23.8
	286,174	246,270	16.2

Own Brands and Agency Brands registered positive growth of 11.4% and 23.8% Y-o-Y respectively, in 1H 2023 compared to the same period last year. Own Brands growth was driven by our operations in Indonesia and the Philippines.

Agency Brands revenue continued to be driven by the snacking category. In addition, the distribution of new Agency Brands contributed to the growth achieved.

6. Income Taxes

Income tax expense

	The Group	
	6 months ended 30 June	
	2023	2022
	<u>US\$'000</u>	<u>US\$'000</u>
Tax expense attributable to profit is made up of:		
Current income tax		
- Foreign	8,555	7,767
- Withholding taxes	2,083	2,065
Deferred income tax	(406)	(664)
	10,232	9,168
(Over)/Under provision in prior financial years:		
- Current income tax	(65)	107
Total income tax expense	10,167	9,275

7. Net Profit

Net Profit is derived after (deducting)/crediting the following

	6 months ended		
	30 Jun 2023	30 Jun 2022	Change
	<u>US\$'000</u>	<u>US\$'000</u>	%
Depreciation of property, plant and equipment	(5,141)	(5,523)	(6.9)
Amortisation of intangible assets	(375)	(724)	(48.2)
Net foreign exchange (loss)/gain	(99)	184	NM
Group over/(under) provision of tax in prior years	65	(107)	NM
Gain on disposal of property, plant and equipment	103	37	178.4
(Impairment loss)/Writeback on trade receivables	(1)	185	NM
Inventories written off	(946)	(554)	70.8
Allowance made for inventory obsolescence	(1,541)	(723)	113.1

NM - Not meaningful.

8. Earnings Per Share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	6 months ended 30 June	
	2023	2022
	<u>US\$'000</u>	<u>US\$'000</u>
Net profit attributable to equity holders of the Company (US\$'000)	25,198	19,373
Weighted average number of ordinary shares ('000)	611,157	611,157
Basic earnings per share (US cents)	4.12	3.17

(b) Diluted earnings per share

Diluted earnings per share for 6 months ended 30 June 2023 and 2022 are the same as basic earnings per share as there were no potentially dilutive ordinary shares.

9. Trade Receivables and Inventories

Trade Receivables as at 30 June 2023 were US\$4.9 million higher compared to year-end 2022 whilst Inventories reduced by US\$17.5 million (lower 15% compared to the end-December 2022 balance) compared to the prior year end, reflecting the business growth registered in 1H 2023 and tight working capital management.

10. Other Current Assets

	The Group		The Company	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Other receivables				
- Non-related parties	8,333	8,882	762	714
- Subsidiaries (non-trade)	-	-	388	214
- Associated companies (non-trade)	152	147	-	-
- Joint ventures (non-trade)	158	259	48	35
- Related parties (non-trade)	66	6	-	-
	8,709	9,294	1,198	963
Deposits	10,527	4,093	74	25
Prepayments	2,360	1,280	355	126
	21,596	14,667	1,627	1,114

11. Capital Expenditure on Property, Plant and Equipment

The allocation of capital expenditure for 1H 2023 and 1H 2022 by geographical region, is as follows:

	6 months ended	
	30 Jun 2023	30 Jun 2022
	US\$'000	US\$'000
Indonesia	9,106	662
Regional Markets	1,713	555
	10,819	1,217

12. Intangible Assets

	The Group		The Company	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
	US\$'000	US\$'000	US\$'000	US\$'000
Brands and licence (Note (a))	17,519	17,422	17,351	17,351
Patents and trademarks (Note (b))	330	309	-	-
Computer software licences (Note (c))	176	450	245	327
	18,025	18,181	17,596	17,678

(a) Brands and Licence

	The Group		The Company	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
	US\$'000	US\$'000	US\$'000	US\$'000
<i>Net book value</i>				
Beginning of financial year	17,422	17,460	17,351	17,351
Currency translation difference	97	(38)	-	-
End of financial year	17,519	17,422	17,351	17,351
<i>End of financial year</i>				
Cost	17,904	17,807	17,616	17,616
Accumulated amortisation and impairment loss	(385)	(385)	(265)	(265)
Net book value	17,519	17,422	17,351	17,351

Brands and a licence that are regarded as having indefinite useful lives are not amortised and are tested for impairment annually. The brands and licence have a long heritage and are protected in all of the markets where they are sold under trademarks, which are renewed indefinitely without involvement of significant cost.

12. Intangible Assets (continued)

(b) Patents and Trademarks

	The Group		The Company	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
	US\$'000	US\$'000	US\$'000	US\$'000
<i>Net book value</i>				
Beginning of financial year	309	274	-	-
Additions	74	163	-	-
Currency translation difference	10	(2)	-	-
Amortisation	(63)	(126)	-	-
End of financial year	330	309	-	-
<i>End of financial year</i>				
Cost	2,693	2,536	-	-
Accumulated amortisation	(2,363)	(2,227)	-	-
Net book value	330	309	-	-

(c) Computer Software Licences

	The Group		The Company	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
	US\$'000	US\$'000	US\$'000	US\$'000
<i>Net book value</i>				
Beginning of financial year	450	1,810	327	512
Additions	20	4	-	-
Currency translation difference	18	(57)	-	-
Amortisation	(312)	(1,307)	(82)	(185)
End of financial year	176	450	245	327
<i>End of financial year</i>				
Cost	6,603	6,458	1,101	1,101
Accumulated amortisation	(6,427)	(6,008)	(856)	(774)
Net book value	176	450	245	327

(d) Amortisation expense included in other operating expenses is analysed as follows:

	The Group	
	6 months ended 30 June	
	2023	2022
	US\$'000	US\$'000
Patents and trademarks	63	54
Computer software licences	312	670
Total	375	724

13. Other Payables - Current

Other payables were higher by US\$2.0 million mainly due to higher accruals for Advertising and Promotion.

14. Borrowings

	The Group		The Company	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Current				
Bank overdraft	72	1,084	-	-
Bank loans	1,626	4,633	-	-
Trade finance	22,451	13,292	-	-
	24,149	19,009	-	-

The increase in total borrowings can be attributed to higher trade finance utilised in order to support the growth of our business.

Aggregate amount of the group's borrowings

	The Group		The Company	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Amount repayable in one year or less, or on demand				
- Secured	24,077	17,925	-	-
- Unsecured	72	1,084	-	-
	24,149	19,009	-	-
Amount repayable after one year				
- Secured	-	-	-	-
- Unsecured	-	-	-	-
	-	-	-	-

Details of collateral

Of the Group's total secured borrowings at 30 June 2023, US\$24.1 million (Dec 2022: US\$17.9 million) are secured on inventories and property, plant and equipment of certain subsidiaries of the Group.

15. Net Asset Value

	The Group		The Company	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
	<u>US cts</u>	<u>US cts</u>	<u>US cts</u>	<u>US cts</u>
Net asset value per ordinary share	42.8	40.3	19.4	19.6

16. Foreign Currency Translation Reserve

At the end of 1H 2023, the Group recorded a foreign currency translation reserve of US\$20.8 million in its Consolidated Statement of Changes in Equity.

USD 1 to	Indonesian Rupiah (IDR)	Malaysian Ringgit (MYR)	Singapore Dollar (SGD)	Philippines Peso (PHP)
30 June 2023	15,026	4,667	1,352	55,362
31 December 2022	15,731	4,404	1,340	56,120
<i>Strengthened/(Weakened) Y-o-Y</i>	<i>4.48%</i>	<i>(5.96%)</i>	<i>(0.96%)</i>	<i>1.35%</i>

17. Update on Claims Associated with the Disposal of Delfi Cacau Brasil Ltda.

By way of background, on 24 February 2015, the Company announced that Barry Callebaut had notified the Company of various claims from the Brazil tax authorities (“Notifications”) against the former Delfi Cacau Brasil Ltda (“DCBR”), which Barry Callebaut purchased as part of the sale of the Cocoa Ingredients business. In the Company’s announcement made on 28 August 2015, the Company also pointed out that although the Settlement Agreement fully settled the dispute over the closing price adjustments, Barry Callebaut remained entitled to bring any further claims that may arise under the continuing warranties.

As previously announced, the Company was notified of a total of 7 claims associated with the disposal. As at 30 June 2023, the Company’s total exposure in respect of these claims (after indexation) in Brazil is BRL 95,017,679 (equivalent to US\$19.7 million based on the end-June 2023 exchange rate).

The Company, while reserving its rights in relation to the Notifications, has requested Barry Callebaut to defend these claims and the cases are proceeding through the Administrative and Judicial processes in Brazil. The Board and management believe there are grounds to resist these claims and the Company will keep the shareholders updated as to material developments.

In assessing the relevant potential liabilities, management has considered, among other factors, industry developments in the current financial year and the legal environment in Brazil, and assessed that the amounts recognised in respect of these claims are adequate as at 30 June 2023. As management considers that the disclosure of further details of these claims could be expected to prejudice seriously the interim Group’s position in relation to the claims, further information has not been disclosed in the Group’s interim financial statements.

18. Related Parties Transactions

In addition to other related party information disclosed elsewhere in the condensed interim consolidated financial statements, the following related party transactions took place between the Group and related parties during the financial period:

Sales and purchases of goods and services

	1H 2023	1H 2022
	<u>US\$'000</u>	<u>US\$'000</u>
Revenue:		
Sales to joint venture	235	178
Sales to related parties	185	18
Interest income from associated companies / joint venture	31	15
Service income from associated companies / joint ventures	73	70
Expenditure:		
Purchases from joint ventures	2,181	2,156
Purchases from related parties	7,278	8,721
Rental payable to associated companies	43	44
Directors' fees	237	237

19. Subsequent Events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review

The condensed consolidated statement of financial position of Delfi Limited and its subsidiaries as at 30 June 2023, and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of Performance of the Group

Key Figures for the Group (unaudited)

	1H ended 30 June			
	2023	2022	% change	% change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>In USD term</u>	<u>In constant exchange rate¹</u>
Indonesia	190,123	167,190	13.7	19.6
Regional Markets	96,051	79,080	21.5	27.8
REVENUE	286,174	246,270	16.2	22.2
Indonesia	36,879	32,167	14.6	21.1
Regional Markets	3,088	2,415	27.9	39.2
EBITDA	39,967	34,582	15.6	22.4
Profit before tax	35,365	28,648	23.4	30.7
Profit attributable to shareholders	25,198	19,373	30.1	38.2

Key performance indicators

	1H ended 30 June		
	2023	2022	%
Gross profit margin	30.0%	29.4%	0.6% pt

Notes

- 1 The Group used the following average exchange rate(s) in translating the income statements of its subsidiaries into USD terms.

Average FX rates for Financial Period ended 30 June 2023

USD 1 to	Indonesian Rupiah (IDR)	Malaysian Ringgit (MYR)	Singapore Dollar (SGD)	Philippines Peso (PHP)
1H 2023	15,128	4,443	1.337	55.401
1H 2022	14,389	4,248	1.361	51.617
<i>Strengthened/(Weakened) Y-o-Y</i>	<i>(5.14%)</i>	<i>(4.59%)</i>	<i>1.79%</i>	<i>(7.33%)</i>

Key Ratios

	30 Jun 2023	31 Dec 2022
Current ratio	2.33	2.10
Average Inventory Days	97	98
Average Receivable Days	47	53
Average Payable Days	35	48
Return on Equity	19.8%	18.1%

Review of the Group's 1H 2023 Financial Performance

Figure 1 - Key Financial Highlights

(In US\$ Million)	1H 2023	1H 2022	Chg Y-o-Y	Chg Y-o-Y at Constant Exch Rates *
Indonesia	190.1	167.2	13.7%	19.6%
Regional Markets	96.1	79.1	21.5%	27.8%
Total Revenue	286.2	246.3	16.2%	22.2%
Gross Profit Margin (%)	30.0%	29.4%	0.6% pt	0.6% pt
EBITDA	40.0	34.6	15.6%	22.4%
EBITDA Margin (%)	14.0%	14.0%	-	-
PATMI	25.2	19.4	30.1%	38.2%

Notes

* For comparative purposes only - This shows the effect of using the respective exchange rates of the regional currencies in 1H 2022 in translating the 1H 2023 results.

With positive momentum carrying through from 2022, the Group achieved 1H 2023 revenue and PATMI growth of 16.2% and 30.1% respectively, as we continued to execute our growth strategies to capture the robust consumer demand in our markets. In constant currency terms, our performance would have been higher than reported.

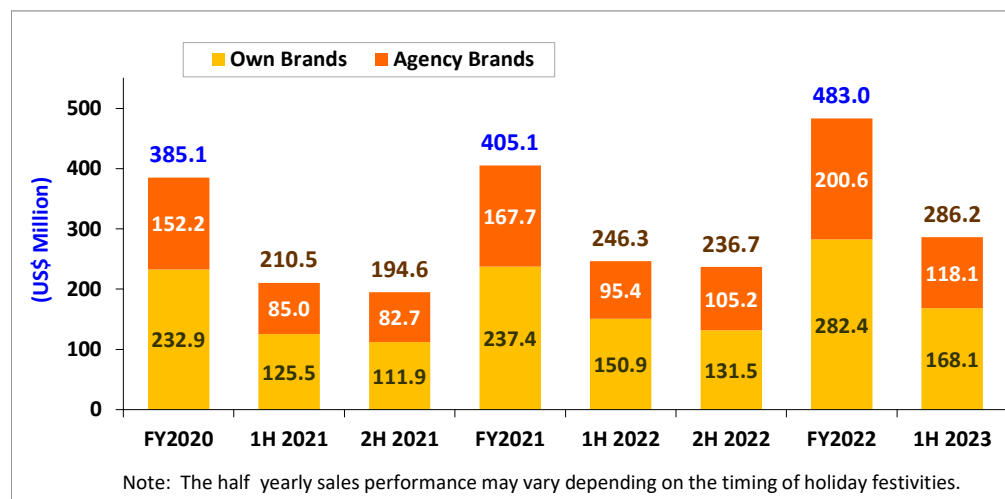
For 1H 2023, we achieved PATMI of US\$25.2 million, higher Y-o-Y by 30.1% with the key drivers as follows:

- i. The positive momentum which drove double digit sales growth across our operations;
- ii. Strong revenue growth of 16.2% Y-o-Y over 1H 2022 to US\$286.2 million driven by growth in both Own Brands and Agency Brands, which grew higher Y-o-Y by 11.4% and 23.8%, respectively; and
- iii. Increase in 1H 2023 gross profit margin by 60 basis points to 30.0%, driven by strong sales of our Premium products combined with pricing actions that helped mitigate cost pressures, portfolio optimisation and through disciplined cost control.

Our strong Own Brands revenue growth of 11.4% Y-o-Y to US\$168.1 million is attributed to the strength of consumer demand in our key markets, especially Indonesia and the Philippines. This was complemented by our Agency Brands portfolio, that grew by 23.8% Y-o-Y to US\$118.1 million which included contributions from new Agency Brands secured.

Both segments were supported by significant efforts over the last three years to strengthen our distribution in both the Modern Trade and Traditional Trade channels, and the continuing focus on Gen-Zs and Millennials.

Figure 2 - Own Brands & Agency Brands Revenue Performance (Half Year and Full Year)



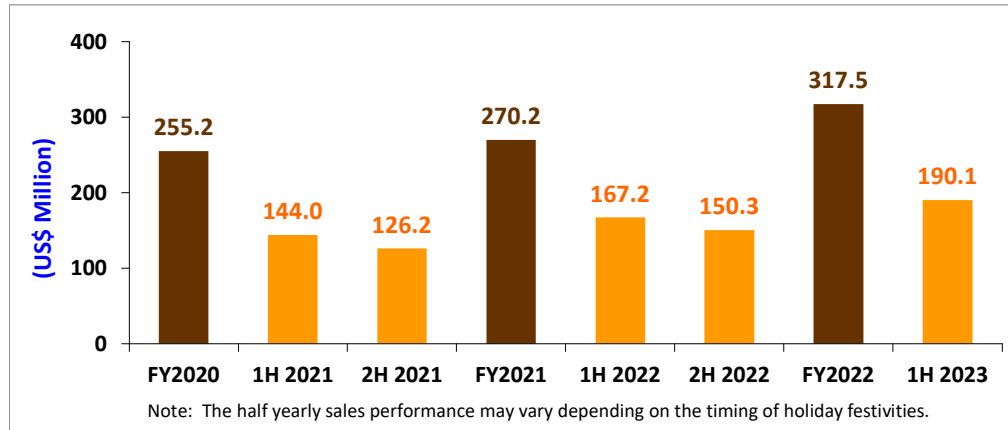
In 1H 2023, we generated net cash from operations of US\$23.5 million as we continued to control costs, collections and capital spending. The Group's cash position as at 30 June 2023 stood at US\$73.2 million, after dividend payment of US\$16.6 million and capital expenditure of US\$13.6 million during the first six months of the year.

The Board has declared an interim dividend per share for the period ended 30 June 2023 of 2.06 US cents (or 2.73 Singapore cents), compared to the 1.58 US cents for the same period last year, based on a pay-out ratio of 50%. The interim dividend will be paid to shareholders on 7 September 2023.

Performance Review by Markets

Indonesia

Figure 3 - Indonesia's Revenue Performance (Half Year and Full Year)



Our business in Indonesia generated revenue of US\$190.1 million (Y-o-Y increase of 13.7%) driven by growth in Own Brands, especially our *SilverQueen*, *Delfi Premium* and *TOP* which all grew by double-digits.

Our Agency Brands grew 21.0% Y-o-Y in 1H 2023, driven primarily by the growth in the snacks and consumer categories.

The Regional Markets

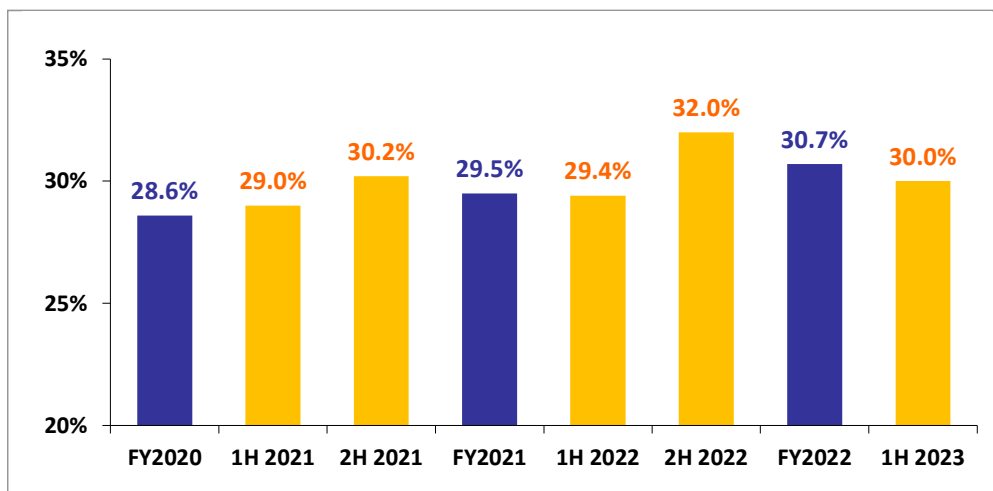
For our Regional Markets, revenues during 1H 2023 were higher Y-o-Y by 21.5% to US\$96.1 million. The growth achieved was mainly attributed to demand for Agency Brands in our Malaysian operations, particularly from contributions of new Agency Brands secured.

Review of 1H 2023 Profitability

We achieved an overall Gross Profit Margin of 30.0% for 1H 2023, higher Y-o-Y by 60 basis points which can be attributed to pricing, portfolio optimisation and through disciplined cost controls.

On the higher sales and GPM achieved, the Group generated EBITDA for the period of US\$40.0 million, an increase of 15.6% Y-o-Y (EBITDA margin of 14.0% achieved) despite higher selling and distribution costs and advertising and promotion expenses. We continued to invest in our brand building initiatives and in our routes-to-market, which we believe is necessary in order to support the long-term growth of our business.

Figure 4 - Gross Profit Margin (Half Year and Full Year)



Note: It should be highlighted that margins achieved may vary depending on composition of sales mix, both within Own Brands and Agency Brands.

Review of Financial Position and Cash Flow

Balance Sheet as at	30 Jun 2023	31 Dec 2022	Change
	US\$'000	US\$'000	US\$'000
Cash and cash equivalents	73,191	77,135	(3,944)
Working capital	146,583	136,904	9,679
Total Assets	394,776	395,089	(313)
Borrowings	24,149	19,009	5,140
Foreign currency translation reserve	(20,814)	(27,803)	6,989
Shareholders' equity	261,759	246,195	15,564
Current ratio	2.33	2.10	

As at 30 June 2023, the Group's cash and cash equivalents were US\$73.2 million after dividend payments of US\$16.6 million in May of this year and US\$13.6 million of capital expenditure and advances for purchase of property, plant and equipment during the first six months of the year. The increase in capital expenditure comprised investment in production equipment in anticipation of continued market growth and for a land parcel in Indonesia to meet our long term operational needs. This capital expenditure programme will be constantly monitored and evaluated against any changes in market conditions with investments possibly deferred to a later period, if required. We remain confident that our strong balance sheet gives us a resiliency in the face of any uncertainties that might emerge going forward.

Compared to 31 December 2022, total assets as at 30 June 2023 were marginally lower by US\$0.3 million reflecting mainly: (1) the lower cash balance; (2) decrease in inventories; partially offset by; and (3) an increase in property, plant and equipment. Shareholders' equity was higher by US\$15.6 million as a result of higher retained earnings, and a lower foreign currency translation loss (see Note 16 on page 21) although reduced by dividend paid of US\$16.6 million.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's results for 1H 2023 are in line with the commentary made on 27 February 2023 in paragraph 4 of the Group's "2H and FY2022 Unaudited Financial Statements and Dividend Announcement".

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months.

Looking ahead to the rest of 2023, it remains unclear what might be the impact on the global economy from prolonged geopolitical tensions, stabilising but still higher interest rates, continued pressure on selected supply chains, high commodity prices, and pronounced economic and political pressures on many lesser developed economies. The global economic outlook could weigh on consumer confidence going forward.

Despite these headwinds, barring any unexpected severe economic circumstances, we believe our iconic brands, strong balance sheet, low debt level, strong culture of innovation, and effective distribution capabilities, position us well to not only successfully navigate potential uncertainties that might lie ahead but also, allow us to benefit from opportunities in the future that may arise.

We remain confident we can mitigate many of these potential risks by:

- Remaining focused on growing our core strategic products and further driving growth in our Premium and Value format categories;
- Continuing to strengthen our distribution capabilities; and
- Tightly managing our operating costs, collections and working capital levels. Although we expect to have higher working capital requirements to support future business growth, we will remain vigilant and tightly manage appropriate levels of receivables, inventories, and payables.

5. Dividend Information

a. Whether an interim (final) ordinary dividend has been declared (recommended)?

Name of Dividend	2023 Interim
Dividend Type	Cash
Dividend Amount per share (in Singapore cents)	2.73 cents per ordinary share

- b. Amount per share**
- i. Amount per share 2.73 Singapore cents (2.06 US cents)**
 - ii. Previous corresponding period 2.18 Singapore cents**

Name of Dividend	2022 Interim
Dividend Type	Cash
Dividend Amount per share (in Singapore cents)	2.18 cents per ordinary share

- c. Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived.**

Tax exempt.

- d. The date the dividend is payable**

The interim dividend will be paid on 7 September 2023.

- e. The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

NOTICE IS HEREBY GIVEN that the Transfer Books and the Register of Members of the Company will be closed at 5.00 pm on 24 August 2023 (Books Closure Date) for the preparation of dividend warrants.

Duly completed transfers of ordinary shares received by the Company's Share Registrar, M&C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902 before 5.00 pm on the Books Closure Date will be registered to determine shareholders' entitlements to the interim dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the final dividend will be paid by the Company to CDP which will, in turn, distribute the final dividend entitlements to the CDP account holders in accordance with its normal practice.

6. Interested Person Transactions

The Company has obtained a general mandate (“Shareholders’ Mandate”) from its shareholders for the Group’s IPTs with the following interested persons. The Shareholders’ mandate was approved at the Annual General Meeting (“AGM”) of the Company held on 25 April 2023 and will be effective until the next AGM. The aggregate value of transactions conducted pursuant to the general mandate is as follows:

	¹ Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual
	1H 2023
	<u>US\$'000</u>
PT Freyabadi Indotama	
- Sales of goods	185
- Purchase of products	7,278
	7,463

7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Group has procured undertakings from all its directors and executive officers.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Chuang Tiong Choon
Director

Chuang Tiong Liep
Director

Singapore

7 August 2023