



DELFI LIMITED

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

CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months ended 30 June 2024

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CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

The Group				
6 months ended				
		30 Jun 2024	30 Jun 2023	Change
	<u>Notes</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Revenue	5	260,814	282,959	(7.8)
Cost of Sales		(185,586)	(200,293)	(7.3)
Gross Profit		75,228	82,666	(9.0)
Other operating income		2,822	2,802	0.7
<u>Expenses</u>				
Selling and distribution costs		(35,090)	(35,823)	(2.0)
Administrative expenses		(13,485)	(13,040)	3.4
Finance costs		(717)	(592)	21.1
Other operating expenses		(575)	(579)	(0.7)
Share of results of associated companies and joint ventures		(88)	(69)	27.5
Profit before income tax		28,095	35,365	(20.6)
Income tax expense	6	(8,524)	(10,167)	(16.2)
Total profit	7	19,571	25,198	(22.3)
Profit attributable to:				
Equity holders of the Company		19,571	25,198	(22.3)
		19,571	25,198	(22.3)
EBITDA		32,839	39,967	(17.8)
Earnings per ordinary share (US cents) - Basic and Diluted ⁽¹⁾	8	3.20	4.12	(22.3)
Return on equity		14.9%	19.8%	(4.9%) pt

Note:

⁽¹⁾ Diluted earnings per share for the 6 months ended 30 June 2024 and 2023 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 2024	30 Jun 2023
	<u>US\$'000</u>	<u>US\$'000</u>
Profit for the period	19,571	25,198
Other comprehensive (loss)/income:		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation reserve		
- Currency translation differences arising from Consolidation	(12,987)	6,989
Other comprehensive (loss)/income, net of tax	(12,987)	6,989
Total comprehensive income for the period	6,584	32,187
Total comprehensive income attributable to:		
Equity holders of the Company	6,584	32,187

CONDENSED INTERIM BALANCE SHEETS

	Notes	The Group		The Company	
		30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
		US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
Current assets					
Cash and bank deposits		54,821	59,377	45,633	51,893
Trade receivables	9	78,219	88,847	1,659	1,400
Loans to joint ventures		60	60	60	60
Inventories	9	94,228	115,893	169	48
Rights to returned goods		1,585	1,460	-	-
Income tax recoverable		9,584	8,313	-	-
Other current assets	10	32,557	20,947	2,006	1,344
		271,054	294,897	49,527	54,745
Non-current assets					
Investments in subsidiaries		-	-	40,919	40,919
Investments in associated companies and joint venture		2,103	2,251	4,560	4,560
Loans to associated company and joint venture		789	836	-	-
Financial asset, at FVPL		500	500	500	500
Property, plant and equipment	11	104,481	97,756	1,158	1,472
Intangibles assets	12	17,947	18,248	17,490	17,535
Deferred income tax assets		4,075	4,144	340	340
Income tax recoverable		1,683	1,676	-	-
Other non-current assets		185	636	28	5
		131,763	126,047	64,995	65,331
Total Assets		402,817	420,944	114,522	120,076
LIABILITIES					
Current liabilities					
Trade payables		38,487	45,125	1,122	1,590
Refund liabilities		7,582	7,535	-	-
Other payables		48,178	48,987	3,467	3,621
Current income tax liabilities		1,326	2,406	-	-
Borrowings	13	32,171	32,735	-	-
		127,744	136,788	4,589	5,211
Non-current liabilities					
Other payables		3,706	4,928	271	528
Deferred income tax liabilities		1,299	1,860	-	-
Provisions for other liabilities and charges		11,076	11,148	-	-
		16,081	17,936	271	528
Total liabilities		143,825	154,724	4,860	5,739
NET ASSETS		258,992	266,220	109,662	114,337
Capital and reserves attributable to the Company's equity holders					
Share capital		95,936	95,936	95,936	95,936
Foreign currency translation reserve	15	(37,890)	(24,903)	-	-
Other reserves		1,540	1,540	-	-
Retained earnings		199,406	193,647	13,726	18,401
Total equity		258,992	266,220	109,662	114,337

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company					
	<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 equity</u>
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
The Group						
Balance at 1 January 2024	95,936	(24,903)	1,851	(311)	193,647	266,220
Profit for the period	-	-	-	-	19,571	19,571
Other comprehensive loss for the period	-	(12,987)	-	-	-	(12,987)
Total comprehensive income for the period	-	(12,987)	-	-	19,571	6,584
Final dividend relating to 2023	-	-	-	-	(13,812)	(13,812)
Balance at 30 June 2024	95,936	(37,890)	1,851	(311)	199,406	258,992
Balance at 1 January 2023	95,936	(27,803)	2,505	(241)	175,798	246,195
Profit for the period	-	-	-	-	25,198	25,198
Other comprehensive income for the period	-	6,989	-	-	-	6,989
Total comprehensive income for the period	-	6,989	-	-	25,198	32,187
Transfer from general reserve	-	-	(659)	-	659	-
Final dividend relating to 2022	-	-	-	-	(16,623)	(16,623)
Balance at 30 June 2023	95,936	(20,814)	1,846	(241)	185,032	261,759

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 2024	95,936	18,401	114,337
Profit for the period	-	9,137	9,137
Final dividend relating to 2023	-	(13,812)	(13,812)
Balance at 30 June 2024	95,936	13,726	109,662
Balance as at 1 January 2023	95,936	23,567	119,503
Profit for the period	-	15,644	15,644
Final dividend relating to 2022	-	(16,623)	(16,623)
Balance at 30 June 2023	95,936	22,588	118,524

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 30 June	
	2024	2023
	US\$'000	US\$'000
Cash flows from operating activities		
Total profit	19,571	25,198
Adjustments:		
Income tax expense	8,524	10,167
Depreciation and amortisation	5,585	5,516
Gain on disposal of property, plant and equipment	(38)	(103)
Interest income	(1,558)	(1,506)
Interest expense	717	592
Share of results of associated companies and joint ventures	88	69
Operating cash flow before working capital changes	32,889	39,933
Changes in working capital		
Inventories	21,665	17,500
Trade and other receivables	6,549	(7,452)
Rights to returned goods	(125)	130
Trade and other payables	(13,026)	(14,684)
Refund liabilities	47	(240)
Cash generated from operations	47,999	35,187
Interest received	1,558	1,505
Income tax paid, net of tax refund received	(11,916)	(13,196)
Net cash provided by operating activities	37,641	23,496
Cash flows from investing activities		
Purchases of property, plant and equipment ⁽¹⁾	(18,641)	(9,322)
Advances for purchase of property, plant and equipment	(7,089)	(4,263)
Purchases of intangible assets	(64)	(95)
Proceeds from disposal of property, plant and equipment	170	104
Net cash used in investing activities	(25,624)	(13,576)
Cash flows from financing activities		
Proceeds from bank borrowings	6,090	-
Proceeds from trade finance	122	9,159
Repayment of bank loans	(7,135)	(3,071)
Repayment of lease liabilities	(1,230)	(756)
Interest paid	(717)	(592)
Dividends paid to equity holders of company	(13,812)	(16,623)
Net cash used in financing activities	(16,682)	(11,883)
Net decrease in cash and cash equivalents	(4,665)	(1,963)
Cash and cash equivalents		
Beginning of financial period	55,310	76,050
Effects of currency translation on cash and cash equivalents	(250)	(968)
End of financial period	50,395	73,119

⁽¹⁾ The amount excludes additions of property, plant and equipment of NIL (2023: US\$1.5 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		
	2024	2023
	<u>US\$'000</u>	<u>US\$'000</u>
Cash and bank balances	12,821	22,191
Short term deposits	42,000	51,000
	54,821	73,191
<u>Less:</u> Bank overdrafts	(4,426)	(72)
Total	50,395	73,119

Reconciliation of liabilities arising from financing activities

	<u>Non-cash changes</u>						
	<u>31-Dec-23</u>	<u>Proceeds</u>	<u>Principal and interest payment</u>	<u>Additions</u>	<u>Interest expense</u>	<u>Foreign exchange movement</u>	<u>30-Jun-24</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>	<u>US\$'000</u>
Bank loans	7,135	6,090	(7,443)	-	308	-	6,090
Trade finance	21,533	122	(259)	-	259	-	21,655
Lease liabilities	8,231	-	(1,378)	-	148	(298)	6,703

	<u>Non-cash changes</u>						
	<u>31-Dec-22</u>	<u>Proceeds</u>	<u>Principal and interest payment</u>	<u>Additions</u>	<u>Interest expense</u>	<u>Foreign exchange movement</u>	<u>30-Jun-23</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>	<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

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 2024 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 2023.

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 2023, 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 2023.

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 16 - Claims associated with the disposal of Delfi Cacao 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 2024 is as follows:

	Indonesia	Regional Markets	Group
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Sales:			
- Total segment sales	178,044	91,065	269,109
- Inter-segment sales	(8,295)	-	(8,295)
Sales to external parties	<u>169,749</u>	<u>91,065</u>	<u>260,814</u>
 EBITDA	 30,363	 2,476	 32,839
 Interest income			 1,558
Finance costs			(717)
Share of results of associated companies and joint ventures			(88)
Income tax expense			(8,524)
Other segment information			
Depreciation and amortisation	(3,863)	(1,722)	(5,585)
Capital expenditure on property, plant and equipment	18,260	381	18,641
 Sales are analysed as:			
- Own Brands	120,748	27,257	148,005
- Agency Brands	49,001	63,808	112,809
Total	<u>169,749</u>	<u>91,065</u>	<u>260,814</u>

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	92,836	291,724
- Inter-segment sales	(8,765)	-	(8,765)
Sales to external parties	<u>190,123</u>	<u>92,836</u>	<u>282,959</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	30,354	167,756
- Agency Brands	<u>52,721</u>	<u>62,482</u>	<u>115,203</u>
Total	<u>190,123</u>	<u>92,836</u>	<u>282,959</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 2024	30 Jun 2023
	<u>US\$'000</u>	<u>US\$'000</u>
EBITDA	32,839	39,967
Interest expense	(717)	(592)
Interest income	1,558	1,506
Depreciation of property, plant and equipment	(5,445)	(5,141)
Amortisation of intangible assets	(140)	(375)
Profit before tax	28,095	35,365

(b) Geographical information

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

	<u>Non-current assets</u>	
	30 Jun 2024	31 Dec 2023
	<u>US\$'000</u>	<u>US\$'000</u>
Indonesia	94,939	86,649
Regional Markets:		
- Philippines	7,132	7,906
- Malaysia	4,072	5,054
- Singapore	21,423	22,147
- Other countries	122	147
	127,688	121,903

5. Revenue

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

	6 months ended		
	30 Jun 2024	30 Jun 2023	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Indonesia	169,749	190,123	(10.7)
Regional Markets	91,065	92,836	(1.9)
	260,814	282,959	(7.8)

(b) Disaggregation of revenue

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

	6 months ended		
	30 Jun 2024	30 Jun 2023	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Indonesia	169,749	190,123	(10.7)
Regional Markets:			
- Philippines	24,393	27,689	(11.9)
- Malaysia	62,922	61,177	2.9
- Singapore	812	992	(18.1)
- Other countries	2,938	2,978	(1.3)
	260,814	282,959	(7.8)

(c) Breakdown of Sales

	6 months ended		
	30 Jun 2024	30 Jun 2023	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Own Brands	148,005	167,756	(11.8)
Agency Brands	112,809	115,203	(2.1)
	260,814	282,959	(7.8)

From a constant currency perspective, the performance for Own Brands registered a decline of 7.8% Y-o-Y while Agency Brands increased by 3.2% Y-o-Y. Overall, the Group's revenue was lower by 3.3% Y-o-Y instead of the reported 7.8% decline.

6. Income Taxes

Income tax expense

	The Group	
	6 months ended 30 June	
	2024	2023
	<u>US\$'000</u>	<u>US\$'000</u>
Tax expense attributable to profit is made up of:		
Current income tax		
- Foreign	7,322	8,555
- Withholding taxes	1,735	2,083
Deferred income tax	(557)	(406)
	8,500	10,232
Under/(Over) provision in prior financial years:		
- Current income tax	24	(65)
Total income tax expense	8,524	10,167

7. Net Profit

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

	6 months ended		
	30 Jun 2024	30 Jun 2023	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Depreciation of property, plant and equipment	(5,445)	(5,141)	5.9
Amortisation of intangible assets	(140)	(375)	(62.7)
Net foreign exchange gain/(loss)	521	(99)	NM
Group (under)/over provision of tax in prior years	(24)	65	NM
Gain on disposal of property, plant and equipment	38	103	(63.1)
Writeback/(Impairment loss) on trade receivables	28	(1)	NM
Inventories written off	(926)	(946)	(2.1)
Allowance made for inventory obsolescence	(2,143)	(1,541)	39.1

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	
	2024	2023
	<u>US\$'000</u>	<u>US\$'000</u>
Net profit attributable to equity holders of the Company (US\$'000)	19,571	25,198
Weighted average number of ordinary shares ('000)	611,157	611,157
Basic earnings per share (US cents)	3.20	4.12

(b) Diluted earnings per share

Diluted earnings per share for the 6 months ended 30 June 2024 and 2023 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 2024 were US\$10.6 million lower compared to year-end 2023 whilst Inventories reduced by US\$21.7 million (lower 18.7% compared to the end-December 2023 balance) compared to the prior year end, reflecting the Group's continued tight management of working capital.

10. Other Current Assets

	The Group		The Company	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Other receivables				
- Non-related parties	14,860	7,931	782	736
- Subsidiaries (non-trade)	-	-	662	367
- Associated companies (non-trade)	144	152	-	-
- Joint ventures (non-trade)	351	329	68	61
- Related parties (non-trade)	16	-	-	-
	<u>15,371</u>	<u>8,412</u>	<u>1,512</u>	<u>1,164</u>
Deposits	15,131	11,043	4	21
Prepayments	2,055	1,492	490	159
	<u>32,557</u>	<u>20,947</u>	<u>2,006</u>	<u>1,344</u>

11. Capital Expenditure on Property, Plant and Equipment

The allocation of capital expenditure for 1H 2024 and 1H 2023 by geographical region, is as follows:

	6 months ended	
	30 Jun 2024	30 Jun 2023
	US\$'000	US\$'000
Indonesia	18,260	9,106
Regional Markets	381	1,713
	18,641	10,819

12. Intangible Assets

	The Group		The Company	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	US\$'000	US\$'000	US\$'000	US\$'000
Brands and licence (Note (a))	17,508	17,720	17,351	17,351
Patents and trademarks (Note (b))	281	326	-	-
Computer software licences (Note (c))	158	202	139	184
	17,947	18,248	17,490	17,535

(a) Brands and Licence

	The Group		The Company	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	US\$'000	US\$'000	US\$'000	US\$'000
<i>Net book value</i>				
Beginning of financial year	17,720	17,422	17,351	17,351
Currency translation difference	(212)	298	-	-
End of financial year	17,508	17,720	17,351	17,351
<i>End of financial year</i>				
Cost	17,893	18,105	17,616	17,616
Accumulated amortisation and impairment loss	(385)	(385)	(265)	(265)
Net book value	17,508	17,720	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 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	US\$'000	US\$'000	US\$'000	US\$'000
<i>Net book value</i>				
Beginning of financial year	326	309	-	-
Additions	41	142	-	-
Currency translation difference	(20)	30	-	-
Amortisation	(66)	(155)	-	-
End of financial year	281	326	-	-
<i>End of financial year</i>				
Cost	2,792	2,939	-	-
Accumulated amortisation	(2,511)	(2,613)	-	-
Net book value	281	326	-	-

(c) Computer Software Licences

	The Group		The Company	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	US\$'000	US\$'000	US\$'000	US\$'000
<i>Net book value</i>				
Beginning of financial year	202	450	184	327
Additions	23	3	17	-
Currency translation difference	7	10	-	-
Amortisation	(74)	(261)	(62)	(143)
End of financial year	158	202	139	184
<i>End of financial year</i>				
Cost	6,237	6,503	1,118	1,101
Accumulated amortisation	(6,079)	(6,301)	(979)	(917)
Net book value	158	202	139	184

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

	The Group	
	6 months ended 30 June	
	2024	2024
	US\$'000	US\$'000
Patents and trademarks	66	63
Computer software licences	74	312
Total	140	375

13. Borrowings

	The Group		The Company	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Current				
Bank overdraft	4,426	4,067	-	-
Bank loans	6,090	7,135	-	-
Trade finance	21,655	21,533	-	-
	32,171	32,735	-	-

Aggregate amount of the group's borrowings

	The Group		The Company	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	<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	27,745	21,533	-	-
- Unsecured	4,426	11,202	-	-
	32,171	32,735	-	-
Amount repayable after one year				
- Secured	-	-	-	-
- Unsecured	-	-	-	-
	-	-	-	-

Details of collateral

Of the Group's total secured borrowings at 30 June 2024, US\$27.7 million (Dec 2023: US\$21.5 million) are secured on inventories and property, plant and equipment of certain subsidiaries of the Group.

14. Net Asset Value

	The Group		The Company	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	<u>US cts</u>	<u>US cts</u>	<u>US cts</u>	<u>US cts</u>
Net asset value per ordinary share	42.4	43.6	17.9	18.7

15. Foreign Currency Translation Reserve

At the end of 1H 2024, the Group recorded a foreign currency translation reserve of US\$37.9 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 2024	16,421	4.718	1.356	58.868
31 December 2023	15,416	4.594	1.320	55.567
<i>Strengthened/(Weakened) Y-o-Y</i>	<i>(6.52%)</i>	<i>(2.70%)</i>	<i>(2.73%)</i>	<i>(5.94%)</i>

16. 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 2024, the Company’s total exposure in respect of these claims (after indexation) in Brazil is BRL 98,506,655 (equivalent to US\$17.7 million based on the end-June 2024 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 2024. As management considers that the disclosure of further details of these claims could be expected to prejudice seriously the Group’s position in relation to the claims, further information has not been disclosed in the Group’s interim financial statements.

17. 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 2024	1H 2023
	<u>US\$'000</u>	<u>US\$'000</u>
Revenue:		
Sales to joint venture	-	235
Sales to related parties	14	185
Interest income from associated companies / joint venture	5	31
Service income from associated companies / joint ventures	70	73
Expenditure:		
Purchases from joint ventures	2,899	2,181
Purchases from related parties	8,559	7,278
Rental payable to associated companies	44	43
Directors' fees	236	237

18. 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 2024, 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			
	2024	2023	% change	% change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>In USD term</u>	<u>In constant exchange rate¹</u>
Indonesia	169,749	190,123	(10.7)	(6.3)
Regional Markets	91,065	92,836	(1.9)	2.9
REVENUE	260,814	282,959	(7.8)	(3.3)
Indonesia	30,363	36,879	(17.7)	(13.1)
Regional Markets	2,476	3,088	(19.8)	(12.0)
EBITDA	32,839	39,967	(17.8)	(13.0)
Profit before tax	28,095	35,365	(20.6)	(15.9)
Profit attributable to shareholders	19,571	25,198	(22.3)	(17.4)

Key performance indicators

	1H ended 30 June		
	2024	2023	%
Gross profit margin	28.8%	29.2%	(0.4%) 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 2024

USD 1 to	Indonesian Rupiah (IDR)	Malaysian Ringgit (MYR)	Singapore Dollar (SGD)	Philippines Peso (PHP)
1H 2024	15,873	4.712	1.346	56.781
1H 2023	15,128	4.443	1.337	55.401
<i>Strengthened/(Weakened) Y-o-Y</i>	<i>(4.92%)</i>	<i>(6.05%)</i>	<i>(0.67%)</i>	<i>(2.49%)</i>

Key Ratios

	30 Jun 2024	31 Dec 2023
Current ratio	2.12	2.16
Average Inventory Days	103	110
Average Receivable Days	58	54
Average Payable Days	41	45
Return on Equity	14.9%	18.1%

Review of the Group's 1H 2024 Financial Performance

Figure 1 - Key Financial Highlights

(In US\$ Million)	1H 2024	1H 2023	Chg Y-o-Y	Chg Y-o-Y at Constant Exch Rates *
Indonesia	169.7	190.1	(10.7%)	(6.3%)
Regional Markets	91.1	92.9	(1.9%)	2.9%
Total Revenue	260.8	283.0	(7.8%)	(3.3%)
Gross Profit Margin (%)	28.8%	29.2%	(0.4%) pt	(0.4%) pt
EBITDA	32.8	40.0	(17.8%)	(13.0%)
EBITDA Margin (%)	12.6%	14.1%	(1.5%) pt	(1.5%) pt
PATMI	19.6	25.2	(22.3%)	(17.4%)

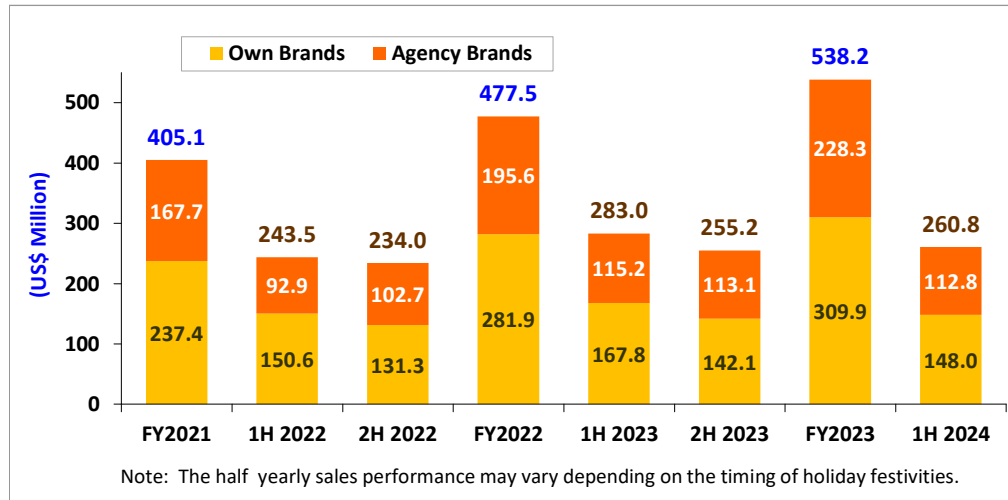
Notes

- * For comparative purposes only - This shows the effect of using the respective exchange rates of the regional currencies in 1H 2023 in translating the 1H 2024 results.

The Group recorded 1H 2024 revenue and PATMI of US\$260.8 million and US\$19.6 million respectively, lower Y-o-Y by 7.8% and 22.3% respectively in the Group's USD reporting currency. In constant currency terms, our revenue and PATMI would have instead been lower by 3.3% and 17.4% respectively. The following key factors contributed to our performance:

- i. Weakness in regional currencies, with the Rupiah weakening by 4.9% against the US Dollar. This impacted our raw material purchases resulting in a 0.4% basis points ("bps") decrease in our 1H 2024 Gross Profit margin;
- ii. Lower Own Brands sales on reduced promotion spending as part of our strategy to optimize our promotional spending; and
- iii. Our Agency Brands sales in 1H 2024 were lower by 2.1% Y-o-Y reflecting the termination of an Agency Brand in the 3rd quarter of 2023. However, on a comparable basis (i.e. excluding the terminated Agency), our Agency Brands increased by 8.6% Y-o-Y.

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

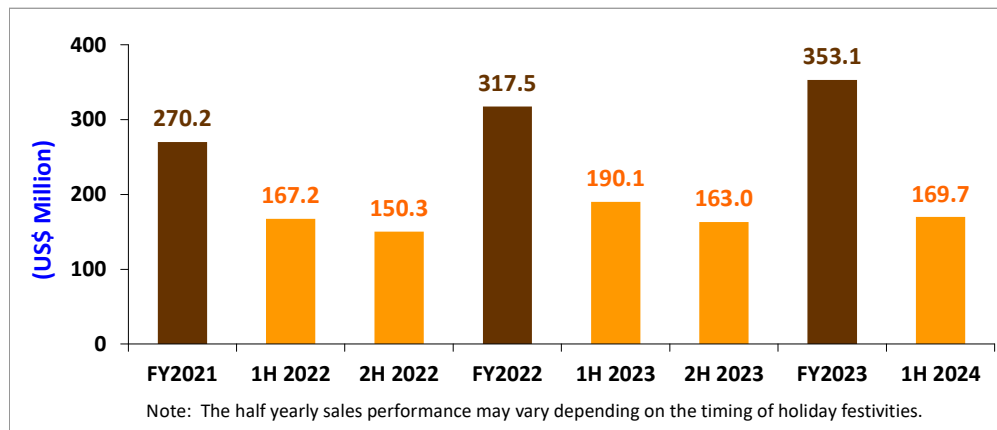


In 1H 2024, we continued to tightly manage our working capital requirements (particularly our inventories and trade receivables). As a result of the tight working capital management, we generated net cash from operations of US\$37.6 million (higher Y-o-Y by US\$14.1 million). The Group's cash position as at 30 June 2024 stood at US\$54.8 million, after the dividend payment of US\$13.8 million and capital expenditure (mainly for our capacity expansion programme) of US\$25.7 million during the first six months of the year.

Performance Review by Markets

Indonesia

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



Our business in Indonesia during 1H 2024 generated revenue of US\$169.7 million (Y-o-Y decrease of 10.7%). The decrease was mainly due to a 12.1% drop in Own Brands and a

7.1% Y-o-Y decline in Agency Brands. The decrease in Agency Brands revenue was attributed to the termination of an Agency Brand, and excluding this, Agency Brands would have experienced an 18.5% Y-o-Y growth.

The Regional Markets

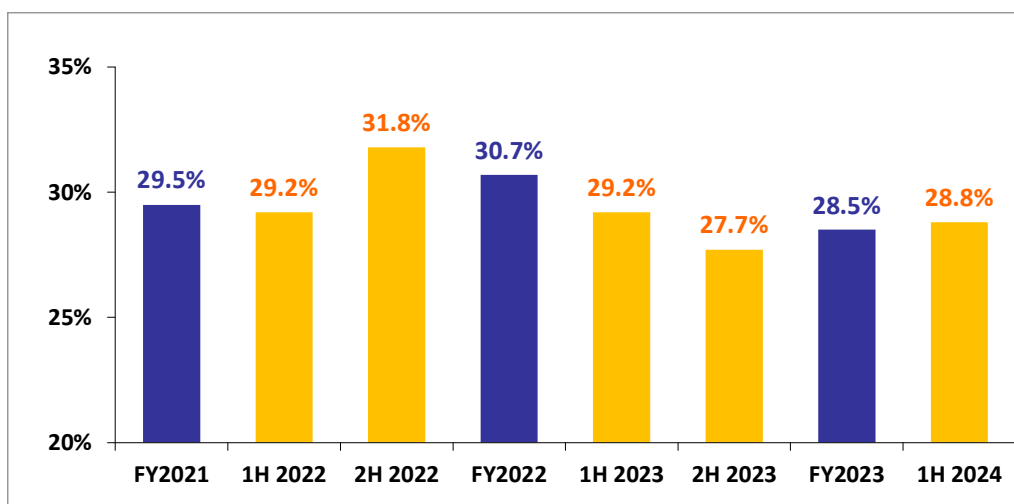
For our Regional Markets, revenues during 1H 2024 decreased by 1.9% to US\$91.1 million. The decline was attributed to lower demand for Own Brands, although it was partially offset by Agency Brands growth particularly in the Philippines and Malaysia.

Review of 1H 2024 Profitability

Our overall Gross Profit Margin (“GPM”) of 28.8% for 1H 2024 was lower Y-o-Y by 0.4% point, attributed to the impact of weakness in the regional currencies, especially the Indonesian Rupiah against the USD. This impacted our raw material costs.

The Group generated an EBITDA of US\$32.8 million for the period, (decrease of 17.8% Y-o-Y), reflecting the lower net sales, lower GPM. For 1H 2024, our EBITDA margin was 12.6%. During the period, we continued to invest in initiatives to build the brand for the products that we expect to show stronger future growth, and in strengthening our routes-to-market. These investments are strategically important 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 2024	31 Dec 2023	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Cash and bank deposits	54,821	59,377	(4,556)
Working capital	133,960	159,615	(25,655)
Total Assets	402,817	420,944	(18,127)
Borrowings	32,171	32,735	(564)
Foreign currency translation reserve	(37,890)	(24,903)	(12,987)
Shareholders' equity	258,992	266,220	(7,228)
Current ratio	2.12	2.16	

During the period, we continued to tightly manage our working capital requirements. As a result of the tight working capital management, the Group generated net cash from operations of US\$37.6 million, higher Y-o-Y by US\$14.1 million. Our working capital requirements for 1H 2024 amounted to US\$134.0 million, a decrease of US\$25.7 million compared to the end-2023 figure with the improvement arising from the reduction of inventories and trade receivables by US\$21.7 million and US\$10.6 million respectively. Given the continued inflation and ongoing supply chain challenges across the region, we will closely monitor our inventory holdings to ensure we continue to have access to a steady supply of raw materials, ingredients, and other inputs for our products. Moreover, we will continue to maintain strict control over our working capital.

Of the cash generated, US\$25.7 million was utilised for our capital expenditure, mainly for our capacity expansion programme in anticipation of continued market growth and advances for purchase of property, plant and equipment. 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.

As at 30 June 2024, the Group's cash and bank deposits were US\$54.8 million after dividend payments of US\$13.8 million in May of this year and the US\$25.7 million of capital expenditure. 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 2023, total assets as at 30 June 2024 were lower by US\$18.1 million reflecting mainly: (i) a lower cash balance; (ii) a decrease in inventories; partially offset by, (iii) an increase in property, plant and equipment. Shareholders' equity was also lower by US\$7.2 million due to a higher foreign currency translation loss (see Note 16 on page 21) and a dividend payment of US\$13.8 million, partially offset by the profit for the period.

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 2024 are in line with the commentary made on 27 February 2024 in paragraph 4 of the Group's "2H and FY2023 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.

The year so far has seen increasing global uncertainties from heightened geopolitical tensions and escalating macroeconomic challenges with the situation is exacerbated by the elevated levels of commodity prices (especially cocoa prices) and currency volatility. Notwithstanding the economic growth in our markets, the high inflationary environment could potentially dampen consumer confidence, which could possibly moderate our profit growth.

However, we remain positive that we can mitigate many of these potential risks by:

- Remaining focused on investing in our core brands to further drive growth in our Premium and Value format categories;
- Continuing to implement initiatives to launch of new products in our Premium format category; and, initiatives to contain costs;
- Strengthening collaboration with our retail partners to enhance consumer engagement and further drive demand and by continuing to focus on expanding coverage of the rapidly growing Modern Trade Independents channel;
- Continuing to strengthen distribution and manufacturing capabilities, and to focus on improving productivity and efficiency targets; and
- Continuing to tightly manage 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 in tightly managing receivables, inventories, and payables at appropriate levels.

5. Dividend Information

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

Name of Dividend	2024 Interim
Dividend Type	Cash
Dividend Amount per share (in Singapore cents)	2.72 cents per ordinary share

- b. **Amount per share**
- i. **Amount per share 2.72 Singapore cents (2.06 US cents)**
 - ii. **Previous corresponding period 2.73 Singapore cents**

Name of Dividend	2023 Interim
Dividend Type	Cash
Dividend Amount per share (in Singapore cents)	2.73 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 12 September 2024.

- 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 28 August 2024 (Record Date) for the preparation of dividend warrants.

Duly completed transfers of ordinary shares received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue #14-07 Keppel Bay Tower, Singapore 098632 up to 5.00 pm on the Record 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 interim dividend will be paid by the Company to CDP which will, in turn, distribute the interim 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 23 April 2024 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 2024
	<u>US\$'000</u>
PT Freyabadi Indotama	
- Sales of goods	14
- Purchase of products	8,559
	8,573

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.

8. Striking off of subsidiary

Delfi Singapore Pte. Ltd. ("**Delfi Singapore**"), a direct wholly-owned subsidiary of the Company, which was dormant, has applied for striking off on 6 June 2024 and will be struck off from the Register of Companies at the expiration of 60 days from the date of the first gazette notification published in the Government Gazette.

The striking off of Delfi Singapore does not have material impact on the earnings per share or net tangible assets per share of the Company and the Group for the financial year ending 31 December 2024.

Save for their respective shareholdings in the Company, none of the Directors or controlling shareholders of the Company has any interest directly or indirectly in the above transaction.

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 2024 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

13 August 2024