



**DELFI LIMITED**

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

**CONDENSED INTERIM FINANCIAL STATEMENTS**

*For the six months and full year ended 31 December 2023*



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## CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

		The Group			The Group			
		6 months ended 31 December			12 months ended 31 December			
		2023	2022	Change	2023	2022	Change	
Notes		<u>US\$'000</u>	<u>US\$'000</u>	%	<u>US\$'000</u>	<u>US\$'000</u>	%	
	Revenue	5	255,194	234,021	9.0	538,153	477,493	12.7
	Cost of Sales		<u>(185,566)</u>	<u>(159,536)</u>	16.3	<u>(384,909)</u>	<u>(331,982)</u>	15.9
	<b>Gross Profit</b>		<b>69,628</b>	74,485	(6.5)	<b>153,244</b>	145,511	5.3
	Other operating income		1,889	1,765	7.0	4,691	3,911	19.9
	<u>Expenses</u>							
	Selling and distribution costs		<b>(26,647)</b>	(26,424)	0.8	<b>(63,420)</b>	(56,110)	13.0
	Administrative expenses		<b>(13,487)</b>	(14,050)	(4.0)	<b>(26,527)</b>	(27,773)	(4.5)
	Finance costs		<b>(625)</b>	(372)	68.0	<b>(1,217)</b>	(630)	93.2
	Other operating expenses		<b>(491)</b>	(897)	(45.3)	<b>(1,070)</b>	(1,709)	(37.4)
	Share of results of associated companies and joint ventures		<u>(243)</u>	<u>(111)</u>	118.9	<u>(312)</u>	<u>(156)</u>	100.0
	<b>Profit before income tax</b>		<b>30,024</b>	34,396	(12.7)	<b>65,389</b>	63,044	3.7
	Income tax expense	6	<u>(8,967)</u>	<u>(9,874)</u>	(9.2)	<u>(19,134)</u>	<u>(19,149)</u>	(0.1)
	<b>Total profit</b>	7	<b><u>21,057</u></b>	<u>24,522</u>	(14.1)	<b><u>46,255</u></b>	<u>43,895</u>	5.4
	<b>Profit attributable to:</b>							
	Equity holders of the Company		<u>21,057</u>	24,522	(14.1)	<u>46,255</u>	43,895	5.4
			<b><u>21,057</u></b>	<u>24,522</u>	(14.1)	<b><u>46,255</u></b>	<u>43,895</u>	5.4
	EBITDA		<b>34,490</b>	39,384	(12.4)	<b>74,457</b>	73,966	0.7
	Earnings per ordinary share (US cents) - Basic and Diluted <sup>(1)</sup>	8	<b>3.44</b>	4.01	(14.1)	<b>7.57</b>	7.18	5.4
	Return on equity					<b>18.1%</b>	18.1%	-

Note:

<sup>(1)</sup> Diluted earnings per share for 6 months and 12 months ended 31 December 2023 and 2022 are the same as basic earnings per share as there were no potentially dilutive ordinary shares.

NM Not meaningful.

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	The Group		The Group	
	6 months ended 31 December		12 months ended 31 December	
	2023	2022	2023	2022
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<b>Profit for the period</b>	<b>21,057</b>	24,522	<b>46,255</b>	43,895
<b>Other comprehensive (loss)/income:</b>				
Items that may be reclassified to profit or loss:				
Foreign currency translation reserve				
- Currency translation differences arising from consolidation	<b>(4,089)</b>	(9,007)	<b>2,900</b>	(17,574)
Items that will not be reclassified subsequently to profit or loss:				
Defined pension benefits obligation				
- Remeasurements of defined pension benefits obligation	<b>(95)</b>	(125)	<b>(95)</b>	(125)
- Tax on remeasurements	<b>25</b>	45	<b>25</b>	(109)
	<b>(70)</b>	(80)	<b>(70)</b>	(234)
Other comprehensive (loss)/income, net of tax	<b>(4,159)</b>	(9,087)	<b>2,830</b>	(17,808)
<b>Total comprehensive income for the period</b>	<b>16,898</b>	15,435	<b>49,085</b>	26,087
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<b>16,898</b>	15,435	<b>49,085</b>	26,087
	<b>16,898</b>	15,435	<b>49,085</b>	26,087

## CONDENSED INTERIM BALANCE SHEETS

	Notes	The Group		The Company	
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
		US\$'000	US\$'000	US\$'000	US\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank deposits		59,377	77,135	51,893	58,392
Trade receivables	9	88,847	71,154	1,400	2,195
Loans to joint ventures		60	60	60	60
Inventories	9	115,893	115,451	48	-
Rights to returned goods		1,460	2,206	-	-
Income tax recoverable		8,313	5,354	-	-
Other current assets	10	20,947	14,667	1,344	1,114
		<b>294,897</b>	<b>286,027</b>	<b>54,745</b>	<b>61,761</b>
<b>Non-current assets</b>					
Investments in subsidiaries		-	-	40,919	40,919
Investments in associated companies and joint venture		2,251	2,523	4,560	4,560
Financial asset, at FVPL		500	-	500	-
Loans to associated company and joint venture		836	827	-	-
Property, plant and equipment	11	97,756	81,460	1,472	1,855
Intangibles assets	12	18,248	18,181	17,535	17,678
Deferred income tax assets		4,144	3,643	340	-
Income tax recoverable		1,676	1,660	-	-
Other non-current assets		636	768	5	-
		<b>126,047</b>	<b>109,062</b>	<b>65,331</b>	<b>65,012</b>
<b>Total Assets</b>		<b>420,944</b>	<b>395,089</b>	<b>120,076</b>	<b>126,773</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade payables		45,125	49,701	1,590	1,856
Refund liabilities		7,535	7,236	-	-
Other payables		48,987	54,734	3,621	4,569
Current income tax liabilities		2,406	5,435	-	-
Borrowings	13	32,735	19,009	-	-
		<b>136,788</b>	<b>136,115</b>	<b>5,211</b>	<b>6,425</b>
<b>Non-current liabilities</b>					
Other payables		4,928	880	528	845
Deferred income tax liabilities		1,860	1,753	-	-
Provisions for other liabilities and charges		11,148	10,146	-	-
		<b>17,936</b>	<b>12,779</b>	<b>528</b>	<b>845</b>
<b>Total liabilities</b>		<b>154,724</b>	<b>148,894</b>	<b>5,739</b>	<b>7,270</b>
<b>NET ASSETS</b>		<b>266,220</b>	<b>246,195</b>	<b>114,337</b>	<b>119,503</b>
<b>Capital and reserves attributable to the Company's equity holders</b>					
Share capital		95,936	95,936	95,936	95,936
Foreign currency translation reserve	15	(24,903)	(27,803)	-	-
Other reserves		1,540	2,264	-	-
Retained earnings		193,647	175,798	18,401	23,567
<b>Total equity</b>		<b>266,220</b>	<b>246,195</b>	<b>114,337</b>	<b>119,503</b>

## 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
<b>The Group</b>						
<b>Balance at 1 January 2023</b>	<b>95,936</b>	<b>(27,803)</b>	<b>2,505</b>	<b>(241)</b>	<b>175,798</b>	<b>246,195</b>
Profit for the year	-	-	-	-	46,255	46,255
Other comprehensive income/(loss) for the year	-	2,900	-	(70)	-	2,830
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>2,900</b>	<b>-</b>	<b>(70)</b>	<b>46,255</b>	<b>49,085</b>
Transfer from general reserve	-	-	(654)	-	654	-
Final dividend relating to 2022	-	-	-	-	(16,623)	(16,623)
Interim dividend relating to 2023	-	-	-	-	(12,437)	(12,437)
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>(654)</b>	<b>-</b>	<b>(28,406)</b>	<b>(29,060)</b>
<b>Balance at 31 December 2023</b>	<b>95,936</b>	<b>(24,903)</b>	<b>1,851</b>	<b>(311)</b>	<b>193,647</b>	<b>266,220</b>
<b>Balance at 1 January 2022</b>	<b>95,936</b>	<b>(10,229)</b>	<b>2,505</b>	<b>(7)</b>	<b>151,099</b>	<b>239,304</b>
Profit for the year	-	-	-	-	43,895	43,895
Other comprehensive (loss)/income for the year	-	(17,574)	-	(234)	-	(17,808)
<b>Total comprehensive (loss)/income for the year</b>	<b>-</b>	<b>(17,574)</b>	<b>-</b>	<b>(234)</b>	<b>43,895</b>	<b>26,087</b>
Final dividend relating to 2021	-	-	-	-	(9,534)	(9,534)
Interim dividend relating to 2022	-	-	-	-	(9,662)	(9,662)
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,196)</b>	<b>(19,196)</b>
<b>Balance at 31 December 2022</b>	<b>95,936</b>	<b>(27,803)</b>	<b>2,505</b>	<b>(241)</b>	<b>175,798</b>	<b>246,195</b>

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
(cont'd)**

	<u>Attributable to equity holders of the Company</u>		
	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total equity</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<b><u>The Company</u></b>			
<b>Balance as at 1 January 2023</b>	95,936	23,567	119,503
Profit for the year	-	23,894	23,894
Final dividend relating to 2022		(16,623)	(16,623)
Interim dividend relating to 2023		(12,437)	(12,437)
<b>Balance at 31 December 2023</b>	<b>95,936</b>	<b>18,401</b>	<b>114,337</b>
<b>Balance as at 1 January 2022</b>	95,936	20,790	116,726
Profit for the year	-	21,973	21,973
Final dividend relating to 2021	-	(9,534)	(9,534)
Interim dividend relating to 2022	-	(9,662)	(9,662)
<b>Balance at 31 December 2022</b>	<b>95,936</b>	<b>23,567</b>	<b>119,503</b>

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended 31 December	
	2023	2022
	<u>US\$'000</u>	<u>US\$'000</u>
<b>Cash flows from operating activities</b>		
Total profit	46,255	43,895
Adjustments:		
Income tax expense	19,134	19,149
Depreciation and amortisation	10,976	11,790
Gain on disposal of property, plant and equipment	(229)	(320)
Property, plant and equipment written off	-	50
Interest income	(3,125)	(1,498)
Interest expense	1,217	630
Fair value gain on derivatives	-	(23)
Share of results of associated companies and joint ventures	312	156
Operating cash flow before working capital changes	<u>74,540</u>	<u>73,829</u>
Changes in working capital		
Inventories	(442)	(50,614)
Trade and other receivables	(16,568)	(5,369)
Rights to returned goods	746	(77)
Trade and other payables	(12,159)	4,758
Refund liabilities	299	792
Cash generated from operations	<u>46,416</u>	<u>23,319</u>
Interest received	3,125	1,498
Income tax paid, net of tax refund received	(25,625)	(17,074)
<b>Net cash provided by operating activities</b>	<u>23,916</u>	<u>7,743</u>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment <sup>(1)</sup>	(16,305)	(3,086)
Advances for purchase of property, plant and equipment	(7,289)	(689)
Purchases of intangible assets	(145)	(167)
Purchase of financial asset, at FVPL	(500)	-
Proceeds from disposal of property, plant and equipment	269	333
<b>Net cash used in investing activities</b>	<u>(23,970)</u>	<u>(3,609)</u>
<b>Cash flows from financing activities</b>		
Proceeds from bank borrowings	7,135	1,069
Proceeds from trade finance	8,241	7,167
Repayment of bank loans	(4,679)	-
Repayment of lease liabilities	(1,769)	(1,530)
Interest paid	(1,217)	(630)
Dividends paid to equity holders of company	(29,060)	(19,196)
<b>Net cash used in financing activities</b>	<u>(21,349)</u>	<u>(13,120)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(21,403)</u>	<u>(8,986)</u>
<b>Cash and cash equivalents</b>		
Beginning of financial year	76,051	86,238
Effects of currency translation on cash and cash equivalents	662	(1,201)
<b>End of financial year</b>	<u>55,310</u>	<u>76,051</u>

Note:

<sup>(1)</sup> The amount excludes additions of property, plant and equipment of US\$9.2 million (2022: US\$1.5 million) that were financed by lease liabilities.

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

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

<b>The Group</b>		
<b>12 months ended 31 December</b>		
<b>2023</b>	<b>2022</b>	
<b>US\$'000</b>	<b>US\$'000</b>	
Cash and bank balances	12,377	18,893
Short term deposits	47,000	58,242
	<b>59,377</b>	<b>77,135</b>
<u>Less: Bank overdrafts</u>	<b>(4,067)</b>	<b>(1,084)</b>
<b>Total</b>	<b>55,310</b>	<b>76,051</b>

### Reconciliation of liabilities arising from financing activities

	<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>31-Dec-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	7,135	(5,165)	-	486	46	7,135
Trade finance	13,292	8,241	(563)	-	563	-	21,533
Lease liabilities	2,169	-	(1,937)	7,898	168	(67)	8,231
	<b>20,094</b>	<b>15,376</b>	<b>(7,665)</b>	<b>7,898</b>	<b>1,217</b>	<b>(21)</b>	<b>36,899</b>

	<u>Non-cash changes</u>						
	<u>31-Dec-21</u>	<u>Proceeds</u>	<u>Principal and interest payment</u>	<u>Additions</u>	<u>Interest expense</u>	<u>Foreign exchange movement</u>	<u>31-Dec-22</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	3,939	1,069	(251)	-	251	(375)	4,633
Trade finance	6,125	7,167	(256)	-	256	-	13,292
Lease liabilities	2,283	-	(1,653)	1,472	123	(56)	2,169
	<b>12,347</b>	<b>8,236</b>	<b>(2,160)</b>	<b>1,472</b>	<b>630</b>	<b>(431)</b>	<b>20,094</b>

## 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 and full year ended 31 December 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 interim financial statements for the period ended 30 June 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 has 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 years.

## **2.2 Use of Judgments and Estimates**

In preparing the condensed interim 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 expense. 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 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 Cacau Brasil Ltda.

## **3. Seasonal Operation**

The Group's businesses are 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 31 December 2023 is as follows:

	<b>Indonesia</b>	<b>Regional Markets</b>	<b>Group</b>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<b>Sales:</b>			
- Total segment sales	171,525	92,237	263,762
- Inter-segment sales	(8,568)	-	(8,568)
Sales to external parties	<u>162,957</u>	<u>92,237</u>	<u>255,194</u>
 EBITDA	 31,595	 2,895	 34,490
 Interest income			 1,619
Finance costs			(625)
Share of results of associated companies and joint ventures			(243)
Income tax expense			(8,967)
<b>Other segment information</b>			
Depreciation and amortisation	(3,851)	(1,609)	(5,460)
Capital expenditure on property, plant and equipment	9,402	5,291	14,693
 Sales are analysed as:			
- Own Brands	110,621	31,451	142,072
- Agency Brands	52,336	60,786	113,122
Total	<u>162,957</u>	<u>92,237</u>	<u>255,194</u>

#### 4. Segment Information (continued)

The segment information provided to the Executive Committee for the reportable segments for the 6 months ended 31 December 2022 is as follows:

	<b>Indonesia</b>	<b>Regional Markets</b>	<b>Group</b>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<b>Sales:</b>			
- Total segment sales	158,574	83,782	242,356
- Inter-segment sales	(8,318)	(17)	(8,335)
Sales to external parties	<u>150,256</u>	<u>83,765</u>	<u>234,021</u>
 EBITDA	 39,808	 (424)	 39,384
 Interest income			 927
Finance costs			(372)
Share of results of associated companies and joint ventures			(111)
Income tax expense			(9,874)
<b>Other segment information</b>			
Depreciation and amortisation	(4,321)	(1,222)	(5,543)
Capital expenditure on property, plant and equipment	1,488	1,863	3,351
 Sales are analysed as:			
- Own Brands	102,806	28,467	131,273
- Agency Brands	47,450	55,298	102,748
Total	<u>150,256</u>	<u>83,765</u>	<u>234,021</u>

#### 4. Segment Information (continued)

The segment information provided to the Executive Committee for the reportable segments for the 12 months ended 31 December 2023 is as follows:

	<b>Indonesia</b>	<b>Regional Markets</b>	<b>Group</b>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<b>Sales:</b>			
- Total segment sales	370,413	185,073	555,486
- Inter-segment sales	(17,333)	-	(17,333)
Sales to external parties	<u>353,080</u>	<u>185,073</u>	<u>538,153</u>
 EBITDA	 68,474	 5,983	 74,457
 Interest income			 3,125
Finance costs			(1,217)
Share of results of associated companies and joint ventures			(312)
Income tax expense			(19,134)
<b>Other segment information</b>			
Depreciation and amortisation	(8,029)	(2,947)	(10,976)
Capital expenditure on property, plant and equipment	18,508	7,004	25,512
 Sales are analysed as:			
- Own Brands	248,023	61,805	309,828
- Agency Brands	105,057	123,268	228,325
Total	<u>353,080</u>	<u>185,073</u>	<u>538,153</u>

#### 4. Segment Information (continued)

The segment information provided to the Executive Committee for the reportable segments for the 12 months ended 31 December 2022 is as follows:

	<b>Indonesia</b>	<b>Regional Markets</b>	<b>Group</b>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<b>Sales:</b>			
- Total segment sales	333,864	160,064	493,928
- Inter-segment sales	(16,418)	(17)	(16,435)
Sales to external parties	<u>317,446</u>	<u>160,047</u>	<u>477,493</u>
 EBITDA	 71,975	 1,991	 73,966
 Interest income			 1,498
Finance costs			(630)
Share of results of associated companies and joint ventures			(156)
Income tax expense			(19,149)
<b>Other segment information</b>			
Depreciation and amortisation	(9,167)	(2,623)	(11,790)
Capital expenditure on property, plant and equipment	2,150	2,418	4,568
 Sales are analysed as:			
- Own Brands	226,426	55,423	281,849
- Agency Brands	91,020	104,624	195,644
Total	<u>317,446</u>	<u>160,047</u>	<u>477,493</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:

	6 months ended 31 December		12 months ended 31 December	
	2023	2022	2023	2022
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
EBITDA	34,490	39,384	74,457	73,966
Adjustments for:				
Interest expense	(625)	(372)	(1,217)	(630)
Interest income	1,619	927	3,125	1,498
Depreciation of property, plant and equipment	(5,419)	(4,834)	(10,560)	(10,357)
Amortisation of intangible assets	(41)	(709)	(416)	(1,433)
Profit before tax	<b>30,024</b>	34,396	<b>65,389</b>	63,044

##### (b) Geographical information

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

	Non-current assets	
	31-Dec-23	31-Dec-22
	<u>US\$'000</u>	<u>US\$'000</u>
Indonesia	86,649	74,234
Regional Markets:		
- Philippines	7,906	7,537
- Malaysia	5,054	1,427
- Singapore	22,147	22,084
- Other countries	147	137
	<b>121,903</b>	105,419

## 5. Revenue

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

	6 months ended 31 December			12 months ended 31 December		
	2023	2022	Change	2023	2022	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Indonesia	<b>162,958</b>	150,256	8.5	<b>353,080</b>	317,446	11.2
Regional Markets	<b>92,236</b>	83,765	10.1	<b>185,073</b>	160,047	15.6
	<b>255,194</b>	234,021	9.0	<b>538,153</b>	477,493	12.7

(b) Disaggregation of revenue

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

	6 months ended 31 December			12 months ended 31 December		
	2023	2022	Change	2023	2022	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Indonesia	<b>162,957</b>	150,256	8.5	<b>353,080</b>	317,446	11.2
Regional Markets:						
Philippines	<b>27,164</b>	25,113	8.2	<b>54,853</b>	47,806	14.7
Malaysia	<b>60,286</b>	54,670	10.3	<b>121,463</b>	104,609	16.1
Singapore	<b>1,043</b>	850	22.7	<b>2,035</b>	1,693	20.2
Other countries	<b>3,744</b>	3,132	19.5	<b>6,722</b>	5,939	13.2
	<b>255,194</b>	234,021	9.0	<b>538,153</b>	477,493	12.7

(c) Breakdown of Sales

	6 months ended 31 December			12 months ended 31 December		
	2023	2022	Change	2023	2022	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Own Brands	<b>142,072</b>	131,273	8.2	<b>309,828</b>	281,849	9.9
Agency Brands	<b>113,122</b>	102,748	10.1	<b>228,325</b>	195,644	16.7
	<b>255,194</b>	234,021	9.0	<b>538,153</b>	477,493	12.7

Own Brands and Agency Brands achieved growth for FY2023 of 9.9% and 16.7% Y-o-Y respectively. For Own Brands, growth was driven by our operations in Indonesia and the Philippines.

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

Certain reclassifications have been made to better reflect the amounts provided to customers for certain trade-related promotion in order to provide better clarity to readers when comparing our performance over the periods. The following financial statement line items for the comparative period of FY2022 have been reclassified retrospectively to conform with current year's presentation.

	6 months ended 31 December 2022			12 months ended 31 December 2022		
	As previously reported	Reclassification	As reclassified	As previously reported	Reclassification	As reclassified
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	236,702	(2,681)	234,021	482,972	(5,479)	477,493
Cost of sales	(160,862)	1,326	(159,536)	(334,659)	2,677	(331,982)
Selling and distribution expenses	(27,779)	1,355	(26,424)	(58,912)	2,802	(56,110)

The above reclassification has no impact on EBITDA, Net Profit, the Balance Sheets of the Group and of the Company, and the Consolidated Statement of Cash Flows for the financial year ended 31 December 2022.

## 6. Income Taxes

### Income tax expense

Tax expense attributable to profit is made up of:

Current income tax

- Foreign

- Withholding taxes

Deferred income tax

Under provision in prior financial years:

- Current income tax

**Total income tax expense**

The Group	
12 months ended 31 December	
2023	2022
US\$'000	US\$'000
15,094	16,560
3,609	3,524
(432)	(1,024)
<b>18,271</b>	<b>19,060</b>
863	89
<b>19,134</b>	<b>19,149</b>

## 7. Net Profit

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

	6 months ended 31 December			12 months ended 31 December		
	2023	2022	Change	2023	2022	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Depreciation of property, plant and equipment	(5,419)	(4,834)	12.1	(10,560)	(10,357)	2.0
Amortisation of intangible assets	(41)	(709)	(94.2)	(416)	(1,433)	(71.0)
Net foreign exchange gain	99	287	(65.5)	-	471	NM
Group (under)/over provision of tax in prior years	(928)	18	NM	(863)	(89)	NM
Gain on disposal of property, plant and equipment	126	283	(55.5)	229	320	(28.4)
(Impairment loss)/ Writeback on trade receivables	(203)	(229)	(11.4)	(204)	44	NM
Inventories written-off	(1,028)	(603)	70.5	(1,974)	(1,157)	70.6
Allowance made for inventory obsolescence	(2,087)	(2,165)	(3.6)	(3,628)	(2,888)	25.6

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.

	12 months ended 31 December	
	2023	2022
	<u>US\$'000</u>	<u>US\$'000</u>
Net profit attributable to equity holders of the Company (US\$'000)	46,255	43,895
Weighted average number of ordinary shares ('000)	611,157	611,157
Basic earnings per share (US cents)	7.57	7.18

### (b) Diluted earnings per share

Diluted earnings per share for 12 months ended 31 December 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 at 31 December 2023 were US\$17.7 million higher compared to year-end 2022 whilst Inventories rose by US\$0.4 million compared to the prior year end, reflecting the business growth in FY2023 and tight working capital management.

## 10. Other Current Assets

	The Group		The Company	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Other receivables				
- Non-related parties	7,931	8,882	736	714
- Subsidiaries (non-trade)	-	-	367	214
- Associated companies (non-trade)	152	147	-	-
- Joint ventures (non-trade)	329	259	61	35
- Related parties (non-trade)	-	6	-	-
	<b>8,412</b>	9,294	<b>1,164</b>	963
Deposits	11,043	4,093	21	25
Prepayments	1,492	1,280	159	126
	<b>20,947</b>	14,667	<b>1,344</b>	1,114

## 11. Capital Expenditure on Property, Plant and Equipment

The allocation of capital expenditure for 2H 2023 and FY2023 and its comparative periods a year ago in 2022, by geographical region, is as follows:

	2H 2023	2H 2022	FY2023	FY2022
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Indonesia	9,402	1,488	18,508	2,150
Regional Markets	5,291	1,863	7,004	2,418
	<b>14,693</b>	3,351	<b>25,512</b>	4,568

Included in the capital expenditure during the period to 31 December 2023 was the capitalisation of Right-of-Use ("ROU") assets of US\$9.2 million (2022: US\$1.5 million). This is primarily new leases for our warehouses and office space in Indonesia, the Philippines and Malaysia.

During the six months ended 31 December 2023, the Group acquired assets amounting to US\$14.7 million (31 December 2022: US\$3.4 million) as per the table below:

	<b>2H 2023</b>	2H 2022	<b>FY2023</b>	FY2022
	<b>US\$'000</b>	US\$'000	<b>US\$'000</b>	US\$'000
Buildings & improvements	<b>7,264</b>	1,645	<b>8,986</b>	1,650
Machinery & equipment	<b>16</b>	1	<b>44</b>	2
Motor vehicles	<b>294</b>	(1)	<b>596</b>	426
Office equipment	<b>812</b>	332	<b>1,359</b>	567
Construction in progress	<b>6,307</b>	1,374	<b>14,527</b>	1,923
	<b>14,693</b>	3,351	<b>25,512</b>	4,568

## 12. Intangible Assets

	<b>The Group</b>		<b>The Company</b>	
	<b>31-Dec-23</b>	31-Dec-22	<b>31-Dec-23</b>	31-Dec-22
	<b>US\$'000</b>	US\$'000	<b>US\$'000</b>	US\$'000
Brands and licence (Note (a))	<b>17,720</b>	17,422	<b>17,351</b>	17,351
Patents and trademarks (Note (b))	<b>326</b>	309	-	-
Computer software licences (Note (c))	<b>202</b>	450	<b>184</b>	327
	<b>18,248</b>	18,181	<b>17,535</b>	17,678

### (a) Brands and Licence

	<b>The Group</b>		<b>The Company</b>	
	<b>31-Dec-23</b>	31-Dec-22	<b>31-Dec-23</b>	31-Dec-22
	<b>US\$'000</b>	US\$'000	<b>US\$'000</b>	US\$'000
<i>Net book value</i>				
Beginning of financial year	<b>17,422</b>	17,460	<b>17,351</b>	17,351
Currency translation difference	<b>298</b>	(38)	-	-
End of financial year	<b>17,720</b>	17,422	<b>17,351</b>	17,351
<i>End of financial year</i>				
Cost	<b>18,105</b>	17,807	<b>17,616</b>	17,616
Accumulated amortisation and impairment loss	<b>(385)</b>	(385)	<b>(265)</b>	(265)
<b>Net book value</b>	<b>17,720</b>	17,422	<b>17,351</b>	17,351

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

**12. Intangible Assets (continued)**

(b) Patents and Trademarks

	The Group		The Company	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	US\$'000	US\$'000	US\$'000	US\$'000
<i>Net book value</i>				
Beginning of financial year	309	274	-	-
Additions	142	163	-	-
Currency translation difference	30	(2)	-	-
Amortisation	(155)	(126)	-	-
End of financial year	<b>326</b>	<b>309</b>	-	-
<i>End of financial year</i>				
Cost	2,939	2,536	-	-
Accumulated amortisation	(2,613)	(2,227)	-	-
<b>Net book value</b>	<b>326</b>	<b>309</b>	-	-

(c) Computer Software Licences

	The Group		The Company	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	US\$'000	US\$'000	US\$'000	US\$'000
<i>Net book value</i>				
Beginning of financial year	450	1,810	327	512
Additions	3	4	-	-
Currency translation difference	10	(57)	-	-
Amortisation	(261)	(1,307)	(143)	(185)
End of financial year	<b>202</b>	<b>450</b>	<b>184</b>	<b>327</b>
<i>End of financial year</i>				
Cost	6,503	6,458	1,101	1,101
Accumulated amortisation	(6,301)	(6,008)	(917)	(774)
<b>Net book value</b>	<b>202</b>	<b>450</b>	<b>184</b>	<b>327</b>

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

	The Group	
	12 months ended 31 December	
	2023	2022
	US\$'000	US\$'000
Patents and trademarks	155	126
Computer software licences	261	1,307
<b>Total</b>	<b>416</b>	<b>1,433</b>

### 13. Borrowings

	The Group		The Company	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<b>Current</b>				
Bank overdraft	4,067	1,084	-	-
Bank loans	7,135	4,633	-	-
Trade finance	21,533	13,292	-	-
	<b>32,735</b>	<b>19,009</b>	<b>-</b>	<b>-</b>

Total borrowings increased to US\$32.7 million as at 31 December 2023, from US\$19.0 million as at 31 December 2022. The increase can be mainly attributed to higher trade finance facilities to fund the Group's working capital requirements.

### Aggregate amount of the group's borrowings and debt securities

	The Group		The Company	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	<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	21,533	17,925	-	-
- Unsecured	11,202	1,084	-	-
	<b>32,735</b>	<b>19,009</b>	<b>-</b>	<b>-</b>
Amount repayable after one year				
- Secured	-	-	-	-
- Unsecured	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Details of collateral

Of the Group's total secured borrowings at 31 December 2023, US\$21.5 million (Dec 2022: US\$17.9 million) are secured on inventories, property, plant and equipment and building of certain subsidiaries of the Group.

### 14. Net Asset Value

	The Group		The Company	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	<u>US cts</u>	<u>US cts</u>	<u>US cts</u>	<u>US cts</u>
Net asset value per ordinary share	43.6	40.3	18.7	19.6

## 15. Foreign Exchange Translation Reserve

At the end of December 2023, the Group recorded a foreign exchange translation reserve of US\$24.9 million in its Consolidated Statement of Changes in Equity.

USD 1 to	Indonesian Rupiah (IDR)	Malaysian Ringgit (MYR)	Singapore Dollar (SGD)	Philippines Peso (PHP)
FY2023	15,416	4.594	1.320	55.567
FY2022	15,731	4.404	1.340	56.120
<i>Strengthened/(Weakened) Y-o-Y</i>	<i>2.00%</i>	<i>(4.31%)</i>	<i>1.49%</i>	<i>0.99%</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 Brazil 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 31 December 2023, the Company’s total exposure in respect of these claims (after indexation) in Brazil is BRL 97,164,223 (equivalent to US\$20.1 million based on the end-December 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 31 December 2023. 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 financial statements.

## 17. Related Parties Transactions

In addition to other related party information disclosed elsewhere in the condensed 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

	FY2023	FY2022
	<u>US\$'000</u>	<u>US\$'000</u>
<b>Revenue:</b>		
Sales to joint venture	371	346
Sales to related parties	38	25
Interest income from associated companies / joint venture	65	37
Service income from associated companies / joint ventures	265	251
<b>Expenditure:</b>		
Purchases from joint ventures	4,588	3,747
Purchases from related parties	15,713	15,597
Rental payable to associated companies	85	83
Directors' fees	456	475
<b>Others:</b>		
Remaining lease payable to related party	1,323	-

Related parties represent corporations in which certain directors and key management personnel have controlling interests. The related party transactions between the Group and related parties were conducted at arm's length and on normal commercial terms.

Outstanding balances as at 31 December 2023, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from balance sheet date.

## 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 31 December 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)

	6 months ended 31 December				12 months ended 31 December			
	2023	2022	% Change	% Change	2023	2022	% Change	% Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>In USD term</u>	<u>In constant exchange rate</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>In USD term</u>	<u>In constant exchange rate</u>
Indonesia	162,958	150,256	8.5	9.1	353,080	317,446	11.2	14.6
Regional Markets	92,236	83,765	10.1	11.3	185,073	160,048	15.6	19.3
<b>REVENUE</b>	<b>255,194</b>	<b>234,021</b>	<b>9.0</b>	<b>9.9</b>	<b>538,153</b>	<b>477,493</b>	<b>12.7</b>	<b>16.2</b>
Indonesia	31,595	39,808	(20.6)	(20.1)	68,474	71,975	(4.9)	(1.7)
Regional Markets	2,895	(424)	NM	NM	5,983	1,991	200.5	215.1
<b>EBITDA</b>	<b>34,490</b>	<b>39,384</b>	<b>(12.4)</b>	<b>(11.8)</b>	<b>74,457</b>	<b>73,966</b>	<b>0.7</b>	<b>4.2</b>
Profit before tax	30,024	34,396	(12.7)	(12.1)	65,389	63,044	3.7	7.3
Profit attributable to shareholders	21,057	24,522	(14.1)	(13.6)	46,255	43,895	5.4	9.3

#### Key performance indicators

	6 months ended 31 December			12 months ended 31 December		
	2023	2022	%	2023	2022	%
Gross profit margin	27.3%	31.8%	(4.5% pt)	28.5%	30.5%	(2.0% 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 Year ended 31 December 2023

USD 1 to	Indonesian Rupiah (IDR)	Malaysian Ringgit (MYR)	Singapore Dollar (SGD)	Philippines Peso (PHP)
FY2023	15,245	4.549	1.344	55.709
FY2022	14,795	4.386	1.379	54.426
<i>Strengthened/(Weakened) Y-o-Y</i>	<i>(3.04%)</i>	<i>(3.72%)</i>	<i>2.53%</i>	<i>(2.36%)</i>

## Key Ratios

	31-Dec-23	31-Dec-22
Current ratio	2.16	2.10
Average Inventory Days	110	99
Average Receivable Days	54	54
Average Payable Days	45	48
Return on Equity	18.1%	18.1%

## Review of the Group's 2H and FY2023 Financial Performance

**Figure 1 - Key Financial Highlights**

(In US\$ Million)	2H 2023	2H 2022	Chg Y-o-Y	Chg Y-o-Y at Constant Exch Rates *	FY2023	FY2022	Chg Y-o-Y	Chg Y-o-Y at Constant Exch Rates *
Indonesia	163.0	150.3	8.5%	9.1%	353.1	317.5	11.2%	14.6%
Regional Markets	92.2	83.7	10.1%	11.3%	185.1	160.0	15.6%	19.3%
<b>Total Revenue</b>	<b>255.2</b>	<b>234.0</b>	<b>9.0%</b>	<b>9.9%</b>	<b>538.2</b>	<b>477.5</b>	<b>12.7%</b>	<b>16.2%</b>
Gross Profit Margin (%)	27.3%	31.8%	(4.5% pt)	(4.5% pt)	28.5%	30.5%	(2.0% pt)	(2.0% pt)
<b>EBITDA</b>	<b>34.5</b>	<b>39.4</b>	<b>(12.4%)</b>	<b>(11.8% pt)</b>	<b>74.5</b>	<b>74.0</b>	<b>0.7%</b>	<b>4.2%</b>
<b>EBITDA Margin (%)</b>	<b>13.5%</b>	<b>16.8%</b>	<b>(3.3% pt)</b>	<b>(3.3% pt)</b>	<b>13.8%</b>	<b>15.5%</b>	<b>(1.7% pt)</b>	<b>(1.7% pt)</b>
<b>PATMI</b>	<b>21.1</b>	<b>24.5</b>	<b>(14.1%)</b>	<b>(13.6%)</b>	<b>46.3</b>	<b>43.9</b>	<b>5.4%</b>	<b>9.3%</b>

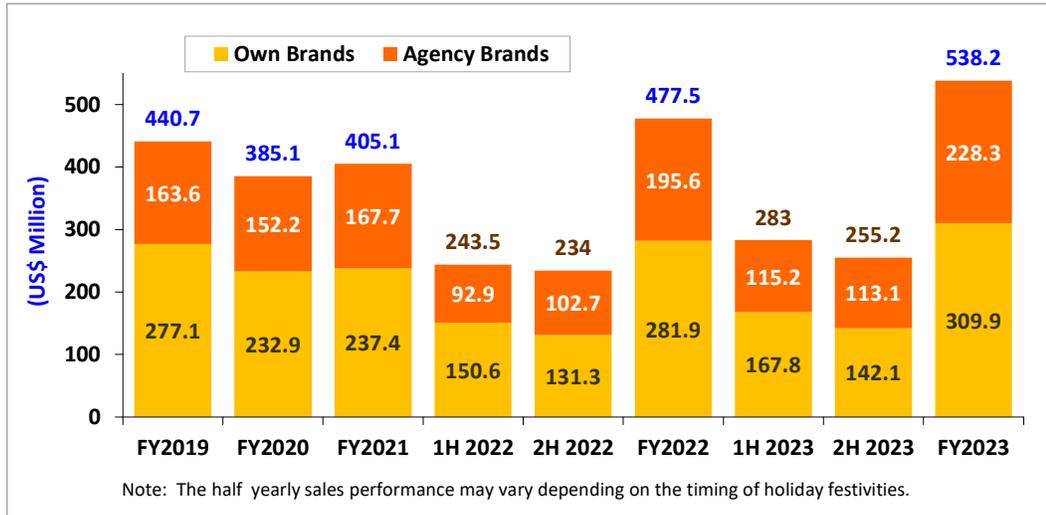
### Notes

- \* For comparative purposes only - This shows the effect of using the respective exchange rates of the regional currencies in 2H 2022 and FY2022 in translating the 2H 2023 and FY2023 results, respectively.

We continued to achieve business growth in FY2023 despite the global uncertainties brought on by the escalation in geopolitical tensions, the high inflationary environment, significant increase in commodity prices and volatility in the regional currencies. For the year, we achieved PATMI of US\$46.3 million (Y-o-Y growth of 5.4%) with the following key factors contributing to our performance:

1. Consolidated net sales growth of 12.7% driven by performance of both our Own Brands (Y-o-Y increase of 9.9%) and Agency Brands (Y-o-Y increase of 16.7%) with the growth driven by our businesses in Indonesia and our Regional Markets;
2. In constant currency, consolidated net sales increased 16.2%; and
3. Gross profit margin for FY2023 of 28.5%, lower by 200 basis points compared to FY2022, as a result of 2H 2023's GPM achieved of 27.3%. This can be attributed to the higher promotional spending in 2023 as a result of increased competition and a strategic increase in investments in order to further strengthen our core brands (especially *SilverQueen*) as well as investing on building the products which we believe have the growth opportunity for the strongest growth. However, it was partially offset by: (i) growth in our Premium and Value format categories; (ii) higher sales volume achieved; and (iii) initiatives implemented to mitigate the impact of rising input costs.

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



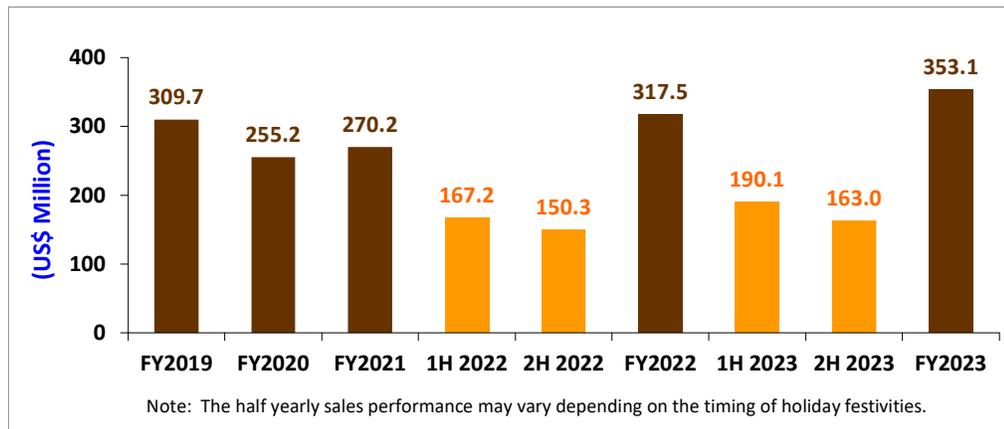
For 2023, the Group generated net cash flow from operating activities of US\$23.9 million, a Y-o-Y increase of US\$16.2 million, which was mainly utilised to finance our capital expenditure programme for the year. At 31 December 2023, our cash balance was US\$59.4 million.

The Board is proposing a final dividend of 1.74 US cents/share (2.33 Singapore cents/share) and a special dividend of 0.52 US cents/share (0.69 Singapore cents/share). Taken together with the interim dividend of 2.06 US cents/share that was paid on 7 September 2023, total 2023 dividends will be 4.32 US cents/share (higher Y-o-Y by 0.5%). If approved by shareholders at the Annual General Meeting on 23 April 2024, the final and special dividends will be payable on 15 May 2024.

**Performance Review by Markets**

**Indonesia**

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



Net sales from our business in Indonesia was US\$163.0 million in 2H 2023, Y-o-Y increase of 8.5%, and US\$353.1 million for FY2023 (Y-o-Y increase of 11.2%). In constant currency terms, this would have been higher by 14.6% Y-o-Y. The growth was driven primarily by broad based growth from Own Brands portfolio, especially our Premium brands *SilverQueen*, *Delfi Premium*, *Van Houten* and *Take-It*.

Our Agency Brands in FY2023 achieved net sales of US\$105.1 million, an increase of 15.4% compared to FY2022, driven primarily by the growth in the snacks and consumer categories.

### **The Regional Markets**

For our Regional Markets, revenues for 2H 2023 and FY2023 reached US\$92.2 million and US\$185.1 million, respectively, higher by 10.1% and 15.6%, over the comparable periods in 2022. The growth achieved was mainly attributed to higher sales of our *Goya* and *Knick Knacks* brands and demand for Agency Brands in our Malaysian operations, particularly from contributions of new Agency Brands secured.

### **Review of Profitability**

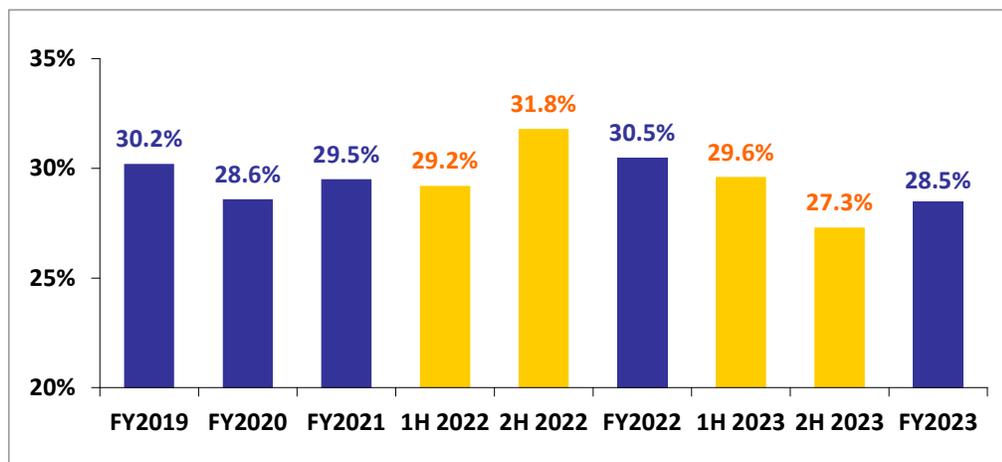
For 2H 2023 we achieved a Gross Profit Margin of 27.3%, and 28.5% for FY2023, a decrease of 450 basis points and 200 basis points respectively when compared with the 2022 equivalent periods. These declines can be attributed to higher marketing expenses, partly to address heightened competition in Indonesia, and to fund more brand building initiatives. The higher spend was partially offset by strong growth in our Premium and Value format categories, higher sales volume achieved for the year, and effective initiatives that were previously implemented to mitigate the impact of rising input costs.

For the year, Selling and Distribution expenses increased by 13% Y-o-Y although as a percentage of net sales at 11.8%, this was comparable to FY2022. The increase was primarily driven by wage inflation and higher distribution costs.

The Group's EBITDA margin for 2H 2023 and FY2023 stood at 13.5% and 13.8%, respectively, and were supported by our rigorous management of Selling & Distribution, along with Administrative expenses, when compared to our revenue growth for the year.

For FY2023, the Group's effective tax rate was 29.3%, lower by 1.1% point compared to FY2022.

**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**

<b>Balance Sheet as at</b>	<b>31-Dec-23</b>	<b>31-Dec-22</b>	<b>Change</b>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Cash and cash equivalents	59,377	77,135	(17,758)
Working capital	159,615	136,904	22,711
Total Assets	420,944	395,089	25,855
Borrowings	32,735	19,009	13,726
Foreign currency translation reserves	(24,903)	(27,803)	2,900
Shareholders' equity	266,220	246,195	20,025
Current ratio	2.16	2.10	

As at 31 December 2023, the Group's Cash and cash equivalents were US\$59.4 million after dividend payments of US\$29.1 million and US\$23.6 million of capital expenditure (including advances of purchase of property, plant and equipment) during the year. The increase in capital expenditure comprised investment in production equipment in anticipation of continued market growth and for a parcel of land in Indonesia to meet our long-term operational needs. Our current capital expenditure programme will be constantly monitored and evaluated against changes in market conditions, which could result in us prudently deferring investments to a later period, if required. We remain confident that our strong balance sheet provides resiliency in the face of any uncertainties that might emerge going forward.

Total assets at year-end 2023 reached US\$420.9 million, higher by US\$25.8 million compared to 31 December 2022, primarily from: (i) an increase in trade receivables; and (ii) an increase in property, plant and equipment; partially offset by the lower cash balance. Shareholders' equity was higher by US\$20.0 million as a result of higher retained earnings and a lower foreign currency translation loss although reduced by dividend paid of US\$29.1 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 2H and Full Year 2023 are in line with the commentary made on 7 August 2023 in paragraph 4 under "Other Information Required by Listing Rule Appendix 7.2" of the Group's "1H 2023 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 beginning of 2024 brings with it increasing global uncertainties from heightened geopolitical tensions and escalating macroeconomic challenges. The repercussions of prolonged geopolitical tensions, elevated interest rates, ongoing strain on specific supply chains, soaring commodity prices, especially in cocoa reaching historic levels, could potentially dampen consumer confidence in our key markets during 2024 and moderate our profit growth.

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

- Remaining focused on growing our core brands and further driving growth in our Premium and Value format categories. Product innovation remains a key part of this strategy in order to provide us with a competitive edge and to create excitement at the shelf space;
- Continuing to implement our strategy to mitigate higher input costs through pro-active price adjustments and other initiatives we had utilized in the past, launch of new high margined products and cost containment initiatives;
- Continuing to strengthen our distribution and manufacturing capabilities and focusing on raising productivity and efficiency targets;
- Continue 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 and tightly manage appropriate levels of receivables, inventories, and payables.

With the solid foundation (the strength of our leading brands, our strong innovation culture and strong distribution) that the Group is built on coupled with our strong balance sheet and cash flow generation, we believe we are well placed to tackle the uncertainties ahead.

**5. Dividend Information**

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

<b>Name of Dividend</b>	<b>2023 Interim</b>	<b>2023 Proposed Final</b>	<b>2023 Proposed Special</b>	<b>2023 Total</b>
Dividend Type	Cash	Cash	Cash	
Dividend Amount per share (in Singapore cents)	2.73 cents per ordinary share	2.33 cents per ordinary share	0.69 cents per ordinary share	<b>5.75 cents per ordinary share</b>
Status	Paid	Recommended	Recommended	

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

<b>Name of Dividend</b>	<b>2022 Interim</b>	<b>2022 Final</b>	<b>2022 Special</b>	<b>2022 Total</b>
Dividend Type	Cash	Cash	Cash	
Dividend Amount per share (in Singapore cents)	2.18 cents per ordinary share	2.64 cents per ordinary share	0.95 cents per ordinary share	5.77 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 directors are proposing a final dividend of 1.74 US cents or 2.33 Singapore cents and a special dividend of 0.52 US cents or 0.69 Singapore cents per share based on the 611,157,000 ordinary shares in issue for the approval of shareholders at the Annual General Meeting on 23 April 2024.

The final dividend and the special dividend, if they are both approved by the shareholders, will be payable on 15 May 2024.

The interim dividend of 2.06 US cents or 2.73 Singapore cents per share was 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 3 May 2024 (Books Closure 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, 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 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:

	<sup>1</sup> Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual	
	2H 2023	FY2023
	<u>US\$'000</u>	<u>US\$'000</u>
<b>PT Freyabadi Indotama</b>		
- Sales of goods	17	202
- Purchase of products	8,380	15,658
	<b>8,397</b>	<b>15,860</b>

## 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. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder**

Name	Age	Family relationship with a director or chief executive officer or substantial shareholder		Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Chuang Tiong Choon	75	(i)	Husband to Madam Lim Mee Len (Substantial Shareholder)	Executive Director/Chief Executive Officer/Managing Director 1989/2004	N.A.
		(ii)	Brother to Mr Chuang Tiong Liep (Executive Director and Substantial Shareholder)		
		(iii)	Brother to Mr Chuang Tiong Kie (Executive Director)		
Chuang Tiong Liep	72	(i)	Brother to Mr Chuang Tiong Choon (Executive Director/ Chief Executive Officer/ Managing Director and Substantial Shareholder)	Executive Director 1999 / Group Chief Growth and Marketing Officer 2017	N.A.
		(ii)	Brother to Mr Chuang Tiong Kie (Executive Director)		
		(iii)	Brother-in-law to Madam Lim Mee Len (Substantial Shareholder)		
Chuang Tiong Kie	65	(i)	Brother to Mr Chuang Tiong Choon (Executive Director/ Chief Executive Officer/ Managing Director and Substantial Shareholder)	Executive Director 2001	N.A.
		(ii)	Brother to Mr Chuang Tiong Liep (Executive Director and Substantial Shareholder)		
		(iii)	Brother-in-law to Madam Lim Mee Len (Substantial Shareholder)		
David Chuang Koong Wey	47	(i)	Son to both Mr Chuang Tiong Choon (Executive Director/Chief Executive Officer/ Managing Director and Substantial Shareholder) and Madam Lim Mee Len (Substantial Shareholder)	Director of Information Technology 2017	N.A.
		(ii)	Nephew to Mr Chuang Tiong Liep (Executive Director and Substantial Shareholder)		
		(iii)	Nephew to Mr Chuang Tiong Kie (Executive Director)		

**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 twelve-month period ended 31 December 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

27 February 2024