Company Registration No.: 198403096C

FOR IMMEDIATE RELEASE

Delfi Limited achieves PATMI of US$12.7 million as revenue rises 11.7% to US$216.4 million in 1H 2018

- *Growing chocolate confectionery markets in Indonesia and the Philippines; higher Own Brands sales and Gross Profit margins are the key drivers of growth.*
- *Declares interim dividend of 1.08 US cents per ordinary share.*

Financial Highlights (US$ Million)	3 months ended 30 June			6 months ended 30 June		
	2Q 2018	2Q 2017	Change (%)	1H 2018	1H 2017	Change (%)
Indonesia	**80.6**	73.5	9.5	**156.8**	138.4	13.3
Regional Markets	**28.5**	27.0	5.8	**59.6**	55.4	7.7
Revenue	**109.1**	**100.5**	**8.5**	**216.4**	**193.8**	**11.7**
Gross Profit Margin	**34.5**	33.1%	1.4 pt	**34.5**	33.1%	1.4 pt
EBITDA (excl exceptional/non-recurring items)[1]	**13.1**	11.7	11.2	**27.4**	23.8	14.9
EBITDA (incl exceptional/non-recurring items)	**12.6**	15.3	(17.7)	**27.0**	27.4	(1.7)
PATMI (excl exceptional/non-recurring items)[1]	**5.6**	4.9	14.4	**13.2**	10.6	24.5
PATMI (incl exceptional/non-recurring items)	**5.1**	8.2	(37.4)	**12.7**	13.9	(8.4)

SINGAPORE - 2 August 2018 - Following on from 1Q 2018's positive momentum, SGX Mainboard-listed chocolate confectionery company, Delfi Limited ("**Delfi**", the "**Company**" or together with its subsidiaries, the "**Group**") reported 2Q 2018 revenue of US$109.1 million, higher Y-o-Y by 8.5%, which generated EBITDA and PATMI of US$13.1 million and US$5.1 million respectively. For 1H 2018, revenue was US$216.4 million which generated EBITDA and PATMI of US$27.4 million and US$12.7 million respectively.

[1] *The exceptional/non-recurring items in 2Q 2018 and 2Q 2017 pertains to the charge of US$0.5 million incurred in 2Q 2018 and US$1.0 million in 2Q 2017 as a result of the alleged improper transactions uncovered in the Philippines; and in 2Q 2017 the pre-tax gain of US$4.6 million on sale of Ceres Meiji Indotama ("**CMI**") recognized. The impact of the alleged improper transactions is judged not to have had a material impact on the Group's reported results. For more details, please refer to page 4.*

Excluding the exceptional/non-recurring items, the Group's 1H 2018 revenue and PATMI was higher Y-o-Y by 11.7% and 24.5% respectively. The growth achieved can be attributed to the growing consumption of chocolate confectionery in its markets of Indonesia and the Philippines; and higher Own Brands sales and margins achieved.

The Group's Own Brands growth was driven mainly by its portfolio in Indonesia, especially in the premium format category. Sales of Own Brands products in 1H 2018 increased 20.1% Y-o-Y in Indonesia with strong performance from our brands like SilverQueen, Cha Cha and Delfi Premium. The improved service levels to our retail customers as a result of the reorganization to our supply chain management is also a key growth driver.

The Group's Agency Brands achieved strong double-digit growth in Malaysia. This was, however, partially offset by weaker performance in Indonesia as a result of Van Houten[2] sales now being classified as Own Brands sales, and in the Philippines where some less profitable Agency Brands were discontinued. Excluding these to reflect underlying performance, sales of Agency Brands would have been 16.6% higher Y-o-Y instead of the reported flat performance achieved in 2Q 2018.

The Group's EBITDA performance was driven by the combination of stronger revenue growth in both 2Q 2018 and 1H 2018; and the higher gross profit margin achieved which rose 1.4% point Y-o-Y to 34.5% as a result of increased sales of premium products and ongoing cost containment initiatives.

Mr John Chuang, Delfi's Chief Executive Officer, said: "*Today in our two core markets of Indonesia and the Philippines, we are experiencing strong fundamentals, with steady growth in the consumption of chocolate confectionery supported by economic growth. These positive fundamentals together with the actions we have taken during the last two years have contributed to the growth in our Own Brands sales in 1H 2018.*

As we look to the future, absent any severe change in economic growth or severe devaluation of regional currencies, we feel the outlook for the consumption of chocolate confectionery to be positive in both of these core markets and we will continue to focus on consolidating our core

[2] Van Houten was reclassified from "Agency Brands" to "Own Brands" following the Group's acquisition of the perpetual and exclusive licence to the brand name for consumer and cocoa products in the key markets of Asia. See SGX announcement on 13 April 2018.

strengths, containing our costs and investing in our Core Brands and key markets to as to drive further growth in our business and profitability."

Delfi's cash and cash equivalents stood at US$53.8 million as at 30 June 2018, which is adequate to support the Group's foreseeable near term business and investment needs.

Based on 611,157,000 ordinary shares in issue, the Group's earnings per share (excluding exceptional/non-recurring items) in 1H 2018 was 2.16 US cents as compared to 1.73 US cents in 1H 2017. Net asset value per share as at 30 June 2018 was 33.6 US cents compared to 33.7 US cents as at 31 December 2017.

DIVIDEND

Delfi's Board of Directors has declared an interim cash dividend of 1.08 US cents (1.47 Singapore cents) per share to be paid on 7 September 2018. Together with the cash distribution of 0.58 US cents (0.76 Singapore cents) per share paid on 18 May 2018, the total cash distributions received by shareholders year-to-date will amount to 1.66 US cents (2.23 Singapore cents) per share.

BUSINESS OUTLOOK

Over the longer term, the Group remains confident that the consumption environment in its key markets will continue to be supported by robust economies and the fast growing middle income classes in the region.

In 2018, the Group's focus is to continuously work closely with trade customers and partners to grow its business by ensuring that its brands are readily available, properly displayed and at the right price points to drive sales. It will continue aggressive brand building in key markets while driving cost efficiencies internally and through its supply chain as well as extending its market reach by having better channel segmentation for both the Modern Trade and Traditional Trade formats.

Meanwhile, Delfi will continue to look out for suitable and synergistic opportunities to enter new markets and extend to new product categories.

ALLEGED IMPROPER TRANSACTIONS UNCOVERED IN THE PHILIPPINES

In June 2018, the Group discovered alleged improper transactions in one of its wholly owned subsidiaries, Delfi Marketing, Inc. ("***DMI***") in the Philippines. Immediately on becoming aware of these transactions apparently carried out by several employees, DMI has since subjected these employees to administrative disciplinary proceedings, and imposed sanctions, including dismissal. The Group also carried out an internal investigation assisted by Ernst & Young Advisory Pte Ltd. Meanwhile, concurrent to the forensic investigation, the Group has assigned a team from head office to take over the leadership of the finance function in DMI. With assistance from the internal auditors, the Group is undertaking a thorough review of the financials, structure, the system and procedures of DMI's finance function.

The forensic investigation into these activities resulted in the identification of alleged improper transactions between 2013 and 2018 amounting to 165 million Philippines Pesos (equivalent to US$3.0 million at 30 June 2018 exchange rate). As a result, the Group recognized an exceptional charge of US$0.5 million in 2Q and 1H 2018. 1H 2017's income statement has also been restated to record an exceptional charge of US$1.0 million for alleged improper transactions found in year 2017.

While the Group considers this matter to be very serious indeed, the impact of these alleged improper transactions does not significantly affect the Group's reported results. The Company has engaged Philippines law firm, Poblador, Bautista & Reyes, to advise on all remedies available. The matter is now in the hands of our lawyers.

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ABOUT DELFI LIMITED

Headquartered in Singapore and listed on the SGX-ST since 5 November 2004, Delfi Limited and its subsidiaries (the “Group”) manufactures and/or distributes branded consumer products that are sold in over 17 countries including Indonesia, Singapore, Malaysia, Hong Kong, Australia, Thailand, the Philippines and China.

Formerly called Petra Foods Limited until an official name change that took effect on 9 May 2016, Delfi has an established portfolio of chocolate confectionery brands which are household names in Indonesia. Its flagship brands in Indonesia include “SilverQueen” and “Ceres” that were introduced in the 1950s and “Delfi” in the 1980s. In addition, the Group also distributes a portfolio of well-known agency brands in Indonesia, Malaysia and the Philippines.

The Group was awarded the top spot in the annual Singapore Enterprise 50 Award in 2003 and was recognized as the "Best Newly Listed Singapore Company in 2004" in AsiaMoney's Best Managed Companies Poll 2004. It was named the “Enterprise of the Year 2004” by the 20th Singapore Business Awards on 30 March 2005 and was named one of “Singapore’s 15 Most Valuable Brands” in November 2005 by IE Singapore.

Over the years, Delfi Limited has clinched awards in various categories at the annual Singapore Corporate Awards. The Group won a Silver award for its inaugural annual report in the “Best Annual Report/Newly Listed Company” category in 2006. In April 2009, it clinched a Gold award in the “Best Annual Report/Companies with $300 million to less than $1 billion in market capitalization” category. In May 2010, it bagged two Silver awards for “Best Managed Board” and “Best Investor Relations” under the “companies with $300 million to less than $1 billion in market capitalization” category. In 2015, the Group begged a Bronze award for “Best Managed Board” under the “companies with S$1 billion and above in market capitalization” category.

Delfi Limited’s Chief Executive Officer, Mr John Chuang, was also recognized for his leadership and management of the Group. He was named “Best Chief Executive Officer” at the 2011 Singapore Corporate Awards, “Businessman of the Year” at the 2012 Singapore Business Awards and he was one of the recipients of the SG50 Outstanding Chinese Business Pioneers Awards in 2015.

***Issued by August Consulting on behalf of* Delfi Limited**

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