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**CLARIFICATION ON THE ANNOUNCEMENT OF THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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The Board of Directors of Delfi Limited (the “**Company**”) refers to the announcement released by the Company of its Annual Report for the financial year ended 31 December 2020 to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 12 April 2021 (Announcement Reference: SG210412OTHR4BIY).

The Board wishes to provide additional information in response to the SGX-ST’s query as follows:-

**Query:**

Listing Rule 1207(10C) requires the Audit Committee (“**AC**”)’s comments on whether the internal audit function is independent, effective and adequately resourced. Please disclose the AC’s comments.

**Company’s Response to Query:**

The internal audit function of the Company has been outsourced to Ernst & Young Advisory Pte. Ltd. (“**EY**”), an independent professional firm that specialises in the provision of internal audit services. EY follows a global internal audit methodology which is in line with the Standards for the Professional Practice of Internal Auditing as set by The Institute of Internal Auditors. The engagement team is led by a Partner with more than 20 years of internal audit and risk advisory experience. EY currently serves organisations listed on SGX-ST, multi-national companies as well as local enterprises in a wide range of industries such as fast-moving consumer goods, distribution, manufacturing and retail. In addition, the Company employs a small team of internal auditors to complement the work undertaken by EY.

The internal auditor’s line of reporting is to AC and in particular to the Chairman of the AC.

The AC is satisfied that EY is independent from the Company, its Directors and its Shareholders. Additionally, the AC is satisfied that the EY team engaged to work with the Company is effective and has the appropriate standing within the Group. The AC is also of the view that the EY team is adequately staffed with persons with relevant qualifications and experience.

Further information on the internal audit function is set out on page 72 of the 2020 Annual Report.

By Order of the Board

Chuang Yok Hoa / Siau Kuei Lian  
Joint Company Secretaries

26 April 2021