



DELFI LIMITED

(Incorporated in Singapore. Registration Number: 198403096C)

AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2022



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CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

		The Group			
		6 months ended			
		30 Jun 2022	30 Jun 2021	Change	
<u>Notes</u>		<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>	
	Revenue	5	246,270	210,490	17.0
	Cost of Sales		(173,797)	(149,481)	16.3
	Gross Profit		72,473	61,009	18.8
	Other operating income		2,146	1,506	42.5
	<u>Expenses</u>				
	Selling and distribution costs		(31,133)	(30,215)	3.0
	Administrative expenses		(13,723)	(12,015)	14.2
	Finance costs		(258)	(764)	(66.2)
	Other operating expenses		(812)	(453)	79.2
	Share of results of associated companies and joint ventures		(45)	(80)	(43.8)
	Profit before income tax		28,648	18,988	50.9
	Income tax expense	6	(9,275)	(6,692)	38.6
	Total profit	7	19,373	12,296	57.6
	Profit attributable to:				
	Equity holders of the Company		19,373	12,296	57.6
	Non-controlling interest		-	-	-
			19,373	12,296	57.6
	EBITDA		34,582	26,496	30.5
	Earnings per ordinary share (US cents) - Basic and Diluted ⁽¹⁾	8	3.17	2.01	57.6
	Return on equity		16.2%	10.9%	5.3% pt

Note:

⁽¹⁾ Diluted earnings per share for 6 months ended 2022 and 2021 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 2022	30 Jun 2021
	<u>US\$'000</u>	<u>US\$'000</u>
Profit for the period	19,373	12,296
Other comprehensive (loss)/income:		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation reserve		
- Currency translation differences arising from Consolidation	(8,567)	(4,690)
Items that will not be reclassified subsequently to profit or loss:		
Defined pension benefit obligation		
- Tax on remeasurements	(154)	-
Other comprehensive loss, net of tax	(8,721)	(4,690)
Total comprehensive income for the period	10,652	7,606
Total comprehensive income attributable to:		
Equity holders of the Company	10,652	7,606
Non-controlling interest	-	-
	10,652	7,606

CONDENSED INTERIM BALANCE SHEETS

	Notes	The Group		The Company	
		30-Jun-22	31-Dec-21	30-Jun-22	31-Dec-21
		US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
Current assets					
Cash and cash equivalents		94,612	86,238	59,518	55,700
Trade receivables	9	69,671	68,961	2,128	1,185
Loan to joint venture		60	60	60	60
Inventories	9	67,649	64,837	160	-
Rights to returned goods		2,126	2,129	-	-
Income tax recoverable		6,590	6,030	-	-
Other current assets	10	15,030	10,388	1,198	512
		255,738	238,643	63,064	57,457
Non-current assets					
Investments in subsidiaries		-	-	40,919	40,919
Investments in associated companies and joint ventures		2,745	2,872	4,560	4,560
Loans to associated company and joint venture		808	915	-	-
Property, plant and equipment	11	87,496	96,004	518	565
Intangible assets	12	18,732	19,544	17,770	17,863
Deferred income tax assets		2,841	3,077	-	-
Income tax recoverable		1,919	1,835	-	-
Other non-current assets		400	1,006	-	-
		114,941	125,253	63,767	63,907
Total assets		370,679	363,896	126,831	121,364
LIABILITIES					
Current liabilities					
Trade payables		40,338	38,013	1,140	1,175
Refund liabilities		6,329	6,444	-	-
Other payables	13	53,926	53,634	2,987	3,441
Current income tax liabilities		3,404	2,852	-	-
Derivative liabilities		-	23	-	-
Borrowings	14	13,247	10,064	-	-
		117,244	111,030	4,127	4,616
Non-current liabilities					
Other payables		609	898	206	22
Deferred income tax liabilities		1,507	2,037	-	-
Provisions for other liabilities and charges		10,897	10,627	-	-
		13,013	13,562	206	22
Total liabilities		130,257	124,592	4,333	4,638
NET ASSETS		240,422	239,304	122,498	116,726
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		95,936	95,936	95,936	95,936
Foreign currency translation Reserve	16	(18,796)	(10,229)	-	-
Other reserves		2,344	2,498	-	-
Retained earnings		160,938	151,099	26,562	20,790
		240,422	239,304	122,498	116,726
Non-controlling interest		-	-	-	-
TOTAL EQUITY		240,422	239,304	122,498	116,726

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<u>Attributable to equity holders of the Company</u>							
	<u>Share capital</u>	<u>Foreign currency translation reserve</u>	<u>General reserve</u>	<u>Defined pension benefits obligation</u>	<u>Retained earnings</u>	<u>Total</u>	<u>Non-controlling interest</u>	<u>Total equity</u>
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<u>The Group</u>								
Balance at 1 January 2022	95,936	(10,229)	2,505	(7)	151,099	239,304	-	239,304
Profit for the period	-	-	-	-	19,373	19,373	-	19,373
Other comprehensive loss for the period	-	(8,567)	-	(154)	-	(8,721)	-	(8,721)
Total comprehensive (loss)/income for the period	-	(8,567)	-	(154)	19,373	10,652	-	10,652
Final dividend relating to 2021	-	-	-	-	(9,534)	(9,534)	-	(9,534)
Balance at 30 June 2022	95,936	(18,796)	2,505	(161)	160,938	240,422	-	240,422
Balance at 1 January 2021	95,936	(7,413)	2,505	(1,511)	136,113	225,630	119	225,749
Profit for the period	-	-	-	-	12,296	12,296	-	12,296
Other comprehensive loss for the period	-	(4,690)	-	-	-	(4,690)	-	(4,690)
Total comprehensive (loss)/income for the period	-	(4,690)	-	-	12,296	7,606	-	7,606
Deregistration of a subsidiary	-	-	-	-	-	-	(119)	(119)
Final dividend relating to 2020	-	-	-	-	(6,600)	(6,600)	-	(6,600)
Balance at 30 June 2021	95,936	(12,103)	2,505	(1,511)	141,809	226,636	-	226,636

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 2022	95,936	20,792	116,728
Profit for the period	-	15,304	15,304
Final dividend relating to 2021	-	(9,534)	(9,534)
Balance at 30 June 2022	<u>95,936</u>	<u>26,562</u>	<u>122,498</u>

<u>The Company</u>			
Balance at 1 January 2021	95,936	17,795	113,731
Profit for the period	-	7,336	7,336
Final dividend relating to 2020	-	(6,600)	(6,600)
Balance at 30 June 2021	<u>95,936</u>	<u>18,531</u>	<u>114,467</u>

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended	
	30 Jun 2022	30 Jun 2021
	<u>US\$'000</u>	<u>US\$'000</u>
Cash flows from operating activities		
Total profit	19,373	12,296
Adjustments:		
Income tax expense	9,275	6,692
Depreciation and amortisation	6,247	6,874
Gain on disposal of property, plant and equipment	(37)	(626)
Property, plant and equipment written off	40	-
Interest income	(571)	(130)
Interest expense	258	764
Fair value gain on derivatives	(23)	(30)
Share of results of associated companies and joint ventures	45	80
Operating cash flow before working capital changes	<u>34,607</u>	25,920
Changes in working capital		
Inventories	(2,812)	18,185
Trade and other receivables	(4,596)	13,132
Rights to returned goods	3	(150)
Trade and other payables	452	(1,583)
Refund liabilities	(115)	(378)
Cash generated from operations	<u>27,539</u>	55,126
Interest received	571	130
Income tax paid, net of tax refund received	(10,246)	(6,195)
Net cash provided by operating activities	<u>17,864</u>	49,061
Cash flows from investing activities		
Purchases of property, plant and equipment ¹	(979)	(1,081)
Advances for purchase of property, plant and equipment	(233)	(673)
Purchases of intangible assets	(104)	(105)
Payment to minority shareholder	-	(119)
Proceeds from disposal of property, plant and equipment	37	3,124
Net cash (used in)/provided by investing activities	<u>(1,279)</u>	1,146
Cash flows from financing activities		
Proceeds from/(Repayment of) trade finance	1,551	(1,148)
Repayment of bank loans	(1,044)	(30,863)
Repayment of lease liabilities	(610)	(1,095)
Interest paid	(258)	(764)
Dividends paid to equity holders of the Company	(9,534)	(6,600)
Net cash used in financing activities	<u>(9,895)</u>	(40,470)
Net increase in cash and cash equivalents	<u>6,690</u>	9,737
Cash and cash equivalents		
Beginning of financial year	86,238	64,790
Effects of currency translation on cash and cash equivalents	(1,451)	(717)
End of financial period	<u>91,477</u>	73,810

Note:

¹ The amount excludes addition of property, plant and equipment of US\$0.2 million (2021: US\$2.3 million) that were financed by lease liabilities.

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

	6 months ended	
	30 Jun 2022	30 Jun 2021
	<u>US\$'000</u>	<u>US\$'000</u>
Cash and bank balances	34,265	72,600
Short term deposits	60,347	2,208
Less: Bank overdrafts	(3,135)	(998)
	<u>91,477</u>	<u>73,810</u>

Reconciliation of liabilities arising from financing activities

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

	<u>31-Dec-20</u>	<u>Principal and interest payment</u>	Non-cash changes				<u>30-Jun-21</u>
			<u>Proceeds</u>	<u>Additions</u>	<u>Interest expense</u>	<u>Foreign exchange movement</u>	
Bank loans	36,481	(31,424)	-	-	561	(880)	4,738
Trade finance	11,535	(1,287)	-	-	139	-	10,387
Lease liabilities	2,012	(1,159)	-	2,377	64	(77)	3,217

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim 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 to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

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 Dollar which is the Company's functional currency.

2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

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 2021.

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

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

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

3. Seasonal Operation

The Group's businesses 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 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 2022 is as follows:

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

4. Segment information (continued)

The segment information provided to the Executive Committee for the reportable segments for the 6 months ended 30 June 2021 is as follows:

	<u>Indonesia</u>	<u>Regional Markets</u>	<u>Total</u>
	US\$'000	US\$'000	US\$'000
Sales:			
- Total segment sales	148,941	66,511	215,452
- Inter-segment sales	(4,939)	(23)	(4,962)
Sales to external parties	144,002	66,488	210,490
EBITDA	24,660	1,836	26,496
Interest income			130
Finance costs			(764)
Share of results of associated companies and joint ventures			(80)
Income tax expense			(6,692)
Other segment information			
Depreciation and amortisation	(5,235)	(1,639)	(6,874)
Capital expenditure on property, plant and equipment	741	2,685	3,426
Sales are analysed as:			
- Own Brands	103,370	22,095	125,465
- Agency Brands	40,632	44,393	85,025
	144,002	66,488	210,490

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.

(a) Reconciliation of segment profits

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

	The Group	
	6 months ended	
	30 Jun 2022	30 Jun 2021
	<u>US\$'000</u>	<u>US\$'000</u>
EBITDA	34,582	26,496
Interest expense	(258)	(764)
Interest income	571	130
Depreciation of property, plant and equipment	(5,523)	(6,151)
Amortisation of intangible assets	(724)	(723)
Profit before tax	28,648	18,988

4. Segment information (continued)

(b) Geographical information

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

	<u>Non-current assets</u>	
	30 Jun 2022	31 Dec 2021
	<u>US\$'000</u>	<u>US\$'000</u>
Indonesia	81,346	88,804
Regional Markets:		
- Philippines	7,700	9,189
- Malaysia	2,007	2,692
- Singapore	20,940	21,390
- Other countries	107	101
	112,100	122,176

5. Revenue

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

	6 months ended		
	30 Jun 2022	30 Jun 2021	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Indonesia	167,190	144,002	16.1
Regional Markets	79,080	66,488	18.9
	246,270	210,490	17.0

(b) Disaggregation of revenue

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

	6 months ended		
	30 Jun 2022	30 Jun 2021	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Indonesia	167,190	144,002	16.1
Regional Markets:			
- Philippines	22,693	18,750	21.0
- Malaysia	52,737	45,693	15.4
- Singapore	843	166	407.8
- Other countries	2,807	1,879	49.4
	246,270	210,490	17.0

(c) Breakdown of Sales

	6 months ended		
	30 Jun 2022	30 Jun 2021	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Own Brands	150,858	125,465	20.2
Agency Brands	95,412	85,025	12.2
	246,270	210,490	17.0

Own Brands and Agency Brands registered positive growth of 20.2% and 12.2% Y-o-Y, respectively, in 1H 2022 compared to the same period last year. Own Brands growth in 1H 2022 was driven by our operations in Indonesia and the Philippines.

Agency Brands revenue continued to be driven by the snacking and healthcare categories.

6. Income taxes

(a) Income tax expense

	The Group	
	6 months ended	
	30 Jun 2022	30 Jun 2021
	<u>US\$'000</u>	<u>US\$'000</u>
Tax expense attributable to profit is made up of:		
Profit for the financial period:		
Current income tax		
- Foreign	7,767	4,642
- Withholding taxes	2,065	1,454
Deferred income tax	(664)	476
	9,168	6,572
Under provision in prior financial years:		
- Current income tax	107	120
Total income tax expense	9,275	6,692

7. Net Profit

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

	6 months ended		
	30 Jun 2022	30 Jun 2021	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Depreciation of property, plant and equipment	(5,523)	(6,151)	(10.2)
Amortisation of intangible assets	(724)	(723)	0.1
Net foreign exchange gain	184	5	NM
Group under provision of tax in prior years	(107)	(120)	(10.8)
Gain on disposal of property, plant and equipment	37	626	(94.1)
Writeback/(Impairment loss) on trade receivables	185	(24)	NM
Inventories written off	(554)	(2,360)	(76.5)
Allowance made for inventory obsolescence	(723)	(852)	(15.1)

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 Jun 2022	30 Jun 2021
	<u>US\$'000</u>	<u>US\$'000</u>
Net profit attributable to equity holders of the Company (US\$'000)	19,373	12,296
Weighted average number of ordinary shares ('000)	611,157	611,157
Basic earnings per share (US cents)	<u>3.17</u>	<u>2.01</u>

(b) Diluted earnings per share

Diluted earnings per share for 6 months ended 30 June 2022 and 2021 are the same as basic earnings per share as there were no potentially dilutive ordinary shares.

9 Trade Receivables and Inventories

Trade Receivables and Inventories as at 30 June 2022 were higher by US\$0.7 million and US\$2.8 million respectively, compared to 31 December 2021, reflecting our business growth registered in 1H 2022.

10. Other Current Assets

	The Group		The Company	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	<u>US\$000</u>	<u>US\$000</u>	<u>US\$000</u>	<u>US\$000</u>
Other receivables				
- Non-related parties	7,456	5,652	303	156
- Subsidiaries (non-trade)	-	-	349	189
- Associated companies (non-trade)	155	186	-	-
- Joint ventures (non-trade)	405	515	23	11
- Related parties (non-trade)	6	19	-	-
	8,022	6,372	675	356
Deposits	5,379	3,052	24	18
Prepayments	1,629	964	499	138
	15,030	10,388	1,198	512

11. Capital Expenditure on Property, Plant and Equipment

The allocation of capital expenditure for 1H 2022 and 1H 2021 by geographical region is as follows:

	6 months ended	
	30 Jun 2022	30 Jun 2021
	<u>US\$'000</u>	<u>US\$'000</u>
Indonesia	662	741
Regional Markets	555	2,685
	1,217	3,426

12. Intangible assets

	The Group		The Company	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Brands and licence (Note (a))	17,325	17,460	17,351	17,351
Patents and trademarks (Note (b))	274	274	-	-
Computer software licences (Note (c))	1,133	1,810	419	512
	18,732	19,544	17,770	17,863

(a) Brands and licence

	The Group		The Company	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	US\$'000	US\$'000	US\$'000	US\$'000
<i>Net book value</i>				
Beginning of financial period	17,460	17,556	17,351	17,351
Currency translation difference	(135)	(96)	-	-
End of financial period	17,325	17,460	17,351	17,351
<i>End of financial period</i>				
Cost	17,710	17,845	17,616	17,616
Accumulated amortisation and impairment loss	(385)	(385)	(265)	(265)
Net book value	17,325	17,460	17,351	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.

(b) Patents and trademarks

	The Group		The Company	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	US\$'000	US\$'000	US\$'000	US\$'000
<i>Net book value</i>				
Beginning of financial period	274	240	-	-
Additions	67	148	-	-
Currency translation difference	(13)	(7)	-	-
Amortisation	(54)	(107)	-	-
End of financial period	274	274	-	-
<i>End of financial period</i>				
Cost	1,753	2,398	-	-
Accumulated amortisation	(1,479)	(2,124)	-	-
Net book value	274	274	-	-

(c) Computer software licences

	The Group		The Company	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<i>Net book value</i>				
Beginning of financial period	1,810	3,120	512	666
Additions	36	91	-	30
Currency translation difference	(43)	(50)	-	-
Amortisation	(670)	(1,351)	(93)	(184)
End of financial period	1,133	1,810	419	512
<i>End of financial period</i>				
Cost	6,681	6,953	1,101	1,101
Accumulated amortisation	(5,548)	(5,143)	(682)	(589)
Net book value	1,133	1,810	419	512

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

	The Group	
	6 months ended	
	30 Jun 2022	30 Jun 2021
	<u>US\$'000</u>	<u>US\$'000</u>
Patents and trademarks	54	41
Computer software licences	670	682
Total	724	723

13. Other Payables - Current

Other payables were marginally higher by US\$0.3 million mainly due to higher accruals for Advertising and Promotion.

14. Borrowings

	Group		Company	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Bank overdraft	3,135	-	-	-
Bank borrowings	2,436	3,939	-	-
Trade finance	7,676	6,125	-	-
	13,247	10,064	-	-
Breakdown of borrowings:				
Current	13,247	10,064	-	-
Non-current	-	-	-	-
	13,247	10,064	-	-

Aggregate amount of the group's borrowings and debt securities

	Group		Company	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	<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	10,112	10,064	-	-
- Unsecured	3,135	-	-	-
	13,247	10,064	-	-
Amount repayable after one year				
- Secured	-	-	-	-
- Unsecured	-	-	-	-
	-	-	-	-

Details of collateral

Of the Group's total bank borrowings at 30 June 2022, US\$10.1 million (Dec 2021: US\$10.1 million) are secured on inventories, property, plant and equipment and building of certain subsidiaries of the Group.

15. Net asset value

	The Group		The Company	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Net asset value per ordinary share	39.3	39.2	20.0	19.1

16. Foreign Exchange Translation Reserve

At the end of 1H 2022, the Group recorded a foreign exchange translation loss of US\$18.8 million in its Consolidated Statement of Changes in Equity mainly due to the depreciation of the regional currencies against the US Dollar as shown below:

USD 1 to	Indonesian Rupiah (IDR)	Malaysian Ringgit (MYR)	Singapore Dollar (SGD)	Philippines Peso (PHP)
1H 2022	14,848	4.408	1.391	57.458
FY2021	14,269	4.166	1.349	50.774
<i>Strengthened/(Weakened) Y-o-Y</i>	<i>(4.06%)</i>	<i>(5.80%)</i>	<i>(3.08%)</i>	<i>(13.17%)</i>

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

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

As previously announced, the Company was notified of a total of 9 claims associated with the disposal. As at 30 June 2022, the Company’s total exposure in respect of these claims (after indexation) in Brazil is BRL 90,951,501 (equivalent to US\$17.4 million based on the end-June 2022 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 relation to the Brazilian claims.

In assessing the relevant 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 2022. As management considers the disclosure of further details of these claims can 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.

18. Related Parties Transactions

In addition to other related party information disclosed elsewhere in the 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 2022	1H 2021
	<u>US\$'000</u>	<u>US\$'000</u>
Revenue:		
Sales to joint venture	178	123
Sales to related parties	18	19
Interest income from associated companies / joint venture	15	15
Service income from associated companies / joint ventures	70	51
Service income from related parties	-	17
Expenditure:		
Purchases from joint ventures	2,156	22
Purchases from related parties	8,721	6,215
Rental payable to associated companies	44	45
Directors' fees	237	237

19. Subsequent events

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

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review

The condensed consolidated statement of financial position of Delfi Limited and its subsidiaries as at 30 June 2022 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			
	2022	2021	% change	% change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>In USD term</u>	<u>In constant exchange rate¹</u>
Indonesia	167,190	144,002	16.1	16.9
Regional Markets	79,080	66,488	18.9	24.6
REVENUE	246,270	210,490	17.0	19.3
Indonesia	32,167	24,660	30.4	31.4
Regional Markets	2,415	1,836	31.5	42.6
EBITDA	34,582	26,496	30.5	32.2
Profit before tax	28,648	18,988	50.9	52.6
Profit attributable to shareholders	19,373	12,296	57.6	59.5

Key performance indicators

	1H ended 30 June		
	2022	2021	%
Gross profit margin	29.4%	29.0%	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 2022

USD 1 to	Indonesian Rupiah (IDR)	Malaysian Ringgit (MYR)	Singapore Dollar (SGD)	Philippines Peso (PHP)
1H 2022	14,389	4.248	1.361	51.617
1H 2021	14,295	4.078	1.330	48.259
<i>Strengthened/(Weakened) Y-o-Y</i>	<i>(0.66%)</i>	<i>(4.16%)</i>	<i>(2.30%)</i>	<i>(6.96%)</i>

Key Ratios

	30 Jun 2022	31 Dec 2021
Current ratio	2.18	2.15
Average Inventory Days	70	91
Average Receivable Days	51	68
Average Payable Days	41	43
Return on Equity	16.2%	12.6%

Review of the Group's 1H Financial Performance

Figure 1 - Key Financial Highlights

(In US\$ Million)	1H 2022	1H 2021	Chg Y-o-Y	Chg Y-o-Y at Constant Exch Rates *
Indonesia	167.2	144.0	16.1%	16.9%
Regional Markets	79.1	66.5	18.9%	24.6%
Total Revenue	246.3	210.5	17.0%	19.3%
Gross Profit Margin (%)	29.4%	29.0%	0.4% pt	0.4% pt
EBITDA	34.6	26.5	30.5%	32.2%
EBITDA Margin (%)	14.0%	12.6%	1.4% pt	1.4% pt
PATMI	19.4	12.3	57.6%	59.5%

Notes

* For comparative purposes only - This shows the effect of using the respective exchange rates of the regional currencies in 1H 2021 in translating the 1H 2022 results, respectively.

In 1H 2022, the Group achieved strong top-line growth of 17.0% to US\$246.3 million driven by double-digit revenue growth in both Indonesia and the Regional Markets as economies opened throughout the period and consumer sentiment remained positive. Revenue for the period surpassed the US\$226.9 million in the same period in 2019 marking a recovery to pre-COVID levels.

The strong revenue performance, combined with tight cost control, resulted in 1H 2022 reported PATMI of US\$19.4 million, an impressive increase of 57.6% Y-o-Y over the same period last year. The highlights of our 1H 2022 profit growth were:

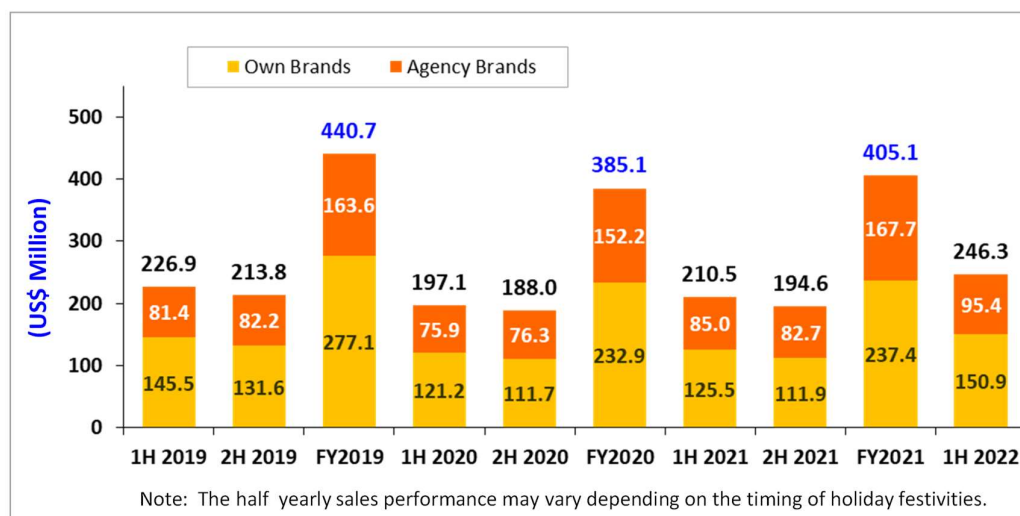
1. Strong revenue growth of 17.0% to US\$246.3 million driven by growth in both Own Brands and Agency Brands, higher by 20.2% and 12.2%, respectively;

2. Increase in gross profit margin by 40 basis points to 29.4%, driven by strong sales of our Premium products combined with pricing actions that helped mitigate cost pressures; and,
3. A significantly improved EBITDA Margin from continued tight control of operating expenses which is reflected in the higher EBITDA Margin of 14.0% (higher Y-o-Y by 140 basis points) in 1H 2022.

Our business momentum continued in 1H 2022 from the growth achieved last year with double-digit sales growth compared to the prior year period across our operations, which resulted in the strong financial performance achieved.

Our strong performance in revenue growth can be attributed to the strength of consumer demand in our markets and the strength of our Own Brands, which grew by 20.2% Y-o-Y to US\$150.9 million, complemented with our Agency Brands portfolio, that grew by 12.2% Y-o-Y to US\$95.4 million. Both segments were supported by significant efforts put in place over the last two years to strengthen distribution in both the Modern and General Trades, and to develop products that appeal to Gen-Zs and Millennials.

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



In 1H 2022, we generated Free Cash Flow of US\$16.9 million as we continued to control costs, collections and capital spending.

The Group's cash position at 30 June 2022 stood at US\$94.6 million, higher by US\$8.4 million since 31 December 2021. This is more than adequate to support the Group's foreseeable near-term business and investment requirements.

For the period ended 30 June 2022, the Board has declared an interim dividend per share of 1.58 US cents (or 2.18 Singapore cents), compared to the 1.27 US cents from the same period last year, based on a pay-out ratio of 50%.

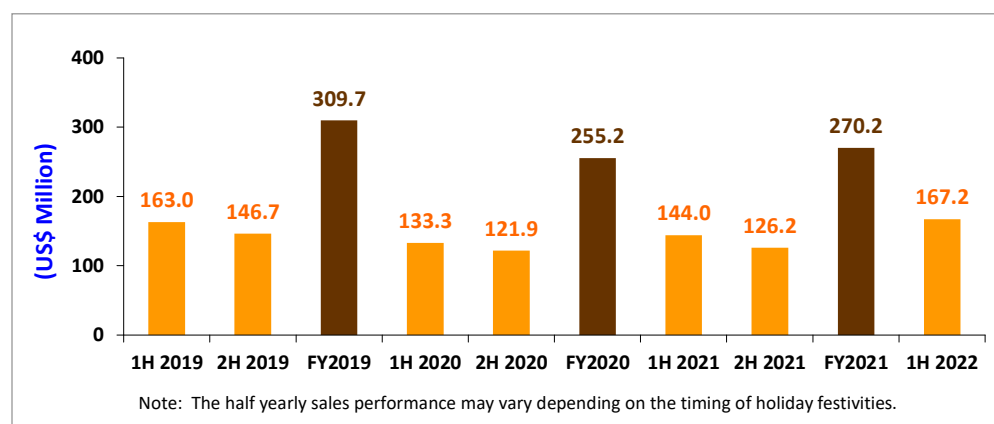
This will be the highest Interim Dividend paid since 2014 and is consistent with the practice of returning profits to our shareholders through dividend, reflecting our longstanding practice of delivering value to them.

The interim dividend will be paid to shareholders on 7 September 2022.

Performance Review by Markets

Indonesia

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



In Indonesia, our business achieved total revenue of US\$167.2 million, a strong increase of 16.1% Y-o-Y, driven by broad based growth in Own Brands across various product categories, especially our Premium Brands *SilverQueen* and *Cha Cha*.

The sales performance of our Agency Brands in Indonesia grew 7.2% Y-o-Y in 1H 2022, driven by growth in the premium snacks and consumer categories. If these results were adjusted to exclude products from Agency Brands that were discontinued last year in Indonesia, the comparable revenue growth would have been closer to 10.0%.

The Regional Markets

For our Regional Markets, revenues for 1H 2022 were higher Y-o-Y by 18.9% to US\$79.1 million. The strong growth is attributed primarily to our operations in

Malaysia, which experienced a strong performance in the consumer and healthcare categories, combined with a stronger performance in the Philippines.

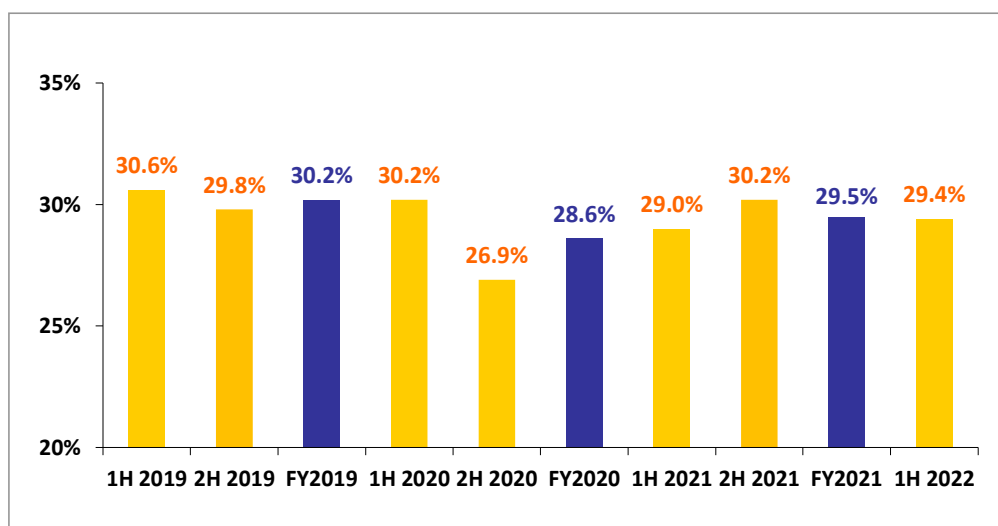
In the Philippines, our portfolio of Own Brands achieved strong double-digit revenue growth reflecting the recovery in out-of-home sales with the relaxation of COVID protocols and the returns from the investments (including brand development programmes) we made to strengthen our brand portfolio and our routes-to-market.

Review of Profitability

For 1H 2022, we achieved an overall Gross Profit Margin (“GPM”) of 29.4%, higher by 40 basis points when compared to the same period last year, on higher sales of our Premium category products, improved sales mix, disciplined cost control and operational efficiencies.

Correspondingly, along with our tight control of our Selling & Distribution expenses (which as a percentage of sales decreased by 170 basis points), the Group’s EBITDA margin for 1H 2022 rose to 14.0%, higher Y-o-Y by 140 basis points.

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-22	31-Dec-21	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Cash and cash equivalents	94,612	86,238	8,374
Working capital	96,982	95,785	1,197
Total Assets	370,679	363,896	6,783
Borrowings	13,247	10,064	3,183
Foreign currency translation reserves	(18,796)	(10,229)	(8,567)
Shareholders' Equity	240,422	239,304	1,118
Current ratio	2.18	2.15	

As at 30 June 2022, the Group's Cash and cash equivalents totaled US\$94.6 million after paying out dividend payments, declared for 2021, of US\$9.5 million in May of this year. With our strong Balance Sheet, we are confident we are in a solid position to face uncertainties that might emerge going forward.

Compared to 31 December 2021, total assets as at 30 June 2022 were higher by US\$6.8 million reflecting mainly: (1) increase in cash; (2) slight increase in inventories; partially offset by, (3) a decrease in property, plant and equipment. Shareholders' equity was higher by US\$1.1 million as a result of net higher retained earnings, offset by the foreign currency translation loss (see Note 16 on page 20).

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 2022 are in line with the commentary made on 22 February 2022 in paragraph 4 of the Group's "2H and FY2021 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 1H 2022 results continue to show a positive trend and, barring unforeseen circumstances from the current macro-economic environment, we expect the outlook to remain better for the rest of 2022 compared to 2021. The improved business environment that started in early 2022 and continued through the first half of the year, combined with the easing of COVID-19 restrictions, resulted in improved consumer sentiment across our markets. We expect this positive sentiment to continue throughout 2022 and, although we expect continued political uncertainty, currency volatility, potential inflationary pressures in Indonesia later in the year and supply chain bottlenecks to persist, we believe we have the product and distribution strategies in place to successfully navigate the environment.

We are confident we can face these challenges by concentrating on the following:

- Remaining focused on core strategic products, further driving growth of our Premium format category, and continuing to launch new products to capture “Better-for-You” trends, which continue to be a strong growth category across all our markets. We continue our key focus on Gen-Zs and Millennials through offering flavours and packaging designs that appeal to them.
- Strengthening our distribution capabilities to further grow our Modern Trade channel as well as our General Trade business. We already have strong relationships with major retailers in the Modern Trade and look to strengthen them with more efficient management of stock levels, and by improving effective promotions to generate sales growth. For the General Trade, we plan to increase collaboration with our regional distributors and strengthen our field team to drive penetration which we expect will increase sales of our products within this channel.
- Tightly managing our operating costs, collections and capital spending. Although, we expect working capital requirements to increase in line with business growth, we will continue to remain vigilant and tightly manage collections and inventories, as we have done in the past. While cost increases in raw and packaging materials are anticipated for the rest of 2022, we remain focused on margin management, balanced with overall business growth, and have plans in place to manage this through product resizing and/or price adjustment initiatives. Given the business growth, our future capital spending is likely to increase to meet our future capacity requirements.

With our strong Balance Sheet and our strategies firmly in place, we should be able, barring unforeseen circumstance, to look forward to a better performance this year than that in 2021.

5. Dividend Information

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

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

b. Amount per share

- i. Amount per share 2.18 Singapore cents (1.58 US cents)**
- ii. Previous corresponding period 1.71 Singapore cents**

Name of Dividend	2021 Interim
Dividend Type	Cash
Dividend Amount per share (in Singapore cents)	1.71 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.

Not applicable.

d. The date the dividend is payable

The interim dividend will be paid on 7 September 2022.

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

NOTICE IS HEREBY GIVEN that the Transfer Books and the Register of Members of the Company will be closed at 5.00 pm on 24 August 2022 (Books Closure Date) for the preparation of dividend warrants.

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

6. Interest 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 26 April 2022 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 2022
	<u>US\$'000</u>
PT Freyabadi Indotama	
- Sales of goods	18
- Purchase of products	8,721
	8,739

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 such undertakings from all its directors and executive officers.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2022 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

10 August 2022