Delfi

ANNUAL REPORT 2022

Delfi continues its journey of delighting every generation

As consumer tastes evolve, so do we. We sought different ways to expand our product offerings, including healthier alternatives, that allow our consumers to enjoy their favourite treats any time of day

CONTENTS

OVERVIEW

4	Five-Year Financial Highlights & Review
8	Letter from Our Chairman
10	Letter from Our CEO
12	Board Of Directors
21	Senior Management
24	Business Profile
32	Operating & Financial Review
40	Sustainable Value Creation
44	Corporate Information

FINANCIAL REPORTS & STATEMENTS

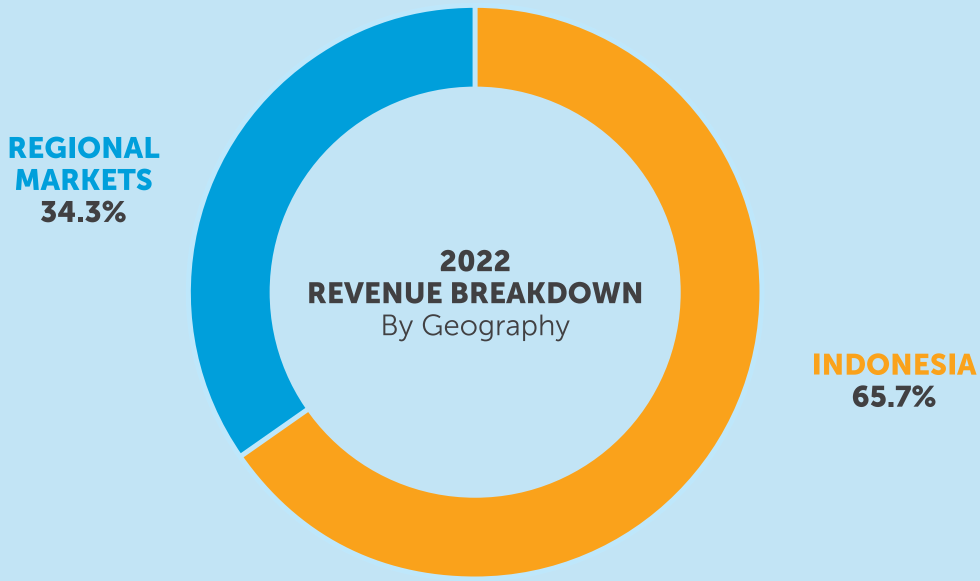
46	Corporate Governance Report
75	Directors' Statement
80	Independent Auditor's Report
86	Consolidated Income Statement
87	Consolidated Statement Of Comprehensive Income
88	Balance Sheets
89	Consolidated Statement Of Changes in Equity
90	Consolidated Statement Of Cash Flows
92	Notes To The Financial Statements
153	Appendix (Shareholders' Mandate)
166	Annexure
168	Disclosure Under SGX-ST Listing Manual Requirements
175	Shareholdings Statistics
177	Notice of Annual General Meeting
184	Additional Information on Directors Seeking Re-election at the Annual General Meeting
	Proxy Form


SILVERQUEEN

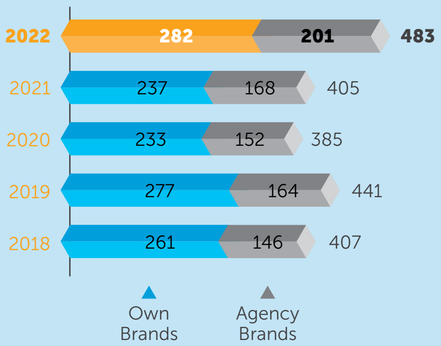
Providing our consumers with enjoyment anytime and anywhere

Our strong route-to-market and distribution platforms span across key markets and numerous retail formats. Through these, we give our consumers diverse opportunities to enjoy our products at their convenience

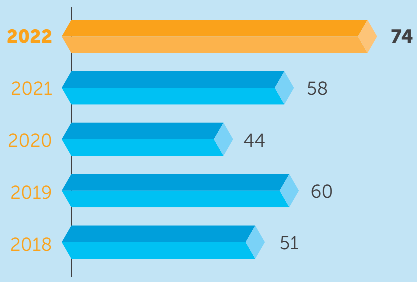
FIVE-YEAR FINANCIAL HIGHLIGHTS & REVIEW



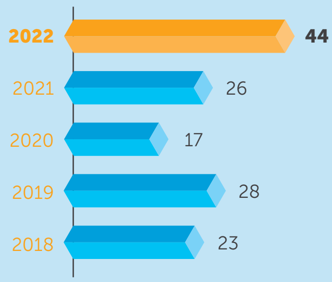
GROUP REVENUE
(US$ million)



GROUP EBITDA
(US$ million)



GROUP PATMI*
(US$ million)



* Excludes exceptional/non-recurring items

2022 SHARE PRICE PERFORMANCE
(S$/Share)

REVENUE

The Group's revenue in 2018 was US$407.3 million, which had grown at a double-digit rate of 11.2% compared to the prior year. The increase was driven primarily by strong growth in our Own Brands segment especially in Indonesia. The performance in 2018 reflected the results of the business model adjustments and initiatives started in late 2015 that continued through 2016. Those changes included revamping our supply chain network to improve service levels, rationalizing our product portfolio to focus on our Premium format offerings and improving the route to market for all our products. We also expanded our brand portfolio with the acquisition of the *Van Houten* brand and we extended more into the snacking segment.

Growth momentum continued into 2019, which saw a further improvement in revenue to US$440.7 million, an increase of 8.2% compared to the prior year. The growth in sales was driven again by our Own Brands products which increased by 5.9% over the prior year in addition to Agency Brands which grew by 12.3% during the same period. The sales growth came primarily from our Indonesia business from (i) higher sales growth of our products in the Premium format category; and (ii) benefits from our direct shipment initiative to certain mini-mart retail customers.

In 2020, after a good start to the year with 1Q revenue growth of 5.6% compared to the same period in 2019, the business slowed down with the advent of the COVID-19 pandemic. Large-scale government restrictions on businesses and social gatherings in our key markets had a direct impact on sales across the region, especially during the second quarter at the height of the pandemic. After the initial impact, we saw the beginnings of an easing on government measures and the start of a recovery in 3Q with positive momentum carried into the last quarter of the year. The recovery did not offset the sharp decline earlier in the year and as a result we experienced an overall decrease in revenue for 2020 of 12.6% to US$385.1 million.

We started 2021 on a promising note as the momentum from the late year recovery in 2020 carried into the first quarter and sales approached those from the pre-COVID sales in 1Q 2019, essentially considered the pre-pandemic comparable quarter. However, with the onset of the more highly contagious Delta variant late in 2Q 2021, restrictions and lockdowns were once again imposed across all of our markets. Although infections rates were significantly higher in our key markets, we were better prepared and while our revenue was weighed down somewhat, it was still higher compared to what was achieved in 2020. As a result, we achieved higher Y-o-Y revenue in 2021 of US$405.1 million, a 5.2% increase. The increase was driven by both our Own Brands segment which grew 2.0% and our Agency Brands business which increased by 10.2%.

We posted a stellar performance in 2022 as economies opened up across all our markets which triggered a release of pent-up consumer demand and a recovery of economic growth. Our 2022 Revenue of US$483.0 million (19.2% Y-o-Y increase), surpassed that of 2019, signaling a recovery from the COVID period. The key drivers were high growth in both the Own Brands segment of 19.0%, especially in Indonesia from higher Premium format products, and increased growth in the Agency Brands business of 19.6%, mainly from the snacking and healthcare categories in Malaysia.

GROSS PROFIT

In 2018 and 2019, the Group achieved a Gross Profit of US$ 119.7 million and US$ 133.1 million respectively. In addition, the Gross Profit Margin ("GPM") was 29.4% and 30.2%, also respectively. For both years, the Gross Profit was driven mainly by the initiatives and adjustments to the business model taken from late 2015 to 2017 which included a combination of: (i) the benefit of price increases and product resizing for selected products implemented; (ii) higher sales of premium Own Brands products; and (iii) our ongoing cost-containment initiatives.

Gross Profit for 2020 dropped by 17.3% to US$110.1 million while GPM dipped to 28.6%, from lower sales due to the impact of COVID-19 as described above. The Group also increased trade promotion expenses as part of the effort to limit the sales decline from the pandemic.

With the partial recovery from COVID in 2021, our Gross Profit improved to US$119.7 million and our GPM by 90 bps to 29.5% when compared to 2020. The improvement can be attributed to higher sales contribution from our Premium brands and tighter cost management.

FIVE-YEAR FINANCIAL HIGHLIGHTS & REVIEW

In 2022, our Gross Profit reached US$148.3 million, an increase of 23.9% compared to 2021. The GPM achieved was 30.7%, a 120 bps improvement over the prior year. The increase came mainly from higher sales growth of our Premium brands, combined with tighter control of our ingredients and packaging costs.

EBITDA

For 2018, the Group generated EBITDA of US$51.3 million, representing Y-o-Y growth of 15.5%, driven mainly by higher sales achieved, a higher GPM, and tighter control of our selling and distribution costs.

During 2019, we achieved EBITDA of US$59.6 million (Y-o-Y growth 16.4%), mainly from higher sales combined with a higher GPM achieved. The higher EBITDA was also driven by the strong performance from our Regional Markets which generated EBITDA of US$4.6 million, compared to a loss in the previous periods. The turnaround can be attributed to increased sales of our higher margined Own Brands (including *Van Houten*) products, strong performance from our Agency Brands products especially in the snacking & confectionery and healthcare categories.

For 2020, the Group generated EBITDA of US$43.9 million, lower by 26.4% from the high seen in 2019. The comparison with 2019 reflects the deep impact from COVID-19, as a result of the sales restrictions and lockdowns imposed during that year and lower overhead absorption.

For 2021, we generated EBITDA of US$58.1 million, higher by 32.4% compared to the same period a year before. This included non-recurring gains amounting to US$3.8 million arising from lower liabilities for employee retirement defined benefit obligations and US$0.3 million from the disposal of construction-in-progress to the Indonesia Government. Excluding the non-recurring items, EBITDA would have been US$54.0 million, with growth still significant at 23.0% Y-o-Y arising from higher sales, gross profit, and tighter management of our operating costs.

For 2022, the Group increased its overall EBITDA to US$74.0 million, an increase of 27.2% compared to the same period in 2021. This performance was driven by higher Y-o-Y sales, higher GPM achieved and continued tight control of our operating costs.

Distributions to Shareholders

If the proposed distributions for 2022 are approved at the AGM, the total distributions to shareholders over the past five years would total US$83.7 million or 13.72 US cents per share. Since the Group's listing on the Singapore Exchange ("SGX") in 2004, total distributions to shareholders would be US$382.0 million, comprising of normal and special dividends, and a one-time capital reduction of US$60.0 million in 2016.

For The Year (US$ million)	2022	2021	2020	2019	2018
Revenue	483.0	405.1	385.1	440.7	407.3
Gross Profit	148.3	119.7	110.1	133.1	119.7
Gross Margin	30.7%	29.5%	28.6%	30.2%	29.4%
EBITDA	74.0	58.1	43.9	59.6	51.3
Net profit attributable to shareholders	**43.9**	**26.0**	**17.5**	**28.5**	**23.0**
- Exceptional & Non-recurring items [a]	-	3.3	-	(0.3)	(2.1)
Net profit attributable to shareholders	**43.9**	**29.3**	**17.5**	**28.2**	**20.9**

At Year End (US$ million)	2022	2021	2020	2019	2018
Total Assets	395.1	363.9	382.4	402.3	361.1
Total Liabilities	(148.9)	(124.6)	(156.7)	(174.7)	(154.9)
Total Shareholders' Equity	**246.2**	**239.3**	**225.7**	**227.6**	**206.2**
Total Debt	(19.0)	(10.1)	(48.7)	(58.3)	(59.0)
Net Cash/(Debt)	58.1	76.2	16.8	(0.7)	(4.3)
Return on Equity (%)					
- Exclude exceptional & non-recurring items [a]	18.1	11.2	7.7	13.1	11.2
- Include exceptional & non-recurring items [a]	18.1	12.6	7.7	13.0	10.2
Per Share Data					
Dividend (US cents)	**4.30**	**2.83**	**2.35**	**2.35**	**1.89**
- Normal	3.58	2.35	2.35	2.35	1.89
- Special	0.72	0.48	-	-	-
Earnings (US cents) - Basic & Fully Diluted					
- Exclude exceptional & non-recurring items [a]	7.2	4.3	2.9	4.7	3.8
- Include exceptional & non-recurring items [a]	7.2	4.8	2.9	4.6	3.4
Net Tangible Assets (US cents)	**37.3**	**36.0**	**33.5**	**33.7**	**30.1**

Note:

(a) Pertains to - (i) Adjustments resulting in lower liabilities for employee retirement defined benefit obligations amounting to US$2.9 million and net gain of US$0.3 million from disposal of construction-in-progress to the Indonesian Government, in 2021; (ii) the charge of US$2.1 million incurred in 2018 from improper and unsubstantiated transactions uncovered in the Philippines, and legal and professional fees of US$0.3 million incurred in respect of this matter in 2019.

LETTER FROM OUR CHAIRMAN

"With the Group's strong performance, I am happy to report that the Board has proposed a final dividend for 2022 of 2.00 US cents/share and in addition is proposing a special dividend of 0.72 US cents/share"

Dear Shareholders,

I am pleased to share with you that our Company achieved another stellar performance in 2022. Revenue was up 19.2% to US$483.0 million, while our profit after tax was US$43.9 million, an increase of 49.9% over 2021. On a recurring basis, our core profit after tax actually increased 68.7% when excluding the one-off gains in 2021.

These results are better than those of 2019, which we essentially consider as the pre-Covid period. In 2022, our businesses benefitted as regional governments eased the Covid-induced restrictions during the year, resulting in economic recoveries in our key markets and a return to positive consumer sentiment. This recovery in consumer demand drove an improved performance for us across the board; we produced revenue growth in both our Own Brands and our Agency Brands businesses and also in both Indonesia and our Regional Markets.

But 2022 was not without its challenges. It was a year of economic uncertainty, driven by inflation, higher interest rates, volatile currency fluctuations, supply chain issues and geopolitical friction. So our strong results, achieved within this challenging environment, are even more impressive and I consider it a testament to the effective efforts of our Management and staff.

With the Group's strong performance, I am happy to report that the Board has proposed a final dividend for 2022 of 2.00 US cents/share and in addition is proposing a special dividend of 0.72 US cents/share. Taken together with the interim dividend of 1.58 US cents/share that was paid in 2022, total dividends for 2022 will be 4.30 US cents/share, which is a 51.9% increase over 2021. The Board carefully deliberates over the Company's distribution policy, weighing up the benefits to shareholders of cash distributions now against the benefits which might arise from reinvesting the profits in the future growth of the business.

If the proposed dividends are approved at the upcoming Annual General Meeting ("AGM") on 25 April 2023, this will mean that, since the Group's IPO in 2004, total distributions to shareholders will have totalled US$382.0 million, comprising normal and special dividends as well as a one-time capital reduction of US$60.0 million in 2016. Also, if approved at the AGM, the final and special dividends for 2022 will be payable on 15 May 2023.

Sustainability is a topic which is gaining more and more attention, and rightly so. As longstanding shareholders will know, the Delfi Board and Management have long been committed to sustainability; we see it as an integral aspect of our long term value creation strategy and to this end established our Market Sustainability and Strategy Committee ("MSSC") back in 2017. The MSSC has been responsible for drilling down into all aspects of our business and identifying the material sustainability matters on which we should focus. Based on this we have set in place strategies and policies to ensure that our processes and resources are handled in a responsible manner. By embedding sustainability in our strategic planning we believe that we are better able to chart a course that will create long-term value for all our stakeholders.

In 2022, we went a step further and initiated our inaugural climate risk assessment exercise, further details of which can be found on pages 40 to 43. Through this exercise we qualitatively evaluated the potential financial impact on Delfi's operations in the short, medium and long term from both transitional risks, such as carbon pricing, as well as physical risks, such as floods and heatwaves. As part of this exercise we not only assessed the possible negative impacts on our business but also identified potential opportunities that might arise. As with all other potential risks in our business, we will continue to manage, monitor and refine our climate-risk management processes.

Delfi has an active Board of Directors comprising a well-balanced mix of entrepreneurs, professionals and corporate experts. With the Board's commitment to diversity, sustainability and independence, it acts as a well-qualified sounding board for Management to share and develop its business plans and strategic initiatives. The Board and Management meet regularly to discuss strategy and then to monitor performance against that strategy. In addition, Management provides the Board with timely updates and information on key topics as required.

Delfi believes that diversity in thought is an important component of an effective Board and in March 2022 formally adopted its policy on Board Diversity. Diversity in thought enables the Board to set strategy, consider issues, and manage, monitor and solve problems more holistically and creatively. This is necessary, not only to manage the challenges of the present but also, given the constantly changing market conditions, the opportunities and threats which could arise in the future.

The Board makes decisions jointly and is supported by six committees, being the Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Management Committee, the Market Sustainability and Strategy Committee and the Executive Committee. Each Committee focuses on different aspects of the Group's long-term growth and sustainable development. During the year, the Committees met independently to discuss strategies and the issues of the day under their respective areas, before bringing their recommendations to the Board.

During 2022, plans were made to refine the composition of our Board as two of our long-serving Independent Directors, Mike Dean and Koh Poh Tiong, advised us that they would not be standing for re-election at our upcoming AGM on 25 April 2023. As part of this plan, we appointed Graham Lee to our Board and our Audit Committee on 1 January 2023. Graham has over 40 years of experience as a public accountant at PricewaterhouseCoopers and the Board will benefit from his broad experience including accounting, finance and risk management. Graham will take over from Mike as the Chairman of the Audit Committee at our AGM in April. We are also looking to make other appointments to the Board and will always be looking to make sure that we add diversity in a way that enhances our collective decision making.

For more details about the Board please refer to the pages 54 to 56 of this annual report.

I would like to thank you, our shareholders, for your continued support. I have missed meeting you in person at the AGMs over the past three years but hope that in the not too distant future we can all safely meet again. I would also like to thank my fellow Board members for their deep commitment to Delfi and their dedication to the Company. I would especially like to thank Mike and Poh Tiong for their exemplary service on the Board and their invaluable insights over the years. I think I can speak for all my fellow Board members in saying that their contributions will be missed.

Moreover, on behalf of the Board, I would like to sincerely thank Management and all our employees for their support, hard work and continued dedication to the Company. Each of you has made a difference and in all your different fields of expertise, you have made important contributions to our sterling results this past year. All of us at the Company would also like to thank our customers, partners and other stakeholders for their unwavering support. We look forward to their continued support over 2023 and for the future growth of the Company for many years to come.

Pedro Mata
Chairman
16 March 2023

LETTER FROM OUR CEO

"Innovation is the lifeblood of our business and we invest in this to grow the value of our business. We constantly assess our brands and re-calibrate them to evolving consumer tastes and trends by introducing new products to meet market demand, delight consumers and strengthen brand loyalty"

Dear Shareholders,

I am pleased to report very strong results for our business in 2022. As you know, over the years we have continued to strengthen our organisation and improve our business processes. So we were well placed to capitalise on the opportunities which arose from improved consumer sentiment in early 2022 as economies reopened, following the relaxing of the pandemic restrictions, leading to an increase in consumer demand. The growth in our business was achieved despite the lingering impact from the pandemic, uncertainties from the war in Europe and the combined effects of higher inflation and higher interest rates.

Our success in 2022 is due to the continuation of the important initiatives I mentioned above, which we initiated before the pandemic and then continued developing during these past three years. These actions are broad in scope and will continue into the future. They will enhance the resilience of our operations and drive important changes in our business. For example, we have strengthened our focus on growing business in the Modern Trade and Traditional Trade channels by expanding the dedicated teams that manage key customer relationships. We also increased the use of data analytics to improve our supply chain planning. In addition, we improved the effectiveness of our Premium format strategy and directed our focus towards introducing more new products that attract young Millennials and Gen-Zs. To this end, we launched more healthy snacking options such as *Van Houten Dark Milk*, *Van Houten Vegan* series and our *7+* health bars. We also enhanced our investment in social media to engage more deeply with our target consumers to improve loyalty and keep our brands at top-of-mind.

Aside from leveraging the strength of our organisation, we also drove performance during the year with more investment in our brands. At the same time, we maintained our practice of closely managing our margins despite operating in an environment of high inflation and rising ingredients costs. In addition, we continued to leverage our strong route-to-market and distribution capabilities and made sure our teams stayed close to their customers.

Innovation is the lifeblood of our business and we invest in this to grow the value of our business. We constantly assess our brands and re-calibrate them to evolving consumer tastes and trends by introducing new products to meet market demand, delight consumers and strengthen brand loyalty. As part of our innovation strategy, we typically launch new products each year to offer consumers a wide variety of new flavour profiles, textures and recipes. In 2022, we launched our *Van Houten Vegan* brand that includes products made wholly from plant-based ingredients. The innovation for *Van Houten Vegan* did not stop with the product itself. It included new packaging made entirely from recyclable paper. This packaging is applied for the whole vegan product line as part of our long-term goal to help reduce our business' overall environmental footprint. Additional innovations during the year included refreshing the look of many existing products, revamping older packaging designs and reformulating recipes to include more cocoa, less sugar and lower dairy. With our increasing focus on healthy snacks, we introduced new products with healthy ingredients such as chia seeds, quinoa, cocoa nibs, more fruits and nuts, and green tea. We enhanced the benefit of these healthy ingredients by ensuring our labelling clearly highlighted the real ingredients inside the product and clearly communicated them to consumers.

As part of leveraging our organisation, we also made some important changes to our management team this past year. In April, we appointed Mr. Tan Chay Kee ("Chay Kee") as Chief Operating Officer ("COO") for the Group filling the role from a retired long-term colleague. In his role as COO, Chay Kee is responsible for the overall operations of the Group and reports direct to me. I am pleased to have Chay Kee join us in this important role and as part of the Delfi family.

I am very pleased to report that the Group achieved strong revenue in 2022 of US$483.0 million and a healthy profit after tax of US$43.9 million. Our strong performance was driven primarily by higher sales growth of our Premium brands, combined with disciplined cost control, improved operational efficiencies and tighter control of our ingredients and packaging costs. Our strong top-line growth and ingredients' cost control helped drive higher gross profit margin for the year to 30.7%.

We ended 2022 with a very strong balance sheet. We had cash of US$77.1 million and only US$19.0 million of debt. During the year we generated cash from operations of US$73.8 million before working capital changes, and at year end had invested some of this to grow our inventory levels in anticipation of stronger sales in 2023, especially from Valentine's Day and Lebaran. In the past few years we have been very frugal with our capital expenditure, focussing only on essential replacement and de-bottlenecking situations. During 2023, we expect to increase our capital expenditure as we plan for sustained growth ahead.

Moving into 2023, we expect a more challenging environment than in 2022. Although most analysts are forecasting less downward economic pressure for Southeast Asia compared to other regions around the globe, they do expect some degree of economic headwinds in the region. These may come from reduced growth, a sustained period of higher interest rates, uncertainty from the impact of the prolonged war in Europe and lingering inflationary pressures including probable continued rising ingredients prices.

Despite these uncertainties, barring any unforeseen circumstances, we believe we are well positioned to safely navigate risks from a more challenging business environment. Our belief is founded on the strength of our balance sheet, coupled with our iconic brands and our strong routes-to-market distribution network. These strengths also mean we are well placed to take advantage of any opportunities that may arise.

I would like to thank my fellow Delfi colleagues for a successful year in 2022. Their dedication, hard work and experience drives our business forward. Without their contribution it would have been much more challenging in 2022 for the Company to have achieved the same level of performance and produce these successful results.

I would also like to make a special thank you to the members of the Board, especially Koh Poh Tiong and Mike Dean, two long-serving directors who have made great contributions to the Group who will be retiring from the Board after this year's Annual General Meeting. I would also like to give a warm welcome to Graham Lee who joined our Board in January. It is the constant support, expertise and invaluable insights from our Board members that help us in shaping our strategy for long term sustainable growth which in turn enables us to return significant capital to our shareholders.

In closing, I would like to express my sincere gratitude to all our customers, partners and suppliers for their dedication and commitment to enable us to overcome the challenges from the past few years. I remain confident that with our nimble business structure and full commitment to our customers and other stakeholders we will successfully continue our journey.

John Chuang
Chief Executive Officer
16 March 2023

BOARD OF DIRECTORS

MR PEDRO MATA-BRUCKMANN ("Pedro"), 78

Chairman, Independent Director*^
AMERICAN

Date of First Appointment as Director
12 June 2001

Date of Last Re-Election
27 April 2021

Board Committee(s) Served on
- Nominating Committee (Chairman)
- Audit Committee (Member)
- Remuneration Committee (Member)
- Risk Management Committee (Member)
- Market Sustainability and Strategy Committee (Member)

Educational & Professional Qualifications
- Bachelor of Science & Master of Engineering, Cornell University, Ithaca, NY, USA

Present Directorships
- Delfi Limited
- Corporación LionCity – Development SA
- Grace Institute Foundation (New York)
- Mata Global Solutions, Inc
- MGS Mata Global Solutions S. A.

Past Directorships over the preceding three years
(from 1 January 2020 to 31 December 2022)
- Starlux S.A.

Pedro is the Chairman of Delfi Limited, a role he has held since joining the Board in 2001. Pedro began his career at W.R. Grace & Co., in 1968 where he served as President and CEO of several divisions. Through a series of promotions, in 1989, he rose to the position of Chief Executive Officer of Grace Cocoa, a division of W.R. Grace & Co. Grace Cocoa (subsequently sold to ADM and renamed ADM Cocoa) was the world's leading and premier supplier of cocoa ingredients to the confectionery, dairy, bakery and beverage industries.

After leaving W.R. Grace & Co., in 1995, Pedro established MGS Mata Global Solutions, advising companies on strategic growth and joint venturing. Between 2000 and 2012, Pedro was a senior advisor to Quad-C (a USA based private equity fund). Between 2009 and 2012, he served as CEO of Classic Party Rentals, which was the leading US party and event rental company at the time and a Division of Quad C, a private equity firm headquartered in the US. Pedro has served in several not-for-profit organisations including as a Trustee and Chairman of Zamorano University and as a Director of TransFair USA, a fair-trade organisation.

* Pedro has served on the Board for more than 9 years and his continued appointment as an independent director was sought and approved in separate resolutions by shareholders on 27 April 2021, in accordance to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST.

^ Pedro will be appointed as Chairman of Remuneration Committee with effect from the conclusion of the Annual General Meeting to be held on 25 April 2023.

MR DAVINDER SINGH ("Davinder"), 65

Non-Executive Non-Independent Director
SINGAPOREAN

Date of First Appointment as Director
12 June 2001

Date of Last Re-Election
27 April 2021

Board Committee(s) Served on
- Remuneration Committee (Member)
- Nominating Committee (Member)

Educational & Professional Qualifications
- LL.B. (Honours), National University of Singapore
- Admitted to the Singapore Bar (1982)

Present Directorships
- Davinder Singh Chambers LLC
- Delfi Limited
- Singapore International Arbitration Centre
- Singapore International Mediation Centre

Past Directorships over the preceding three years
(from 1 January 2020 to 31 December 2022)
- PSA International Pte Ltd

Davinder has served as a Non-Executive Director of Delfi Limited since 12 June 2001. He is the Executive Chairman of Davinder Singh Chambers LLC and has been a practising lawyer for more than 40 years.

Davinder has been the Chairman of the Singapore International Arbitration Centre (SIAC), since 2016 and is a director on the boards of SIAC and the Singapore International Mediation Centre. He is an arbitrator on the SIAC panel of arbitrators, and an accredited mediator with the Singapore Mediation Centre. Davinder is also a member of the Senate of the Singapore Academy of Law. He was appointed as Senior Counsel in 1997.

BOARD OF DIRECTORS

MR ANTHONY MICHAEL DEAN ("Mike"), 62

Independent Director*
BRITISH

Date of First Appointment as Director
6 May 2005

Date of Last Re-Election
30 April 2020

Board Committee(s) Served on
- Audit Committee (Chairman)
- Risk Management Committee (Chairman)
- Nominating Committee (Member)

Educational & Professional Qualifications
- Bachelor of Science in Business Studies, University of Bradford, UK
- Fellow of the Institute of Chartered Accountants in England and Wales and Member of its Corporate Finance faculty
- Associate of the Chartered Institute of Taxation
- Member of the Singapore Institute of Directors
- Member of the Singapore Fund Directors Association

Present Directorships
- Delfi Limited
- Consulsis Limited
- Consulsis Pte Ltd

Past Directorships over the preceding three years
(from 1 January 2020 to 31 December 2022)
Nil

Mike has been an Independent Director since 2005. Mike expressed his intention to retire as an Independent Director at the Annual General Meeting to be held on 25 April 2023.

Mike has 40 years' experience in the investment and finance industries with over 30 of those years in Asia. Between 1990 and 2000, he was with CLSA (formerly known as Credit Lyonnais Securities Asia), with a number of roles, including his last role as the Managing Director of its Singapore merchant bank, where he was responsible for both investment banking and private equity. From 2001 to 2004, he was a director of the Singapore private equity investment arm of Prudential Plc. Between 2004 and 2013, he was CFO for Epic Shipping, a global shipping group. In 2013, he co-founded AIM-listed Myanmar Investments International Limited and was its CFO until 2019.

He qualified as a Chartered Accountant with Arthur Andersen & Co in 1984.

* Mike has served on the Board for more than 9 years and his continued appointment as an independent director was sought and approved in separate resolutions by shareholders on 27 April 2021, in accordance with Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST.

MR KOH POH TIONG ("Poh Tiong"), 76

Independent Director*
SINGAPOREAN

Date of First Appointment as Director
19 December 2011

Date of Last Re-Election
30 April 2020

Board Committee(s) Served on
- Remuneration Committee (Chairman)
- Audit Committee (Member)
- Nominating Committee (Member)
- Risk Management Committee (Member)
- Market Sustainability and Strategy Committee (Member)

Educational & Professional Qualifications
- Bachelor of Science from the University of Singapore

Present Directorships
- Delfi Limited
- Bukit Sembawang Estates Limited
- Fraser and Neave Limited
- Times Publishing Limited
- Great Eastern Life Assurance (Malaysia) Berhad
- Great Eastern General Insurance (Malaysia) Berhad
- Saigon Beer Alcohol Beverage Corporation
- BeerCo Limited
- Asia Breweries Limited

Past Directorships over the preceding three years
(from 1 January 2020 to 31 December 2022)
- Raffles Medical Group Ltd
- Singapore Kindness Movement
- SATS Ltd
- Yunnan Yulinquan Liquor Company Limited
- National Kidney Foundation

Poh Tiong was appointed to our Board on 19 December 2011 as an Independent Director. Poh Tiong has expressed his intention to retire as an Independent Director at the Annual General Meeting to be held on 25 April 2023.

Poh Tiong retired as CEO, Food and Beverage, of Fraser and Neave Limited in October 2011, having previously served as Chief Executive Officer of Asia Pacific Breweries Limited from 1993 to 2008.

Poh Tiong currently holds positions of Non-Executive Chairman for BeerCo Limited; Times Publishing Ltd; Bukit Sembawang Estates Ltd; and Saigon Beer Alcohol Beverage Corporation.

He is also a Director, Adviser and Chairman of the Executive Committee of Fraser and Neave Limited, and a Director of Great Eastern Life Assurance (Malaysia) Berhad, Great Eastern General Insurance (Malaysia) Berhad and Asia Breweries Limited.

Poh Tiong was the Chairman of the Agri-Food & Veterinary Authority, Yunnan Yilinquan Liquor Company Limited, the National Kidney Foundation, and the Singapore Kindness Movement. In addition, he was a Director at Wildlife Reserves Singapore Pte Ltd, Jurong Bird Park Pte Ltd, Media Corporation of Singapore Pte Ltd, SATS Ltd, The Great Eastern Life Assurance Company Limited, United Engineers Limited, and Raffles Medical Group Ltd.

Poh Tiong is well known for his strong civic involvement and long-standing interest in sports and education, and he has served on the Singapore Youth Olympic Games Organizing Committee, the Singapore Sports Council, the Football Association of Singapore, and the MBA Advisory Board of the Nanyang Technological University. For his contributions to society and business, Poh Tiong was conferred both the Public Service Medal and the Service to Education Medal in 2007, as well as the Public Service Star Award in 2013. He was also named Outstanding Chief Executive of the Year at the Singapore Business Awards 1998 organized by DHL and The Business Times.

* Poh Tiong has served on the Board for more than 9 years and his continued appointment as an independent director was sought and approved in separate resolutions by shareholders on 27 April 2021, in accordance to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST.

BOARD OF DIRECTORS

MR DORESWAMY NANDKISHORE ("Nandu"), 64

Independent Director*
INDIAN

Date of First Appointment as Director
3 January 2017

Date of Last Re-Election
26 April 2022

Board Committee(s) Served on*
- Market Sustainability and Strategy Committee (Chairman)
- Remuneration Committee (Member)
- Nominating Committee (Member)

Educational & Professional Qualifications
- Bachelor's degree in Engineering (B-Tech), The Indian Institute of Technology
- Post Graduate in Management and Business Administration (PGDM), The Indian Institute of Management
- Program for Executive Development, IMD Lausanne

Present Directorships
- Delfi Limited
- I & N Developmental Investments Ltd
- Mayar Foods
- RA consulting DWC-LLC

Past Directorships over the preceding three years
(from 1 January 2020 to 31 December 2022)
Nil

Nandu has over 40 years of global experience in leadership roles across a diverse set of environments across both emerging and developed global markets.

Nandu was an executive board member of Nestlé S.A from 2010 to 2015, responsible, before his retirement, for Asia, Oceania, and Africa, and earlier as the global CEO for Nestlé Nutrition in charge of markets all over the world including the USA, Europe, and Latin America.

Nandu is currently a Professor at the Indian School of Business and a Guest Lecturer at the London Business School.

* Nandu will be appointed as a member of the Audit Committee and the Risk Management Committee with effect from the conclusion of the Annual General Meeting to be held on 25 April 2023.

MR JOHN CHUANG TIONG CHOON ("John"), 74

Group Chief Executive Officer
SINGAPOREAN

Date of First Appointment as Director
1 November 1989

Date of Last Re-Election
27 April 2021

Board Committee(s) Served on
- Executive Committee (Chairman)
- Nominating Committee (Member)
- Risk Management Committee (Member)
- Market Sustainability and Strategy Committee (Member)

Educational & Professional Qualifications
- Bachelor of Engineering (Honours), University of Liverpool
- Master in Business Administration, Cranfield Business School

Present Directorships
- Delfi Limited
- Alsa Industries, Inc
- Aerodrome International Limited
- Berlian Enterprises Limited
- Ceres Sime Confectionery Sdn Bhd
- Cocoa Specialties Inc
- Delfi Marketing, Inc
- Delfi Foods, Inc
- Delfi Singapore Pte. Ltd.
- McKeeson Investments Pte Ltd
- Ceres International) Marketing Pte d
- PT Sederhana Djaja
- PT Perusahaan Industri Ceres
- PT Nirwana Lestari
- PT General Food Industries
- Springbright Investments Limited

Past Directorships over the preceding three years
(from 1 January 2020 to 31 December 2022)
Nil

John is the Chief Executive Officer of the Group and is responsible for the overall strategic planning, management, and business development of the Group. John has over 35 years of experience in the chocolate, confectionery, and cocoa industry. John started his career in 1974 in our predecessor businesses in Indonesia and Singapore. From 1979 to 1983, he undertook the appointments of Vice-Chairman of the Independence Bank of California and President of Wardley Development Inc., both located in California. John established our predecessor Company, Petra Foods Limited (the Company's name was changed to Delfi Limited in 2015) in 1984 and was subsequently appointed Chief Executive Officer. In 2004, Petra Foods Limited, was presented with the Enterprise Award by the then President of Singapore, the late S.R. Nathan. Under the Singapore Business Awards, John was awarded the title of Best CEO of 2011. He was also recognized in 2012 as Businessman of the Year. In 2015, John was one of the recipients of the SG50 Outstanding Chinese Business Pioneers Awards.

BOARD OF DIRECTORS

MR JOSEPH CHUANG TIONG LIEP ("Joseph"), 71

Executive Director,
Group Chief Growth and Marketing Officer
SINGAPOREAN

Date of First Appointment as Director
2 March 1999

Date of Last Re-Election
26 April 2022

Board Committee(s) Served on
- Executive Committee (Member)
- Market Sustainability and Strategy Committee (Member)

Educational & Professional Qualifications
- GCE "A" Level Certification

Present Directorships
- Delfi Limited
- Brands of Hudsons Sdn. Bhd.
- Ceres Sime Confectionery Sdn Bid
- Delfi Marketing Sdn Bhd
- Delfi Singapore Pte. Ltd.
- Maplegold Assets Ltd
- Pavilion View Holdings Limited
- Ceres (International) Marketing Pte Ltd
- PT Nirwana Lestari
- PT Citra Tunggal Lestari
- PT Freyabadi Indotama
- PT Perusahaan Industri Ceres
- Delfi-Orion Pte Ltd
- Delfi Yuraku Pte Ltd
- McKeeson Consulting Private Limited
- Freyabadi (Thailand) Co., Ltd.

Past Directorships over the preceding three years
(from 1 January 2020 to 31 December 2022)
- Ceres Super Pte Ltd

Joseph is an Executive Director of the Company and is the Group Chief Growth and Marketing Officer. He has over 35 years of experience in senior management positions within the chocolate, confectionery, and cocoa industries. He was previously President Director, Branded Consumer Division of our Group. Currently, Joseph is responsible for the overall management and business development of our Branded business. As an integral part of his current role, Joseph mentors company staff who work in the in business Development, marketing, and sales areas. From 1980 to 1983, he was appointed President of McCoa Inc. (Philippines). From 1983 to 1984, Joseph worked as a Personal Assistant to the President of Allied Foods Management (Singapore). In 1984, he was subsequently appointed as Chief Operating Officer for both PT Perusahaan Industri Ceres and PT General Food Industries. He has served in various senior executive positions within the Group since.

MR WILLIAM CHUANG TIONG KIE ("William"), 64

Executive Director,
Business Development Director
SINGAPOREAN

Date of First Appointment as Director
31 May 2001

Date of Last Re-Election
26 April 2022

Board Committee(s) Served on
- Executive Committee (Member)

Educational & Professional Qualifications
- Bachelor of Science, California State University, Long Beach

Present Directorships
- Delfi Limited
- McKeeson Consultants Private Limited
- McKeeson Investment 1 Pte Ltd
- PT Delfi-Yuraku Indonesia
- PT Freyabadi Indotama
- PT General Food Industries
- Freyabadi (Thailand) Co., Ltd
- Delfi-Orion Pte. Ltd.
- Delfi Yuraku Pte. Ltd.

Past Directorships over the preceding three years
(from 1 January 2020 to 31 December 2022)
Nil

William is an Executive Director of Delfi Limited and a Business Development Director of the Group. William was appointed to our Board on 31 May 2001. He is based mainly at the Group's corporate headquarters in Singapore and is responsible for the overall business expansion of our business. As an integral part of his role, he is responsible for our current joint ventures including Delfi-Orion Pte. Ltd., and Delfi Yuraku Pte. Ltd. William has close to 35 years of experience in senior management positions within the chocolate, confectionery, and cocoa industries.

BOARD OF DIRECTORS

MR GRAHAM NICHOLAS LEE ("Graham"), 66

Independent Director*
AUSTRALIAN

Date of First Appointment as Director
1 January 2023

Date of Last Re-Election
NA

Board Committee(s) Served on*
- Audit Committee (Member)

Educational & Professional Qualifications
- Monash University, Australia, Bachelor of Economics (Acc)
- Chartered Accountants Australia and New Zealand
- Chartered Accountant – Institute of Singapore Chartered Accountants

Present Directorships
- Delfi Limited
- RCD Fund Pty Ltd (acting as trustee for Robert Connor Dawes Foundation)
- OzSing Pty Ltd (acting as trustee of OzSing Family Superannuation Fund)

Past Directorships over the preceding three years
(from 1 January 2020 to 31 December 2022)
Nil

Graham had over 40 years of experience as a public accountant at PricewaterhouseCoopers ("PwC") in Australia, the United States, and most recently in Singapore as a partner for 20 years. At PwC, Graham provided professional services in both the Transaction Support and Audit streams of the firm's services. He retired from his position as an Assurance Partner at PwC Singapore on 30 June 2017. He commenced his professional career with PwC in Australia and has spent time on secondment with the PwC US firm. Graham was a Board member of the Australian Chamber of Commerce, Singapore for 18 years and held office bearer roles for all that time including as President from 2010 to 2013.

He also served as a Council member for the Singapore Business Federation ("SBF") from 2012 to 2016. Graham is currently a director of the Robert Connor Dawes Foundation which acts to fund research into the treatment of pediatric brain cancer and to support patients.

He qualified as a member of the Institute of Chartered Accountants in Australia and New Zealand and a Fellow of the Institute of Singapore Chartered Accountants.

* Graham will be appointed as Chairman of the Audit Committee and Risk Management Committee, and as a member of the Nominating Committee and Market Sustainability and Strategy Committee with effect from the conclusion of the Annual General Meeting to be held on 25 April 2023, subject to the shareholders' approval on his re-election as a Director of the Company pursuant to Regulation 108 of the Company's Constitution.

SENIOR MANAGEMENT

RICHARD JEFFREY CHUNG TING TSHUNG ("Richard"), 58

Group Chief Financial Officer

Richard has almost three decades of experience in the areas of financial management, financial and business analysis, capital raising, investor relations, business development, mergers and acquisitions, joint ventures and other special projects and risk management. Of his working experience, he has spent more than sixteen years with Delfi Limited. Immediately prior to joining the Group, as our Head Corporate Planning, Richard was Director Research for ABN AMRO Securities (Singapore).

Company & Group Responsibility

Richard is overall in charge of the Group's Finance, Taxation, Treasury, Investor Relations and Corporate Planning functions as well as assisting the Group Chief Executive on strategic and key business development matters for the Group.

Educational & Professional Qualifications

- Bachelor of Business (majoring in Accounting), Deakin University, Australia

TAN CHAY KEE ("Chay Kee"), 54

Chief Operating Officer

Chay Kee has over 25 years of experience working in many business roles in engineering, executive compensation planning & advisory, corporate finance, strategic planning, and corporate development. Prior to joining Delfi, he was the Chief Operating Officer of Seabridge TFX Pte Ltd. (a Fintech company), and Chief Financial Officer of JB Foods Ltd, a Mainboard SGX-listed cocoa ingredients manufacturer. Earlier in his career, he worked at Delfi as the financial controller for the Cocoa Ingredients Division and on executive planning matters.

Company & Group Responsibility

Chay Kee reports to the Chief Executive Officer, Mr. John Chuang, assisting him in leading our operations in sourcing, manufacturing, supply chain, and food safety. He is tasked with overseeing our Manufacturing Operations which include manufacturing, engineering, chocolate technology and projects, sustainability, quality & assurance, supply chain functions and new product development initiatives.

Educational & Professional Qualifications

- Bachelor of Science, Cornell University – School of Electrical Engineering
- Master of Engineering, Cornell University – School of Electrical Engineering
- Master of Business Administration, Cornell University – Johnson School of Management
- CPA Australia
- Chartered Financial Analyst (CFA)
- Graduate Diploma in Financial Management (GDFM)

SENIOR MANAGEMENT

AMOS MOSES YANG ("Amos"), 49

Director (Business Strategy)
(CEO's Office)

Amos has over 25 years of experience in Sales and Marketing with a number of companies. He spent the majority of his career in the US and the last decade in Asia.

With extensive FMCG experience across major multinational companies, he held various Marketing and Sales management positions in the U.S. with Philip Morris USA, L'Oréal Paris, and Novartis Consumer Health.

Amos joined Delfi in 2012.

Company & Group Responsibility

Amos assists the CEO, Mr. John Chuang, in business strategy matters concerning the Group.

He also assists Mr. Joseph Chuang, our Chief Growth and Marketing Officer, in the Group's sales and marketing initiatives.

Educational & Professional Qualifications

- Bachelor of Science in Marketing, Seton Hall University, US

NANCY FLORENCIA ("Nancy"), 64

President Director,
PT Perusahaan Industri Ceres

Nancy has over 40 years of experience in finance, accounting, and management at companies in Indonesia.

In addition to her on-going role as Finance Director for PT Perusahaan Industri Ceres ("Ceres"), a subsidiary of Delfi Limited Nancy assumed the additional role of President Director of Ceres in 2017.

Prior to joining our Group, Nancy had 10 years of experience in accounting and financial positions at companies in Indonesia including PT Indocement, PT Henoch Jaya, and the PT Kedaung Group.

Nancy joined Ceres in 1991.

Company & Group Responsibility

Nancy is responsible for the operational, financial, and corporate matters of PT Perusahaan Industri Ceres As President Director, she works closely with the Board of PT Perusahaan Industri Ceres as well as its key executives and managers of the Group's other entities in Indonesia. She also assists the Chief Executive and Chief Financial Officers on financial and diverse corporate matters for the Group's business in Indonesia.

Educational & Professional Qualifications

- Master of Business Administration, Pittsburg State University, US

FERRY HARYANTO ("Ferry"), 68

President Director,
PT Nirwana Lestari

Ferry has almost 40 years of experience in marketing, sales, and management.

Before joining our Group in 1995, Ferry he spent more than 10 years in sales and marketing roles with PT Guinness Indonesia, San Miguel Brewery Indonesia, and PT Gunung Agung Trading. His latest position was Commercial Director.

Company & Group Responsibility

Ferry's responsibilities include the operational and corporate matters of PT Nirwana Lestari. He works closely with the Board of PT Nirwana Lestari as well as with its key executives and managers. In addition, he spearheads PT Nirwana Lestari's efforts and initiatives in marketing, sales, and distribution of the Company's portfolio of Agency Brands in Indonesia.

Educational & Professional Qualifications

- Master of Business Administration, IEU (Indonesia European University), Jakarta, Indonesia (1991-1993)
- Bachelor of Economy, Akademi pimpinan Perusahaan, Jakarta, Indonesia (1978-1981)

Building on strong foundations

With a vibrant heritage steeped in quality and innovation, we have grown from strength to strength. Our diverse brands have delighted generations over the years, and it is our continuous commitment to uphold the highest standards as we pave the way forward for greater excellence

BUSINESS PROFILE

We at Delfi Limited ("Delfi", the "Company", or the "Group") have been developing deep bonds over the years between our heritage chocolate confectionery brands and the millions of chocolate lovers in Indonesia and other parts of Southeast Asia. We opened our first chocolate manufacturing facility in Bandung, Indonesia in the mid-1950s. Over the years, we developed the iconic brands such as *SilverQueen*, and *Ceres* that many Indonesians have grown up with and which have resonated across generations. In the 1970s, we launched our *Selamat* brand, and in the 1980s, we introduced the *Delfi* brand with its Swiss skier logo. With these core brands, we established a strong presence in the Indonesian market, becoming the market leader in the country, and then branched out to international markets focused primarily in Southeast Asia.

Over the years, we progressively introduced and developed a portfolio of additional brands for the Indonesian market and increasingly for export to the Regional Markets. We developed a wide range of chocolate products including chocolate bars, chocolate breakfast products, moulded, chocolate, dragées, baking ingredients, enrobed wafers, chocolate biscuits, and chocolate beverages. We retained our position as the market-share leader in chocolate confectionery in Indonesia whilst also growing our presence in other key Southeast Asian markets.

In 2006, we further expanded our position in the region with the acquisition of the local production, marketing, and distribution business from Nestlé in the Philippines, the second largest chocolate confectionery market in Southeast Asia. The transaction also included the acquisition of the country's heritage brands *Goya* and *Knick Knacks*. We implemented a strategy to invest in and revitalise the acquired brands, developing new product categories and introducing higher quality products with new flavour profiles to appeal to local consumer tastes. Over time we grew our local market share by offering a value for money experience, enhancing brand loyalty, and offering new tastes to meet growing market opportunities.

The Company has developed its Own Brands business both in Indonesia and in the Philippines by developing our core strategic products. In recent years, we have launched healthier alternative products with ingredients such as yoghurt, green matcha tea, chia seeds, grains, nuts and fruits. Besides adding new ingredients, we are also developing products with higher cocoa content, lower sugar levels, and less dairy. Under the *SilverQueen* brand, we launched *Very Berry* and *Green Tea Matcha* bars. Under the *Van Houten* brand we have launched *Van Houten Dark Milk* and in 2022 we introduced *Van Houten Vegan* bars. We have also created a new brand *7+* which is a range of healthy snacking bars.

We have developed a full range of well-known core and sub-brands across a wide variety of products in many different formats, sizes, and price points to appeal to a broad array of consumers who follow different lifestyles and enjoy different tastes. Our aim is to provide consumers with an attractive range of products whenever they want to consume our chocolate confectionery products. By catering to different consumer tastes and local preferences, we developed products which helps us retain customer loyalty, closely track consumption trends, defend against competition, and maintain our leading market share.

“Over the years, we progressively introduced and developed a portfolio of additional brands for the Indonesian market and increasingly for export to the Regional Markets”

In parallel with our Own Brands business we have developed a complementary Agency Brands business. Both businesses leverage on our strengths in our distribution and routes-to-market infrastructure. This ability to leverage our multi-layered distribution network has helped us build up our Agency Brands business of third-party brands by effectively engaging with principal brand owners and successfully bringing their products to market. Many international brands approach us as a reliable trade partner to effectively distribute their brands in Indonesia and our Regional Markets. Currently, we represent almost one-hundred principal brands across the food and beverage, healthcare, snacking and breakfast foods sector, in our Agency Brands business.

Today, Indonesia remains our largest market while the contributions from our Regional Markets are anchored by our growing presence in the Philippines and Malaysia and add significantly to our revenue and profit. We also export our products to more than 15 countries around the world.

STRENGTHENING SUPPLY CHAIN AND ROUTES TO MARKET

Over the years, we have dedicated more resources, investment and attention to improving our distribution and route-to-market capabilities in both Indonesia and our Regional Markets. Our broad reach to consumers in all our markets is an essential component of our business model. As much of the demand for our products is impulse driven, it is important to ensure we are present throughout the marketplace, which means all our products retain as much shelf space as possible and are in as many retail points as possible. They should be highly visible, readily accessible to consumers, and be developed to meet all the consumer segments in the market. This helps us stand out from the competition. Moreover, with our effective strategy to manage our multiple supply-chain channels, including the Modern Trade (including mini-marts) and Traditional Trade, we continually broaden our market reach to cover essentially all of Indonesia and increase the penetration of our products into the Regional Markets.

BUSINESS PROFILE

In recent years we implemented a direct shipment model to our major mini-mart customers throughout Java which helped raise the responsiveness and level of service to these important customers. We also enhanced our key account management by having dedicated sales teams and management representatives to manage our key Modern Trade accounts. We also increased the speed to market for our products, increased our level of product availability and ensured that our products continually maintain significant shelf space presence in these stores. The result was to place the correct product mix at all retail outlets to support high sales with continuing shelf dominance in large hypermarket and supermarket platforms. In addition, we strengthened the organisation of our distributor network to improve the cover of our Traditional Trade customers.

STRONG CULTURE OF INNOVATION

At Delfi, innovation is essential if we are to remain a leading chocolate confectionery company in our markets. With our strong culture of innovation, we introduce new products to consumers and develop new packaging designs that appeal to younger consumers across our key markets. Innovation aids the growth of our business, helps us meet world-class expectations of our product quality, and supports our ability to adapt to ever-changing consumer preferences. Supported by our strong R&D capabilities, our product innovations are developed to meet emerging consumer trends, continually refresh our product offerings, enhance our brands, attract new customers, and retain existing ones. Our ability to cater to local tastes in all our markets has kept us well connected with our customers and allows us to maintain brands at the top of our consumers' minds.

As part of our innovation process, our product portfolio is carefully curated and optimized. We regularly introduce exciting new formats, packaging designs, flavours and flavour variants to refresh the product portfolio and enhance the appeal of our brands. We set our development cycle to begin with market research, then move to focus on taste profile, packaging design, quality assurance, portion size, price points and consumer testing. All of these items are carefully analysed and developed before a new product is included in our product portfolio to appear on retail shelves. We also retire any SKUs that don't continue to maintain a meaningful level of consumer demand.

More recently, we extended many of our core brands into new categories including the healthy snacking category with the launch of *SilverQueen Very Berry* and *SilverQueen Matcha Green Tea* in Indonesia. In 2022, we expanded the Very Berry and Matcha flavours into *Goya* brand products for consumers in the Philippines. We also launched our *Van Houten Dark Milk* with more cocoa and less dairy, and our *Van Houten Vegan* line to give vegan consumers an option to indulge in chocolate bars. We also created an entirely new product line with the introduction of our new brand *7+*, a newly developed health bar for consumers searching for healthier snacking options.

ENHANCING MANUFACTURING

As the leading chocolate confectionery company in Indonesia with a significant presence in the rest of Southeast Asia, our world-class manufacturing capabilities are an important aspect of our business. We have two production facilities each of which have the capability to produce its respective range of products. Our Indonesian factory has been upgraded and extensively expanded over the years, and we have also invested in our Philippines factory since it was acquired. Our employees at both our factories have the skillsets and intellectual knowhow to produce their respective range of our Own Brands chocolate confectionery products using an array of production techniques and technologies that we have developed over the years. Our Indonesia factory is fully capable to manufacturing all of our products including *SilverQueen*, *Ceres*, *Delfi*, *Selamat* and *Van Houten*. All of our production activities in both factories are supported by teams of experts who are responsible for building our brands and developing our products in their respective markets.

The strategic location of our production facilities inside the two largest chocolate markets in Southeast Asia, and in close proximity to our consumer base, is another important competitive advantage for us. This is because it ensures the freshness and high-quality standards of our products while also giving us the ability to quickly respond to changes in consumption trends, consumer preferences and market conditions. The close proximity of the factories shortens the response time to changes in market dynamics because we are able to more quickly gather important information about pricing points, competitor activities, packaging sizes and volume adjustments.

As a world-class food manufacturer, we remain fully committed to ensuring high quality standards of our manufacturing process, safety and quality of our products, and the well-being of consumers. Our retail and trade customers are assured of the safety of our chocolate confectionery products and our manufacturing processes as we meticulously follow world-class, internationally accredited food safety programs and ensure quality assurance standards in all the countries we operate and in all the markets where our products are sold. Our production facilities and processes are regularly audited by external professional bodies. Both of our factories adhere to strict safety regulations that comply with the following international certification standards:

- FSSC 22000:2018 (Food Safety System Certification)
- HALAL
- ISO 45001: 2018 (Occupational Health & Safety Management System)*
- ISO 14001: 2015 (Environmental Management System)*
- Rain forest Alliance (RA) *
- SMETA (Sedex Members Ethical Trade Audit)*
- SNI 3747:2009 Cocoa Powder*
- SNI 2973: 2011 Biscuit*
- PROPER Blue rating*

*Note: * pertains to our Indonesian production facility only*

We continually expand our production capacity, strengthen our production capabilities and improve our ability to service customers to support our business growth across our markets. From 2014 to 2019 and leading into the advent of the COVID pandemic, we invested to expand production capacities, remove production bottlenecks, improve process efficiencies, increase automation, implement an SAP enterprise resource planning ("ERP") system, and completed a series of projects to improve energy usage, water consumption and effluents discharge. We also invested in our factory teams to complement these capital improvements. We have invested in enhancing workplace safety by implementing a lock-out-tag-out system ("LOTO") to protect our workers during the maintenance of potentially dangerous machinery, and we constantly invest in training our workers.

Since the onset of the COVID-19 pandemic, capital expenditures have been in line with a prudent investment approach due to the reduction in demand. However, as markets recovered in late 2021, and gathered steam throughout 2022, we expect to increase our capex as we see clear signs of growth outpacing capacity.

BUSINESS PROFILE

COMMITMENT TO ESG AND SUSTAINABILITY

At Delfi we remain fully committed to the sustainable development of our business by continuing ahead on our journey of Sustainable Value Creation. We updated our Sustainability Policy in 2022, strengthening our commitment to ensure the actions, activities and mind-set of our people to focus on producing real results while implementing initiatives to improve sustainability.

In 2022, we embarked on our inaugural climate risk assessment exercise which qualitatively evaluates the potential financial impact on Delfi's operations from both transition risks, such as carbon pricing, as well as physical risks, such as floods and heatwaves, in the short, medium and long terms. We also initiated the evaluation of our strategic responses for material risks and the business's resilience to possible disruptions arising from worsening climate-related stressors worldwide. We will continue to refine the climate-risk management approach to incorporate climate-risk management into our overall risk management framework.

We also updated our disclosures to keep in line with the new TCFD (Task Force on Climate-Related Financial Disclosures) requirements released by the Financial Stability Board in October 2022. For example, we adjusted our environmental policy to ensure that going forward we better encourage our employees to identify innovations that integrate sustainability into their daily activities. We also developed guidelines to ensure management and their working teams are provided with the resources to implement sustainability projects that have real impact on the operational part of the business and not just for sustainability alone. In addition, we developed sustainable packaging initiatives for some of our newly launched products, such as on our entire *Van Houten Vegan* line. Lastly, we initiated programs to better foster collaboration, with our supplier partners and to encourage reusing, recycling, and recovery of waste in operations when possible.

For more information on our enhanced Sustainability Policy and its implementation, please refer to the summary of our 2022 Sustainability Report on page 40 to 43 in this annual report, or to the full 2022 Sustainability Report which will be posted on our company website in due course.

RETAINING SAFETY ACTIVITIES POST COVID-19

During the COVID-19 pandemic we initiated necessary precautions to protect the safety and well-being of our people. In January 2020, we activated the Group Emergency Management Committee, to regionally manage the situation, and the set-up of the local

"At Delfi we remain fully committed to the sustainable development of our business by continuing ahead on our journey of Sustainable Value Creation"

Country Emergency Management Committees to ensure management of the pandemic occurred locally and was driven by those close to our employees who could adapt to the fast-moving changes from the virus and quickly implement effective policies and responses. We established stricter protocols than regulators or governments required to provide a strong degree of assurance of high standards of safety and protection to all our stakeholders. Since the outbreak of the pandemic in early 2020 through to year-end 2022, we have spent over US$3.0 million to protect our factory workers, as well as customers and suppliers.

Even though the threat from COVID-19 is apparently lessening, we have retained the discipline, developed over the years of the pandemic, to help ensure the safety and wellness of our people. For example, where any of our policies and guidelines implemented originally for COVID for personal protection, hygiene and safety reasons also enhance the safety standards in our operating environment, we have kept them in place.

LEADING AND DEVELOPING FUTURE TALENT

At Delfi, we operate across Southeast Asia and its diverse values, cultures and demographics. We value the benefits from having a diverse workforce with various backgrounds, knowledge and experience who understand local consumer behaviour. Our people are central to the success of our operations, sales effort, and engagement with our customers. They uphold our strong culture of teamwork, diversity and mutual respect. They are the key to our success over the years. We look to build a work environment where all employees can contribute to their fullest potential while having the independence and support to carry out their professional responsibilities. We have implemented customised talent development programs to support their professional growth and strive for future success and provisional fulfilment.

One of the most important components of our culture of teamwork is to align the aspirations of each one of our employees to the values and goals of the company. We believe in building an inclusive workplace that is fair and supportive. In 2019, we continued our efforts to groom a cohort of promising leaders to assume greater business responsibilities and continue to do so. We increased recruitment efforts and developed customised talent development programmes to support the Group's marketing, supply chain management and manufacturing capabilities. These initiatives have led to more fulfilling careers for many of our employees and inspire them to be more engaged and effective.


Delfi
BAR BAR
Share

Passionate, Innovative, Dynamic

These qualities define the Delfi spirit. They shape the way we think and work, which enable us to create everyday joy and always deliver delights that fill the hearts

OPERATING & FINANCIAL REVIEW

Richard Chung
Group Chief Financial Officer

OVERVIEW

Over the last three years, strategic initiatives had been implemented to strengthen our organisation and the resilience of our business in order to capture the longer-term growth opportunities in our markets. These initiatives included the building of focused and dedicated teams to grow our business in the Modern Trade (including minimarts) and Traditional Trade channels, focusing on our core strategic products in order to drive further growth of our Premium format category, and tighten our supply chain costs.

On the back of these initiatives, together with the commitment and support from the Delfi teams coupled with the opening up of our markets as the COVID-19 restrictions were lifted, our Group achieved a strong performance in 2022. Our results for the year have surpassed even 2019's performance, essentially comparable pre-COVID levels.

For 2022, we achieved PATMI of US$43.9 million (Y-o-Y growth of 49.9%) on revenue of US$483.0 million. If we

Key Financial Highlights

(In US$ Million)	FY2022	FY2021	Change Y-o-Y	Change Y-o-Y at Constant Exch Rates *
Indonesia	317.5	270.2	17.5%	21.3%
Regional Markets	165.5	134.9	22.7%	31.6%
Total Revenue	**483.0**	**405.1**	**19.2%**	**24.7%**
Gross Profit Margin (%)	30.7%	29.5%	1.2% pt	1.2% pt
EBITDA	**74.0**	**58.1**	**27.2%**	**32.5%**
EBITDA Margin (%)	**15.3%**	**14.3%**	**1.0% pt**	**1.0% pt**
PATMI	**43.9**	**29.3**	**49.9%**	**56.5%**

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

exclude the prior year's non-recurring gains of US$4.2 million[1], this illustrates the even stronger underlying performance of our core business with an apparent 68.7% Y-o-Y growth. Essentially, the key drivers of our performance were:

1. Revenue growth of 19.2% achieved, which benefited from the strength of both our portfolio of Own Brands products (Y-o-Y increase of 19.0%) and our complementary Agency Brands portfolio (Y-o-Y increase of 19.6%). This performance was reflected in both Indonesia and our Regional Markets with 2022 revenue higher 17.5% and 22.7% respectively;

2. Higher gross profit margin by 120 basis points to 30.7% for 2022 driven by (i) strong sales in our Premium format category; (ii) higher sales volume achieved; and (iii) implementation of timely cost mitigation initiatives; and

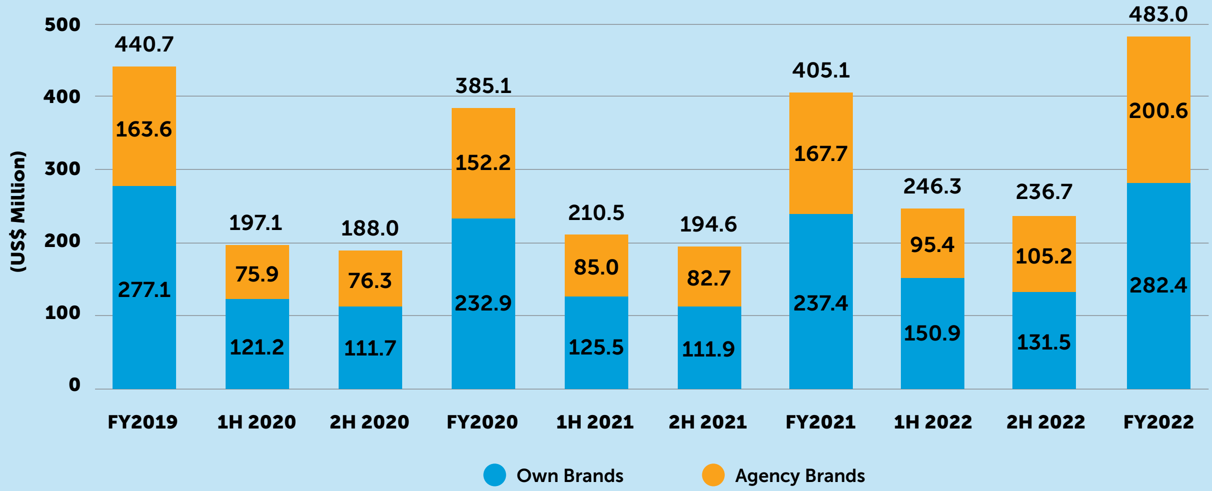
3. Continued tight control of our operating expenses.

Our business in Indonesia generated revenue of US$317.5 million for 2022 (a Y-o-Y increase of 17.5%). The high growth was driven by broad based growth in Own Brands, primarily our Premium brands *SilverQueen* and *Cha Cha* which achieved strong Y-o-Y growth. This was complemented with new products targeting Millennials and Gen-Zs including the launch of our *7+* healthy snacks (in August 2022) and our new *Van Houten Vegan* series.

In order to drive demand and capture new market segments for our Own Brands, we have and will continue to focus on and invest in strengthening our core brands through promotions, refreshing our core packaging, the introduction of innovative products and extending further into the snacking segment. These strategic initiatives are to further grow by allowing us to optimise our distribution networks and channels for both the Modern and Traditional Trades.

In Indonesia, Agency Brands in 2022 reached revenues of US$91.0 million, an increase of 14.2% compared to 2021, driven primarily by strong growth of our snacks and breakfast categories.

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

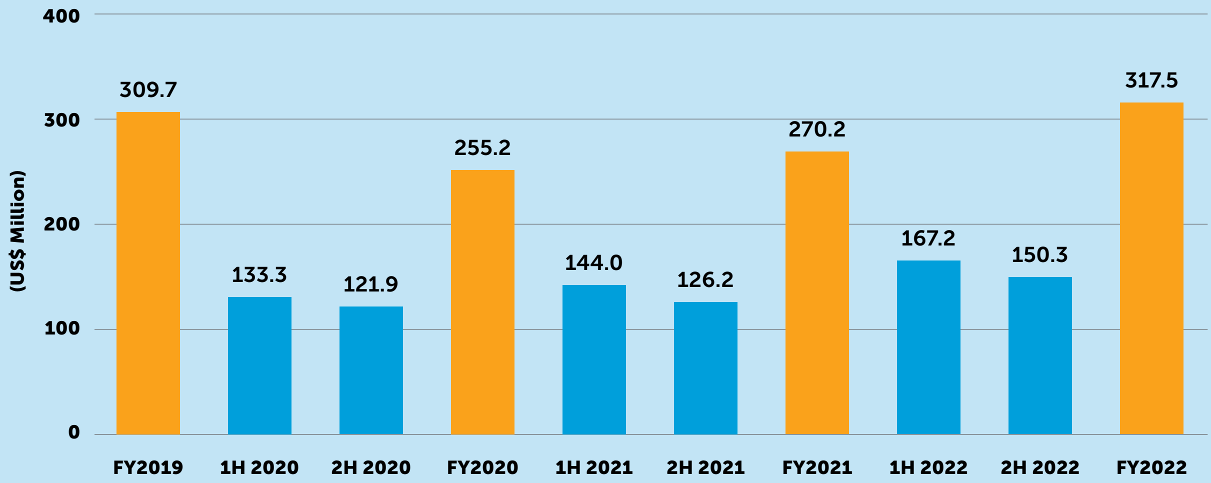


Note: The half yearly sales performance may vary depending on timing of holiday festivities.

1 The non-recurring gains in 2021 related to US$3.83 million arising from the reduction in liabilities for employee retirement defined benefit obligations and US$0.32 million from the sale of construction in progress to the Indonesian Government.

OPERATING & FINANCIAL REVIEW

Indonesia's Revenue Performance
(Half Year and Full Year)



Note: The half yearly sales performance may vary depending on timing of holiday festivities.

PERFORMANCE REVIEW BY MARKETS

Indonesia

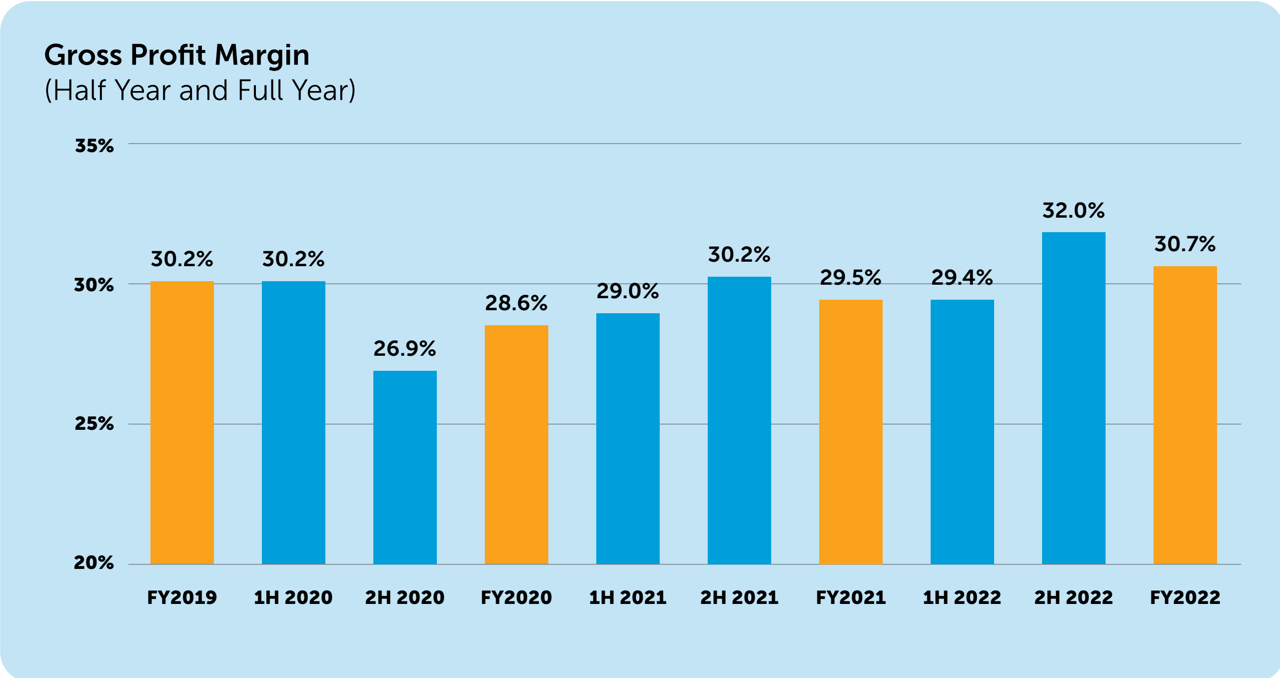
Our business in Indonesia generated revenue of US$317.5 million for 2022 (a Y-o-Y increase of 17.5%). The high growth was driven by broad based growth in Own Brands, primarily our Premium brands *SilverQueen* and *Cha Cha* which achieved strong Y-o-Y growth. This was complemented with new products targeting Millennials and Gen-Zs including the launch of our *7+* healthy snacks (in August 2022) and our new *Van Houten Vegan* series.

In order to drive demand and capture new market segments for our Own Brands, we have and will continue to focus on and invest in strengthening our core brands through promotions, refreshing our core packaging, the introduction of innovative products and extending further into the snacking segment. These strategic initiatives are to further grow by allowing us to optimise our distribution networks and channels for both the Modern and Traditional Trades.

In Indonesia, Agency Brands in 2022 reached revenues of US$91.0 million, an increase of 14.2% compared to 2021, driven primarily by strong growth of our snacks and breakfast categories.

The Regional Markets

For our Regional Markets, revenues for 2022 were higher Y-o-Y by 22.7% to US$165.5 million. The growth achieved can be mainly attributed to demand for our Agency Brands in our Malaysian operations, particularly in the healthcare and snacking categories.



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 PROFITABILITY

For the year, we achieved an overall Gross Profit Margin of 30.7% up by 120 basis points when compared with 2021. The improvement can be attributed to the increased sales of our higher margin Premium products in Indonesia and production efficiencies amidst ongoing cost containment initiatives.

Correspondingly, along with our tight management of Selling & Distribution and Administrative expenses vis-à-vis revenue growth, the Group's EBITDA margin for 2022 improved markedly to 15.3%.

CASH FLOW AND CAPITAL EXPENDITURE

Our business model continues to produce high quality cash flows from our operations. Our operating cashflow provides the primary source of cash to fund the Group's operating needs and capital expenditure. During the year, our Group generated operating cashflow before working capital changes of US$73.8 million which was higher Y-o-Y by US$16.1 million (or 28.0%) due to our stronger operating results in the year.

The higher operating cash flow generated was channelled into higher working capital, mainly inventory which increased by US$50.6 million Y-o-Y as at 31 December 2022 compared to the previous year end, as we invested more in order to meet the stronger sales anticipated in 2023.

This net cash from our operating activities also funded our Group's 2022 capital expenditure of US$3.1 million. In the previous two years, with the then current production capacity sufficient to support our business, we had deliberately curtailed our capital expenditure to only the most essential items in light of the uncertainties created by the COVID-19 pandemic. However, going forward, with the anticipated market growth, we are moving towards increasing our capital expenditure. This capital expenditure programme will be constantly monitored and evaluated against any changes in market condition with investments possibly deferred to later periods, if required.

As at 31 December 2022, the Group's Cash and cash equivalents were US$77.1 million after dividend payments of US$19.2 million during the year.

OPERATING & FINANCIAL REVIEW

BALANCE SHEET

The 31 December 2022 Group cash balance of US$77.1 million, although lower by US$9.1 million compared to the previous year end, is sufficient to support the Group's foreseeable near-term business and investment needs.

For the year under review, total assets and shareholders' equity were higher by US$31.2 million and US$6.9 million respectively reflecting mainly the higher inventories, as discussed above. Trade receivables were higher by US$2.2 million but as we continued to manage our collections tightly our average receivable days improved to 53 days, down from 68 days previously.

As at 31 December 2022, the Group's property, plant and equipment was US$81.5 million, which is lower compared to the end 2021 balance by US$14.5 million on the back of depreciation charges offset partially by a lower capital expenditure for the year under review.

We believe the Group's current financial position puts it in a strong position to weather any unforeseen difficulties and also seize growth opportunities in the fast-growing regional consumer markets.

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, 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 31 December 2022, the Company's total exposure in respect of these claims (after indexation) in Brazil is BRL93.0 million (equivalent to US$17.8 million based on the 31 December 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 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 2022. 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.

OUTLOOK

Looking ahead, it is unclear how the continued global economic uncertainties from political tensions, rising interest rates, currency volatility and lingering inflationary pressures will weigh on economic growth. These macro-economic uncertainties could weigh on consumer confidence going forward.

Despite these uncertainties, barring any unexpected severe economic circumstances, we believe our strong Balance Sheet, low debt level, iconic brands, culture of innovation and strong distribution capabilities mean we are positioned to not only successfully navigate any potential uncertainties that might lie ahead but also, take advantage of opportunities in the future that may arise.

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

- Remaining focused on growing our core strategic products and further driving growth in our Premium format category;

- Continuing to bring new products to market in our Premium format category and introduce more products to develop our healthy snacks category; and

- Tightly managing 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.

We are fully committed to sustainable value creation

At Delfi, we strive to create long term value for all our stakeholders including customers, consumers, suppliers, shareholders, employees and the community around us. Our focus on sustainability enables us to build a business that positively impacts people, planet and performance

SUSTAINABLE VALUE CREATION

Delfi Limited looks to ensure that our business activities create long term value to all our stakeholders, be it our consumers, shareholders, employees or the community around us. Our Board considers sustainability as a key component of the Company's strategic formulation and regularly reviews the performance of the Environmental, Social and Governance ("ESG") matters that have been identified as material. Delfi's Market Sustainability and Strategy Committee ("MSSC"), a Board level committee, oversees, develops and advances our sustainability initiatives on those matters.

Social issues such as human rights, worker well-being and climate change management have gained importance in the broad sustainability conversation. Management has responded by stressing our commitment to work closely with our suppliers in managing social and environmental risks along our value creation chain; and recognising and working to shape their efforts as together we aim towards common sustainability goals.

This year we commenced our inaugural climate risk assessment to assess the impact of possible future climate change on our business and our ability to mitigate such potential climate change disruptions. The disclosures on our climate risk assessment are guided by the Task Force for Climate-related Financial Disclosures ("TCFD") recommendations.

DELFI'S GLOBAL SUSTAINABLE VALUE CREATION MISSION

Act in the interest of all stakeholders

Embrace the needs of the community

Care for the environment

OUR SUSTAINABLE VALUE CREATION PILLARS

At Delfi, our approach to Sustainability is based on the four intertwined themes of Environmental, Social, Governance and Economic; what we call our four "Sustainable Value Creation Pillars". Within each of these Pillars, we have identified specific matters that we believe are our material sustainability matters.

In 2021, SGX published a list of recommended 27 Core ESG metrics that were intended to act as a common and standardised set of metrics for ESG reporting to help align the needs of reporters and users of ESG information produced by SGX listed companies. Historically, we have determined our material sustainability matters by reference to the Global Reporting Initiative ("GRI") framework for reporting on Sustainability.

We have therefore blended our GRI determined material sustainability matters with the SGX's metrics and incorporated them into our new sustainability reporting format as detailed in the table below:

<table>
<tr><th colspan="2">ENVIRONMENTAL</th><th colspan="2">SOCIAL</th><th>GOVERNANCE</th><th>ECONOMIC</th></tr>
<tr><td>Climate Consciousness</td><td>Responsible Consumption</td><td>Caring for our People</td><td>Impacting Communities</td><td>Ethics and Compliance</td><td>Financial Sustainability</td></tr>
<tr><td colspan="5">Material Matters & SGX Core ESG Metrics</td><td>Additional Matter</td></tr>
<tr><td>• Energy Management
✓ Absolute emissions by: (a) Total; (b) Scope 1, Scope 2
✓ Emission intensities by: (a) Total; (b) Scope 1, Scope 2; and
✓ Total energy consumption
✓ Energy consumption intensity</td><td>• Responsible Water Use
✓ Total water consumption
✓ Water consumption intensity
• Treatment and Disposal of Waste and Effluents
✓ Total waste generated
• Supply Chain Assessment
• Sustainability in Securing Sustainable Agricultural Products</td><td>• Occupational Health and Safety
✓ Number of fatalities
✓ Number of high-consequence injuries
✓ Number of recordable injuries
✓ Number of recordable work-related ill health cases
• Employee Well-being
✓ Total number of employees
✓ Current employees by gender
✓ Current employees by age groups
✓ Total turnover
✓ New hires and turnover by gender
✓ New hires and turnover by age groups</td><td>• Consumer Health and Safety & Mindful Consumption</td><td>• Compliance with Import, Export & Trade Regulations
<u>Other Governance matters</u>
✓ Board independence
✓ Women on the board
✓ Women in the management team
✓ List of relevant certifications
✓ Alignment with frameworks and disclosure practices
✓ Assurance of sustainability report</td><td>Economic Contribution to Society</td></tr>
<tr><td colspan="6">Additional metrics to be included in our Sustainability Report 2023</td></tr>
<tr><td>✓ Absolute emissions by: Scope 3
✓ Emission intensities by: Scope 3</td><td></td><td>✓ Average training hours per employee
✓ Average training hours per employee by gender</td><td></td><td>✓ Anti-corruption disclosures
✓ Anti-corruption training for employees</td><td></td></tr>
</table>

LEGEND:
- **Material Matters**

✓ SGX 27 Core ESG Metrics

SUSTAINABLE VALUE CREATION

CLIMATE CONSCIOUSNESS

Energy Management

At Delfi, we look to do our part in the shift towards a climate-friendly economy and to support climate resilience across our value chain. We have an ongoing program to identify practices to better utilise our resources in a responsible and sustainable way.

In the area of energy management, for instance we have replaced most of the light fixtures in all our operations with more efficient, low-carbon LED alternatives, reducing Delfi's emissions by several thousand tonnes of CO2 equivalent annually. Other energy savings initiatives include: a) optimising our energy consumption in all facilities through modifying our production processes without sacrificing operational productivity and b) we have initiated a program to install solar generation at our manufacturing facilities in Indonesia and the Philippines, and we expect this to be completed during 2023.

RESPONSIBLE CONSUMPTION

Responsible Water Use

With regards to responsible water use, we have implemented 100% recovery of processed wastewater in all our manufacturing facilities. The recovered wastewater is used for boiler feedwater, sanitation and gardening purposes.

Treatment and Disposal of Waste and Effluents

For waste management, at our manufacturing sites we continue to strive to reduce and eliminate unnecessary plastic usage. In our distribution sites, we have conducted trials on reusable pallet covers with the aim to minimise the use of plastic film wraps used to secure products.

In 2022, we launched our Sustainable Packaging Initiative, which adopts a three-pillar strategy to reduce packaging materials, to recycle packaging waste and to use more eco-friendly packaging materials. This strategic initiative aims to reduce waste generated from our packaging materials.

Supply Chain Assessment

Beyond our own operation, we work closely with our suppliers to mitigate the social and environmental impact across our supply chain by incorporating environmental and social aspects in our Supplier Self-Assessment ("SSA") Program.

Sustainability in Securing Sustainable Agricultural Products

In 2022, Delfi maintained the Rainforest Alliance certification that aims to promote sustainable farming of cocoa and the acquisition of other raw materials. Delfi is also a member of Sedex, one of the world's leading ethical trade membership organisations.

CARING FOR OUR PEOPLE

Occupational Health and Safety

The safety and well-being of our employees are of the utmost priority at Delfi. We have sound policies and practices in place to embrace all aspects of health and safety at the workplace. We inculcate and nurture a "Work Safely, Stay Safe" mindset and culture and look to extend this throughout our supply chain. We remain committed to our goal of zero accidents and fatalities; and continuously strive to improve our safety performance across all our operations.

Employee Well-being

We are committed to create a healthy and conducive working environment that embraces diversity and fosters inclusion. Delfi has improved the gender diversity ratio across the organisation from operations to key leadership positions.

Our Human Resource policies aim to attract and retain the right talent to nurture growth, development, and demonstrate professionalism at the workplace.

In 2022, whilst we maintained proactive steps to protect our staff against the impact of COVID-19, we went a step further to support employees by providing laptops and computers to ensure that they had the capability to work from home if necessary. This also benefited their children for online schooling.

IMPACTING COMMUNITIES

Consumer Health and Safety & Mindful Consumption

As a food manufacturer, we remain steadfast in ensuring the quality of our products as well as the well-being of our consumers. We strongly adhere to food safety and quality standards, both ones recognised internationally, such as FSSC 22000 Food Safety System Certification, and those enacted in the countries in which we operate.

We have also invested in product innovation for healthier offerings. For example, we have successfully launched our range of *Van Houten Vegan* chocolate that incorporates nutritious and healthier ingredients such as goji berries, coconut flakes, almonds, cranberries, and pink Himalayan salt.

In addition, we have launched a new brand *7+*, a nutritious grab-and-go healthy snack bar containing oats, grains, seeds and real fruits that contain a high content of vitamins and fibres. It has two variants: Yoghurt Berry and Cocoa Chia.

ETHICS AND COMPLIANCE

Compliance with Import, Export & Trade Regulations

Good governance and an ethical approach to business are embedded in our operations. We exercise due diligence in all our operations by ensuring compliance with laws and regulations; and support international principles for sustainable business conduct.

FINANCIAL SUSTAINABILITY

Economic Contribution to Society

We have rigorous processes in place to ensure that our people are paid fairly and in accordance with laws and regulations in the countries we operate in and that required social and payroll related tax contributions arising from employment of staff are paid across to local taxation authorities. Additionally, at the corporate level we ensure that we make all required taxation contributions arising from our operations including corporate income taxes and other business taxes.

ADOPTION OF TASK FORCE FOR CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD") FRAMEWORK

To strengthen our sustainability drive and the Board's oversight, we have put in place our Sustainability Task Force which comprise a Steering Committee and a HQ Working Committee, both comprising representatives from the senior management team. The Sustainability Task Force then guides the heads of the respective business units in implementing the Delfi Group's sustainability strategies.

In 2022, in line with the Task Force for Climate-Related Financial Disclosures ("TCFD") framework, Delfi embarked on its inaugural climate risk assessment exercise which qualitatively evaluates the potential financial impact on Delfi's operations for both transition risks and physical risks.

Based on this risk assessment, we have initiated the evaluation of our strategic responses for material risks and opportunities. We will update our climate-related risk assessment and the related risk mitigation measures in more concrete terms in the upcoming years.

EMERGING FROM COVID-19

The economic and social landscape has been radically changed as a result of the COVID-19 pandemic. Delfi has reflected on the events that occurred over the past two years to gather insights on lessons learned and prioritised actions to enhance our business and build strategic resilience for the future.

More details on our detailed approach and commitment towards sustainability will be contained in our upcoming "Sustainability Report 2022".

CORPORATE INFORMATION

CORPORATE INFORMATION

Registered Office
111 Somerset Road, #16-12
TripleOne Somerset
Singapore 238164

Website
www.delfilimited.com

Auditors
PricewaterhouseCoopers LLP
7 Straits View
Marina One, East Tower
Level 12
Singapore 018936

Partner-in-charge
Mr. Chua Chin San
Since financial year ended
31 December 2019

Stock Codes
SGX: Delfi Ltd
Bloomberg: Delfi SP
Reuters: DELF.SI

Company Secretary
Siau Kuei Lian, ACS, ACG

Principal Bankers
DBS Bank Ltd
Marina Bay Financial (Tower 3)
12 Marina Boulevard
Level 43
Singapore 018982

Malayan Banking Berhad
Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur
Malaysia

PT Bank Central Asia Tbk
Wisma BCA / Lantai 11
Jl Jend Sudirman Kav 22-23
Jakarta 12920
Indonesia

United Overseas Bank Limited
80 Raffles Place
UOB Plaza 1
Singapore 048624

Banco De Oro
BDO Corporate Center
7899 Makati Avenue
Makati City 0726
Philippines

Registrar and Share Transfer Office
M&C Services Private Limited
112 Robinson Road, #05-01
Singapore 068902

LOCATIONS

Singapore
111 Somerset Road, #16-12
TripleOne Somerset
Singapore 238164

Investor Relations
Contact: Mr. Anthony Casale
Email: investor.relations@delfilimited.com

Indonesia
Bandung
Jln Raya Dayeuhkolot no. 92
Pesawahan Kabupaten
Bandung 40256
Indonesia

Bekasi
Jl. Siliwangi Km 7
Bojong Menteng
Bekasi 17117, Jawa Barat
Indonesia

Malaysia
Kuala Lumpur
Level 6, Block A
Sky Park One City
Jalan USJ 25/1
Subang Jaya
47650 Selangor
Malaysia

The Philippines
Metro Manila
No. 30 M. Tuazon St., Parang
Marikina City
1809 Philippines

Financial Calendar

Annual General Meeting	25 April 2023
Announcement of Half Year Results	August 2023

FINANCIAL REPORTS & STATEMENTS

OVERVIEW

46 Corporate Governance Report
75 Directors' Statement
80 Independent Auditor's Report
86 Consolidated Income Statement
87 Consolidated Statement Of Comprehensive Income
88 Balance Sheets
89 Consolidated Statement Of Changes in Equity
90 Consolidated Statement Of Cash Flows
92 Notes To The Financial Statements
153 Appendix (Shareholders' Mandate)
166 Annexure
168 Disclosure Under SGX-ST Listing Manual Requirements
175 Shareholdings Statistics
177 Notice of Annual General Meeting
184 Additional Information on Directors Seeking Re-election at the AGM
Proxy Form

CORPORATE GOVERNANCE REPORT

EMERGING FROM COVID-19

DELFI'S EVOLVING RESPONSE TO COVID-19

When the COVID-19 pandemic first appeared in 2020, the Delfi Board and its Management team quickly recognised the need to modify our ways of doing things to recognise the threat posed and that this could become our "new normal". The impact of COVID-19 varied across the countries in which we operate, but everywhere our priority was the safety, health and well-being of our staff, business partners and customers. As such, we adapted all necessary aspects of our business and operations to meet the continuing series of challenges that emerged over the past three years.

Today, the Board, Management and staff remain just as committed to continuing to prioritize the safety, health and well-being of our staff, business partners and customers. Management undertook a comprehensive and pragmatic set of actions such that the Company ensured compliance with government measures and the safety needs of people, while continuing to produce products and deliver to our customers. During 2022, as governments reduced restrictions and economies opened up, the Board and Management were able once again to successfully navigate a changing environment triggered by outside forces and new challenges.

GROUP EMERGENCY MANAGEMENT COMMITTEE

In 2022, the Group Emergency Management Committee ("**GEMC**"), through the implementation of our Business Continuity Plan continued its efforts to deal with COVID-19 head-on. In 2022 the GEMC continued to meet during the year when appropriate. The GEMC provided guidance to the respective Country Emergency Management Committees ("**CEMC**") (also created in 2020 in each country), to manage the allocation of local resources and enhance the capabilities and defences against the impact from COVID-19. During the year, the GEMC received feedback from each CEMC to help direct their ongoing response and provide timely advice and direction to best navigate the evolving COVID-19 environment.

Since the start of the pandemic in 2020 until the end of 2022, we have invested more than US$3.0 million in business and operational upgrades, medical and safety equipment, and Personal Protection Equipment ("**PPE**"), including gloves and hazmat suits for staff to keep everyone safe.

BUSINESS PREPAREDNESS

Throughout the COVID-19 period, our CEO and Management have focused the Company's actions primarily on:

(I) keeping all staff safe and healthy through a range of measures namely, (a) the use of 'split-team' arrangements; (b) 'compartmentalisation'; (c) staggered working hours; (d) modified or customized schedules to enhance safe distancing; (e) the use of PPE, thermal scanners, and frequent sanitisation;

(II) working in partnership with stakeholders and staff to ensure that sourcing, production, distribution and sales could be kept running to fulfil market demand in Indonesia, Malaysia, the Philippines and internationally through our exports;

(III) ensuring that all those who could work-from-home did so; and deploying and/or using suitable technology and technology platforms for work and business; and,

(IV) making sure that any new changes to address reduced government measures and increased business needs, are made in a prudent way that continues to keep our people, customers, and communities safe.

As many countries around the world move to living with "endemic COVID-19", with the reopening of borders and the lifting of movement restrictions, the Board and Management continue to monitor the COVID-19 situation to ensure that earlier measures that were put in place remain appropriate and proportionate as the situation has evolved.

The Board and Management remain alert particularly to any potential adverse impacts on our supply chain. As such, we have kept a watchful eye on our key ingredients and implemented policies, practices and procedures to ensure efficient and ready access to stock as well as complementary raw materials management and control. Where necessary, we increased our inventory and/or identified 'back-up' supplies and suppliers who would be able to meet our needs, should the occasion arise. Consequently, there was no material adverse impact on our supply chain or manufacturing processes as a result of the COVID-19 situation and at no time since the pandemic began did we have to shut down factory operations.

CORPORATE GOVERNANCE REPORT

Delfi's[1] core values are grounded in integrity, excellence and commitment. These values guide all of us as we seek to enhance the Company's development, performance and growth. These core values are therefore embedded within our concept of corporate governance and form an integral part of Delfi's ethos, people, business, systems, processes and operations.

The protocols and terms of reference that define our Board and its sub-committees, coupled with our Human Resource Manual, document and elaborate on Delfi's corporate culture as the central foundation of our *modus operandi.* We believe that this has been instrumental in our long-term success.

We pride ourselves on having a unique corporate culture. As an organisation, we are imbued with the following attributes:

(a) Responsible, committed and passionate employees who are ready and willing to go the extra mile in providing our customers with superior products and services;
(b) A positive mind-set capable of motivating others;
(c) Sensitivity to others;
(d) Respect for the individual; and
(e) Frugality.

Our annual corporate governance practices review is conducted in the recognition that our values and practices help us create long term value for our shareholders, not only because it is the right thing to do, but also because at the same time, it reduces risk and enhances returns. We are committed to upholding the Code of Corporate Governance (the "**Code**"). The format of our report below reflects the Principles laid out in the Code of Corporate Governance 2018 amended on 11 January 2023 ("**CG2018**") and the Practice Guidance issued on 11 January 2023 complements the CG2018 in line with the Amended Rule 710 of the Listing Rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), with reference where applicable, to the Code of Corporate Governance 2012 ("**CG2012**").

We are confident that we have fulfilled not only the letter of the Code but more importantly the spirit of the Code. We always seek to be compliant with the Code and, if there were any instances where we felt we may be in only partial compliance with the Code, we would explain why our position remains appropriate in the circumstances and how our practices are consistent with the aim and philosophy of the relevant principles of CG2018.

Leadership Mix

The Board of Delfi comprises a healthy well-balanced mix of entrepreneurs, professionals and corporate experts, who as a group, provide an appropriate balance and mix of skills, knowledge and experience. As at the date of this Corporate Governance Report, out of a total of nine Directors, the board of Directors (the "**Board**") comprises three executive Directors, five non-executive independent Directors, and one non-executive non-independent Director. A majority of our Board is non-executive and independent, including the Chairman of the Board (the "**Chairman**"). There is a clear separation of the role of the Chief Executive Officer ("**CEO**") and the Chairman. One of our three executive Directors serves as CEO and Managing Director ("**MD**"). The Board meets regularly and is provided with timely updates and information. As and when there are urgent commercial or other corporate matters, Board meetings are convened to seek guidance from the Board or to elicit a decision. All Directors are expected to act in good faith, and to act in the interests of our Company and all shareholders.

The Board has met numerous times to consider and deliberate its own composition and is conscious that it takes time to achieve the desired composition of the Board, which may well be a multi-year endeavour. The Board is of the view that its leadership mix, collective skillset, broad experience, and in-depth knowledge of the industry and the Group itself, put it in a position to chart and implement the strategies necessary to maximise shareholder value as well as handle any future crises that may arise. It is also of the view that its individual members are all strong characters, capable of sound independent judgment, and capable of contributing to the strategy and direction of the Company, individually and collectively.

1 All references to Delfi, Delfi Limited or the Company refers to Delfi Limited and all its subsidiaries which is also referred to as the "Delfi Limited Group", "Delfi Group" or the "Group".

CORPORATE GOVERNANCE REPORT

The Board is supported by the Executive Committee, the Audit Committee, the Remuneration Committee, the Nominating Committee, the Risk Management Committee and the Market Sustainability and Strategy Committee. The Committees (with the exception of the Executive Committee) provide guidance and regularly review matters within their respective purview.

Our corporate governance practices are given below with specific references to CG2018 and, where applicable, CG2012.

(I) BOARD MATTERS

Principle 1 - The Board's Conduct of Affairs: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Group.

Policy and Practice

We have broken down this section of the report into the following key topics:

1. Leading, Managing and Supervising
2. Independent Judgment
3. Delegation by the Board
4. Key Board Processes
5. Board Approvals
6. Committee Responsibilities
7. Market Sustainability and Strategy Committee
8. Social Responsibility and Sustainability

01 Leading, Managing and Supervising

The Board takes the lead by focussing on three key areas, namely:

(a) setting corporate strategy and direction;
(b) ensuring that there is effective entrepreneurial leadership and management; and
(c) supervising the proper conduct of matters.

The Board's focus on the key areas mentioned above encompasses a diverse range of issues including profitability, financing, corporate planning, human resources, stakeholder matters, sustainability and environmental impact, capital expenditure, organisational development, risk management, business continuity, information technology, innovation, and internal controls.

The strategic policies of the Company and significant business transactions and projects are reviewed and deliberated on by the Board. Discussions and approvals from the Board's deliberations will be communicated to Management and are recorded by way of minutes of Board meetings or resolutions in writing of the Directors. The Board approves the annual budget, reviews the performance of the business, and approves the release of the half year and full year financial results at its regular Board meetings. As part of this process, the Board reviews the financial and human resources of Delfi and assesses (a) whether changes to these are needed and (b) whether the proposed strategy can be realistically executed with such existing or planned increased resources.

Each Director acts in good faith and in the best interests of the Company and contributes their own expertise, skills, knowledge, and experience to the Board for the benefit of all stakeholders.

As at the date of this Corporate Governance Report, a majority of the Board are independent. The independent Directors are Mr. Anthony Michael Dean ("**Mike Dean**"), Mr. Koh Poh Tiong, Mr. Doreswamy Nandkishore ("**Nandu**"), Mr Graham Nicholas Lee ("**Graham Lee**") and Mr. Pedro Mata-Bruckmann, who is also the Chairman of the Board. Mr. Davinder Singh[2] is deemed to be classified as a non-executive non-independent Director. Mr. Chuang Tiong Choon ("**John Chuang**") is the CEO and MD, and Mr. Joseph Chuang Tiong Liep ("**Joseph Chuang**"), and Mr. William Chuang Tiong Kie ("**William Chuang**") are executive Directors. Profiles of all the Directors are found on pages 12 to 20 to this annual report. The assessment of "independence" is covered in the paragraphs immediately following, and further under Principle 5 below.

2 For the financial year ended 31 December 2022, Mr. Davinder Singh is deemed to be classified as a non-executive non-independent Director by virtue of his relationship with the Company in respect of Provision 2.1 and 4.4 of CG2018 and Davinder Singh Chambers LLC, which provided services to Delfi (Practice Guidance 2). Notwithstanding that, the Board is confident that Mr Singh is able to exercise strong independent judgment in the best interests of the Company and all its shareholders. The rest of the Board is unanimous and remains steadfast in its view that he has maintained a high standard of conduct, care and duty and has observed the ethical standards of his profession and is conscious of the need to disclose any conflict of interests arising from any other engagements.

02 Independent Judgment

All our Directors exercise due diligence and independent judgment and make decisions objectively in the best interests of the Company. The Board has also carried out its annual evaluation of the independence of each of its independent Directors, taking into account the relevant provisions of the Code, namely, whether the Directors are independent in character and judgment and free from relationships or circumstances which are likely to affect, or could appear to affect, their judgment. In the event of any conflict of interest, the relevant Directors will recuse themselves from discussions and decisions involving the relevant issue. The Board has concluded that all of the five independent Directors are independent and that no one individual or one grouping exerts an undue influence on others.

In line with the Nominating Committee's policies and procedures, each Director has the option of accepting or rejecting a Director's declaration regarding his independence. The Board would accept a Director's declaration of independence only if the Board is of the unanimous opinion that a Director is indeed independent.

In its 2021 evaluation, the Board had noted that Mr. Pedro Mata-Bruckmann, Mr. Koh Poh Tiong and Mr. Mike Dean had been Directors for a period exceeding the nine years specified under Guideline 2.4 of CG2012. However, this was not considered to be a critical factor in determining their independence, as the other members of the Board were, and still are, unanimous in their opinion that each of these Directors' professionalism, lack of conflicts of interest and high standing in their respective fields of expertise, in commerce and society, combined with their in-depth understanding of the Company's business enables them to exercise strong independent judgment and act in the best interests of the Company.

In view of the above, the Nominating Committee and the Board recommended Mr. Pedro Mata-Bruckmann, Mr. Koh Poh Tiong and Mr. Mike Dean to continue their appointment as independent Directors and sought for the relevant shareholders' consent pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST at the annual general meeting ("**AGM**") held on 27 April 2021. At that AGM, both (a) the majority of the shareholders and (b) the majority of the shareholders, excluding shareholders who also serve as Directors or CEO, and associates of such persons, voted for and approved their continued appointment as independent Directors of the Company. The three of them will remain as independent Directors until the earlier of: (a) their retirement or resignation; or (b) in the case of Mr. Pedro Mata-Bruckmann, the conclusion of the third AGM from the AGM held on 27 April 2021 and (c) in the case of Mr. Koh Poh Tiong and Mr. Mike Dean the conclusion of the second AGM from the AGM held on 27 April 2021, as Mr. Koh Poh Tiong and Mr. Mike Dean are subjected to retirement pursuant to the Company's Constitution at the forthcoming AGM to be held on 25 April 2023.

Mr Koh Poh Tiong and Mr Mike Dean have both notified the Company that they will retire as Directors of the Company at the AGM to be held on 25 April 2023.

03

Delegation by the Board

The Board delegates specific responsibilities to committees namely:

(a) the Audit Committee ("**AC**");
(b) the Nominating Committee ("**NC**");
(c) the Remuneration Committee ("**RC**");
(d) the Executive Committee ("**EC**");
(e) the Risk Management Committee ("**RMC**"); and
(f) the Market Sustainability and Strategy Committee ("**MSSC**").

Information on each of the Committees is set out below. The Board accepts that while these Committees have been mandated to examine specific areas or issues, and make decisions or recommendations, ultimate authority, and responsibility on all matters rests with the Board.

The composition of the Board and each Committee as at the date of this report is illustrated immediately below:

	Board	AC	NC	RC	RMC	EC	MSSC
Pedro Mata-Bruckmann	Chairman & ID	Member	Chairman	Member	Member	NA	Member
John Chuang	CEO, MD & ED	NA	Member	NA	Member	Chairman	Member
Chuang Tiong Liep	ED	NA	NA	NA	NA	Member	Member
Chuang Tiong Kie	ED	NA	NA	NA	NA	Member	NA
Mike Dean	ID	Chairman	Member	NA	Chairman	NA	NA
Davinder Singh	NE-NID	NA	Member	Member	NA	NA	NA
Koh Poh Tiong	ID	Member	Member	Chairman	Member	NA	Member
Doreswamy Nandkishore	ID	NA	Member	Member	NA	NA	Chairman
Graham Lee*	ID	Member	NA	NA	NA	NA	NA

Notes:
CEO – Chief Executive Officer
ED – Executive Director
ID – Independent Director
NE-NID – Non-Executive, Non-Independent Director
MD – Managing Director
NA – Not Applicable
* Appointed as an Independent Director and a member of the Audit Committee on 1 January 2023.

As of 27 February 2023, the following changes to the composition to the Board and the Committees were agreed to by the Nominating Committee and have been included in this document and will become effective at the forthcoming AGM on 25 April 2023. These changes will be announced on SGXNet and via Press Release prior to the AGM.

Mike Dean and Koh Poh Tiong will step down from the Board and from their respective Committees. Other members of the Board will be appointed to their respective roles as described below:

Audit Committee: Graham Lee will be appointed Chairman of the Audit Committee and Nandu as a member of the Audit Committee.

Nominating Committee: Graham Lee will be appointed as a member.

Remuneration Committee: Pedro Mata-Bruckmann will be appointed as Chairman.

Risk Management Committee: Graham Lee will be appointed as Chairman and Nandu as a member.

Executive Committee: There will be no changes.

Market Sustainability and Strategy Committee: Graham Lee will be appointed a member of this committee.

Following the conclusion of the forthcoming AGM, the resulting composition of the Board and each Committee is illustrated below:

	Board	AC	NC	RC	RMC	EC	MSSC
Pedro Mata-Bruckmann	Chairman & ID	Member	Chairman	Chairman	Member	NA	Member
John Chuang	CEO, MD & ED	NA	Member	NA	Member	Chairman	Member
Chuang Tiong Liep	ED	NA	NA	NA	NA	Member	Member
Chuang Tiong Kie	ED	NA	NA	NA	NA	Member	NA
Davinder Singh	NE-NID	NA	Member	Member	NA	NA	NA
Doreswamy Nandkishore	ID	Member	Member	Member	Member	NA	Chairman
Graham Lee	ID	Chairman	Member	NA	Chairman	NA	Member

The attendance of the Board and Committee meetings during the financial year 2022 is given in the table below:

		Committees				
	Board	AC	NC	RC	RMC	MSSC
Pedro Mata-Bruckmann	5/5	4/5	2/2	1/1	2/2	3/4
John Chuang	5/5	NA	2/2	NA	2/2	4/4
Joseph Chuang	5/5	NA	NA	NA	NA	4/4
William Chuang	5/5	NA	NA	NA	NA	NA
Mike Dean	5/5	5/5	2/2	NA	2/2	NA
Davinder Singh	4/5	NA	1/2	1/1	NA	NA
Koh Poh Tiong	5/5	5/5	2/2	1/1	2/2	4/4
Doreswamy Nandkishore	5/5	NA	2/2	1/1	NA	4/4

The table above shows the number of meetings attended / number of meetings held.
NA – Not Applicable

04 Key Board Processes

The Company conducts regular Board meetings enabling the Board to provide direction, guidance and advice to Management. Board meetings can and will be called at short notice to deal with matters as the need arises. Attendance at Board meetings via audio and visual means are provided for in our Constitution and Directors who are not able to be physically present, attend and participate through telephonic or video-conferencing.

The Board's responsiveness has allowed the Management of Delfi to manage business and corporate matters effectively in an increasingly competitive business environment. Individual Directors make themselves available and accessible to Management for discussion and consultation outside the formal framework of Board, Committee and Management meetings. Half of the non-executive Directors are resident in Singapore.

Management provides the Directors with complete, adequate and timely information prior to meetings. The meeting papers and materials will be circulated to the Directors prior to meetings, to facilitate discussion during the meetings. The Board is also regularly provided with information and updates on the Company's policies and procedures as well as updates on any issues pertaining to governance, changes in applicable regulations, laws and reporting standards which may have an impact on the Financial Statements and other reporting obligations, as well as disclosure of interests in securities and restrictions on disclosure of price sensitive information, so as to enable the Directors to properly discharge their duties and responsibilities as Board members or Committee members.

The Board has reviewed the arrangements for information flow and decision-making and has satisfied itself that they remain suitable for the Group, and that Management has given timely and regular updates to the Board on the Group's business and financial position, especially in light of the COVID-19 situation as it evolved. Where relevant, important and/or critical information has been highlighted promptly.

The Company conducts a programme to familiarise new Directors with its business, operations and governance practices. The programme is conducted by the CEO and his key executives. The programme allows the new Director to get acquainted with key executives and Management, to help pave the way for Board interaction and direct access to Management.

CORPORATE GOVERNANCE REPORT

The programme involves a number of meetings where the new Director has the opportunity to interact with and get to know fellow members of the Board and key executives. In addition, key executives will conduct formal sessions where the new Director is briefed on different aspects of the Company's business, operations and governance practices, including site visits to key locations. Thereafter, and on an on-going basis, Directors are provided with opportunities to develop and maintain their skills and knowledge at the Company's expense. These range from in-house talks by invited speakers, or training and seminars conducted by external parties, including the Singapore Institute of Directors ("**SID**").

For newly appointed Directors who do not have prior experience as a director of a public listed company in Singapore, pursuant to the amended Rule 210(5)(a) of the Listing Manual of the SGX-ST, which was consistent with CG2018, the Company will arrange participation at the SGX-ST's prescribed training courses ("**Mandatory Training**") organised by the SID on the roles and responsibilities of a director of a listed company, or other training institutions in areas such as management, accounting, legal and industry-specific knowledge, as appropriate, in connection with their duties.

Mr Graham Lee, who was appointed as an Independent Director on 1 January 2023, is undergoing the orientation programme described above and will be undertaking the Mandatory Training for newly appointed directors, including training on Sustainability which is a part of the Mandatory Training in accordance with Rule 210(5)(a) and Practice Note 2.3 of the Listing Rules, mentioned above.

05 Board Approval

The Board has given the Executive Committee of the Board and Management clear direction through prescribed written guidelines, that the following matters should be reserved for the Board's decision, namely: (a) appointment of Directors or Company Secretary; (b) removal of CEO or MD; (c) establishing Committees; (d) entering into leases, tenders and/or contracts not in the ordinary course of business; (e) approval of material acquisitions or disposals; (f) approving the annual business plan and/or budget; (g) approving capital expenditure which is not budgeted in or in excess of that budgeted in the approved annual business plan, and such amount or excess amount is in excess of US$3,000,000; (h) accepting bank facilities that are in excess of US$20,000,000; (i) accepting loans or approving guarantees that are in excess of US$20,000,000 for the purpose of financing projects (j) approving announcements in relation to the Group's financial results or announcements that are price sensitive; (k) initiating or settling litigation involving amounts in excess of US$1 million; (l) allotting new shares or debentures of any class; (m) acting to reduce paid-up capital; and (n) declaring dividends and/or other returns to shareholders.

Letters of appointment have been issued to each of the non-executive Directors, setting out their duties and responsibilities.

06 Committee Responsibility

On the understanding that the Committees under the Board may revise and/or supplement their responsibilities with the consent of the Board, the responsibilities of the Committees are to:

(I) Work with the Board, CEO, and executive management to oversee the priorities and objectives set out in their respective terms of reference for the business' development, sustainability and growth, in the Company's best interests.

(II) Review opportunities, risks and threats of the market sustainability and/or market strategies as identified by the Company, and the potential impact of any emerging or evolving competitive product, technology, market trends or other competitive developments, activities or threats.

(III) Provide feedback, advice and/or input to the Board, CEO, and executive management.

(IV) Oversee, review and/or make any recommendations to the Board or any Committee, on any business, corporate, market sustainability or strategic decisions regarding the entry into or introduction of any new lines of business or products; and/or any potential exit from any line of business or product.

The Committees may draw upon the expertise of executive management and corporate staff as and when needed; or where the need arises, to work with external advisors and professional consultants at the expense of the Company.

The members of the Committees may resolve matters by resolutions in writing and a copy which is signed by a majority of the Committee's members shall be as valid and effectual as if it had been passed at a duly convened and held meeting of the Committee. Such resolutions in writing may consist of several documents each signed by one or more of the Committees members in counterparts. The Company may accept copies of signed resolutions in writing delivered to the Company by personal delivery, post, facsimile or electronic communications.

07 Market Sustainability and Strategy

The MSSC charter requires it to be composed of at least three Directors or more, with a majority or at least half of whom shall be independent Directors. The MSSC is chaired by Mr. Nandu, and Messrs. Pedro Mata-Bruckmann, Koh Poh Tiong, John Chuang and Joseph Chuang are members. The Mandate of the MSSC is as follows:

(A) Promoting, developing and advancing market strategies and/or initiatives for market development, sustainability and growth. For the purpose of the MSSC Charter, 'sustainability' shall mean and be deemed to include sustainability in respect of the business, people, corporate culture, environment and social responsibility;

(B) Fostering ideas and the understanding, application and use of market knowledge and market development initiatives;

(C) Encouraging and nurturing network development and market development regionally and globally in the furtherance and advancement of the Company's interests; and

(D) Benchmarking the priorities and responsibilities outlined in (A) to (C) (above).

The Chairman or CEO, or the Board may in their discretion, assign the MSSC to assist in reviewing and/or advising on any tie-up, venture, acquisition or divestment as the case may be.

The MSSC may from time to time, raise any issue and/or matter, or make any recommendations that have an impact on or address the Company's market strategy or strategic market initiatives.

08 Social Responsibility and Sustainability

The MSSC was originally established in 2017 when its original charter was adopted by the Board. During 2022, the MSSC comprised Mr. Nandu, Mr. Pedro Mata-Bruckmann, Mr. John Chuang and and Mr. Koh Poh Tiong. Mr. Nandu has been Chairman of the MSSC since 2017. The majority of the MSSC members, including the MSSC Chairman are independent. The Company Secretary is the Secretary of the MSSC.

As agreed by the NC on 27 February 2023, at the conclusion of the forthcoming AGM, Mr. Koh Poh Tiong will no longer be a member of the MSSC. Mr. Graham Lee will be appointed as a member. The majority of the members of the new MSSC, including the MSSC Chairman will remain independent.

At Delfi, we are committed to championing our global sustainable value creation mission, through which we seek to achieve the following, (a) embrace the needs of the community, (b) care for the environment, and (c) act in the interests of our stakeholders.

In addition, as a Singapore Listed company we are required, inter alia, to provide an annual Sustainability Report which conforms to the disclosure requirements specified by the SGX.

Our 6th Sustainability Report will be produced soon and will include all the required disclosures.

A summary of Delfi's actions on Sustainability, which includes a synopsis of our Sustainable Value Creation journey is at page 40 of this annual report.

The Directors who were serving in 2022 have also attended the SGX-mandated sustainability and ESG training workshop in 2022 as prescribed by the SGX-ST.

Principle 2 - Board Composition and Guidance: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

CORPORATE GOVERNANCE REPORT

POLICY AND PRACTICE GUIDANCE FROM THE BOARD

The non-executive Directors have been specifically assembled to ensure that collectively they not only have an in-depth range of expertise in business, commerce, finance and law to be able to challenge Management but that they are also independent from the Chuang family which owns approximately 51% of the Company's shares.

As a result, they are well able to professionally challenge Management and the "substantial shareholder[3]". This challenge is conducted in a harmonious and professional atmosphere and provides for informative discussions and a lively exchange of ideas. This in turn has assisted Management in the performance of its role and function.

The Board is supported by key committees to provide proper oversight of the Board itself and Management. The AC, MSSC, NC, RC and RMC are each chaired by independent Directors. Committees or sub-committees may be formed from time to time to address specific areas as and when the need arises. Leadership of the Committees is based on the notion of fair distribution of responsibilities and to draw on the relevant experiences of the Directors.

Board Independence

The criterion for independence is based on the definition set out in the Code and Practice Guidance, and taking into consideration whether the Director falls under any circumstances pursuant to Rule 210(5)(d) of the Listing Manual of SGX-ST. An independent Director is one who is both (a) independent from Management and business relationships with the Company, and (b) independent from any substantial shareholder. Based on this definition, a majority of the Board is considered independent. The Board places great emphasis on ensuring that each and every one of our independent Directors is truly independent, in substance and not just form. See further details on this under Principle 5 below. As a result, the Board is of the opinion that there is a proven framework for ensuring that Management is able to exercise entrepreneurial drive within the context of a constructively challenged supervisory environment to ensure that overall strategy is both sound and realistically achievable.

In parallel with this, potential conflicts of interest, in respect of the majority shareholder group and also Management, are identified and appropriately managed.

Directors Meeting without Management

The non-executive Directors meet and communicate with each other on an as needed basis, without the presence of the Executive Directors or Management, to discuss pertinent corporate performance and corporate governance matters. Where necessary the outcomes of such discussions are then fed back to the Board.

Principle 3 - Chairman and Chief Executive Officer: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision making.

Policy and Practice

Mr. Pedro Mata-Bruckmann is the Chairman of the Board. There is a clear separation of his roles and responsibilities as Chairman and Mr. John Chuang, the CEO. This is to maintain an appropriate balance of power and authority, increased accountability and greater capacity of the Board for independent decision making.

The Chairman acts independently in the best interests of the Company and its shareholders. The Chairman helps ensure that there is mentorship, unity of purpose within the Board and that the Board engages in productive discussions on strategic, tactical, business, financial and planning issues. The Chairman often takes the lead in discussions on strategy, facilitating a lively exchange of ideas at the Board, open constructive debate, eliciting the contribution of Directors, encouraging constructive relations between Board and Management and effective communication with shareholders.

The Chairman and CEO jointly oversee the observance of high standards in corporate governance and compliance with the Code.

The CEO and MD, Mr. John Chuang, drives the Company's businesses with full executive responsibility over the business executive decisions of the Company.

The CEO makes sure that the information that is shared with the Board is timely, appropriate and of the requisite quality so that the Board can discharge its duties and responsibilities effectively.

3 The term "substantial shareholder" shall refer to a person who has an interest or interests in one or more voting shares in the Company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the Company.

As the Chairman, Mr. Pedro Mata-Bruckmann, is an independent Director, and whose role is distinct and separate from the CEO, there is no need for a lead independent director.

Principle 4 - Board Membership: The Board has a formal and transparent process for the appointment and reappointment of directors, considering the need for progressive renewal of the Board.

Policy and Practice

Nominations for and appointment of Directors are within the rights of the shareholders. Every Director in the Company will be due for re-election at least once every three years. The Company's Constitution requires one-third of the Directors to retire and submit themselves for re-election by the shareholders at every AGM.

The NC oversees the nomination of Directors for election or re-election. The NC seeks to balance Board renewal, which brings in fresh insights with maintenance of knowledge and experience of the Company's operations, both of which are good for the Company. The NC strives to ensure that the Board and its Committees comprise individuals who are best able to discharge their duties and responsibilities as Directors with regard to the highest standards of corporate governance. The NC also reviews candidates for senior management positions for Delfi. The terms of reference for the NC (including its framework for considering and determining if a Director is independent) are set out under Principle 5, below.

Delfi adopts a comprehensive and detailed process in the selection of new Directors and key management personnel. Candidates are first sourced externally through an extensive network of contacts and discreet searches and identified based on the needs of the Company. Once the NC Chairman, the CEO, the Chairman of the Board and the other NC members have interviewed the candidates, the candidates are further shortlisted for the NC's formal consideration for appointment to the Board.

The NC adopts the following criteria when reviewing a nomination for a proposed Board appointment:

- a determination of the candidate's independence;
- whether the candidate is a fit and proper person considering the Company's guidelines and his/her track record, age, experience and capabilities and such other relevant experience or attributes as may be determined by the NC;
- whether the candidate contributes to greater diversity within the Board so as to fill any perceived gap and thereby enhance the Company's ability to meet its objectives and strategies; and
- whether his/her appointment will result in any non-compliance for the Board and its Board committees.

The Company's guidelines on a fit and proper person broadly take into account the candidate's expertise, skills, experience and diversity that will best complement the effectiveness of the Board. In its assessment and evaluation of candidates for the Board, the NC and the Board will have regard to internationally accepted criteria, which includes, (a) integrity and honesty, (b) sound business acumen and judgment, (c) appropriate or unique expertise or professional qualifications, (d) relevant experience, (e) fulfilling and meeting the legal requirements of serving on the Board, (f) the willingness and ability to attend to Board matters and Committee meetings, as and when these arise; and (g) financial soundness.

Delfi recognises and embraces the importance and benefits of having a diverse Board to provide equality and enhance its performance. Delfi believes that diversity is an important attribute of a well-functioning and effective Board. It is accordingly committed to promoting diversity on the Board.

Delfi has always maintained a culture of diversity in thought to benefit from a wide talent pool and formalised this in a written policy on Board Diversity which was adopted on 14 March 2022. Delfi's policy on Board Diversity is to have a balanced and diverse Board. Diversity in thought enables the Board to set strategy, consider issues and solve problems more holistically and creatively. This is necessary not only to manage the challenges of the present but also, given the constantly changing market conditions (both positive and negative), the threats, opportunities and emerging trends that will arise in the future.

Diversity may bring with it a degree of creative tension but, so long as the discussions are conducted in a respectful manner, is essential so that issues are considered from as many relevant perspectives as possible to arrive at the most appropriate and balanced conclusion.

The NC will, at least annually, review and assess the Board composition on behalf of the Board and if appropriate recommend changes to the Board composition. The NC will also review the structure, size, balance and diversity of the Board annually and, if it identifies any gaps that need to be filled to enable the Company to better achieve its objectives and strategies, will recommend proposed changes to the Board.

CORPORATE GOVERNANCE REPORT

In reviewing the Board composition, the NC will consider whether there is adequate diversity amongst the Board members so as to achieve the Diversity Policy. In this respect the NC will consider the benefits of all aspects of diversity, including skills, experience, background, gender, age, nationality, ethnicity and culture, independence, integrity, philosophy, sound business judgment, appropriate or unique expertise or professional qualifications, meeting any legal requirements as a Board member, ability to attend to Board matters and meetings, sound financial standing and any other relevant factors. Collectively these various aspects of Diversity are referred to as the "Diversity Subsets". From this holistic assessment the NC will determine if further diversity is required. Currently, it is not envisaged that targets will be set for any specific Diversity Subset as that may run counter to the overall objective of achieving a balanced and diverse Board focused on achieving the Company's relevant measurable objectives and strategies. Our diversity policy is an evolving commitment and Management and the Board are continually considering amendments, changes, and enhancements over time, to remain compliant with regulations and guidelines. During the future, further development of the policy is expected, including to potentially consider relevant measurable objectives and strategies consistent with new guidelines as they are released, while retaining the overall objective of achieving a balanced and diverse Board.

In the process of searching for qualified persons to serve on the Board, the NC may retain the services of professional search firms to ensure that any search is widely cast. The final decision on the selection of a director will be based on their merit against the objective criteria set and after giving due regard for the benefits of diversity on the Board.

Our current Board consists of a balance of executive and non-executive Directors who table a solid balance of commercial, legal and financial competencies and skillsets. Of the non-executive directors, Mr. Pedro Mata-Bruckmann, who chairs the Board, has extensive experience across the businesses in which Delfi operates. Mr. Koh Poh Tiong and Mr. Doreswamy Nandkishore bring with them industry and commercial knowledge both from a global perspective and also from in-depth experience of the Asian markets, especially those in which Delfi operates. Mr. Davinder Singh provides us with significant legal expertise spanning many different areas of law and jurisdictions and Mr. Mike Dean has a strong financial background stemming from his experiences as a qualified chartered accountant, a CFO and an extensive career in private equity and investment banking. Mr. Graham Lee, who was appointed as an Independent Director on 1 January 2023, has had a 40-year career as a public accountant in Australia, the United States and most recently in Singapore where he was a partner of PricewaterhouseCoopers ("PwC") for 20 years. Further details on all of the Directors' backgrounds and experiences are provided in the Board of Directors section which includes biographies and experience of all the members of the Board.

The NC believes, and the Board concurs, that even after the retirement of Mr Koh Poh Tiong and Mr Mike Dean at the forthcoming AGM, the then Board will comprise of a balance of executive and non-executive Directors who table a solid balance of commercial, legal and financial competencies and skillsets. Further, these individuals bring together the appropriate balance of the Diversity Subsets to provide the diversity needed to support Delfi in properly setting and achieving its strategic objectives, to facilitate effective decision making, and provide sufficient diversity of expertise to lead and govern the Company effectively.

During 2022, Delfi conducted a review of its Board composition including its diversity policy. Based on this review, it is planned that over the next few years there will be changes to the Board composition with the appointment of new directors and some existing directors not seeking re-election at the expiry of their present 3 years term. The appointment of Mr Graham Lee as an Independent Director to the Board was part of the outcome of this review.

The NC oversees the induction, orientation, training and professional development, where appropriate, for any new and existing Directors. The NC also ensures that new Directors are aware of their duties and obligations and that the Directors are able to adequately carry out his duties as a Director of the Company.

During 2022, all our serving Directors attended appropriate training in the management and oversight of Sustainability in compliance with the SGX announcement on 17 March 2022 requiring that each member of the Board must attend at least one training session on Sustainability.

There are no alternate Directors on the Board.

Principle 5 - Board Performance: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Policy and Practice

The NC was originally established on 13 July 2004 when its original charter was adopted by the Board. During 2022, the NC comprised Mr. John Chuang, Mr. Pedro Mata-Bruckmann, Mr. Davinder Singh, Mr. Mike Dean, Mr. Koh Poh Tiong and Mr. Nandu. Mr. Pedro Mata-Bruckmann has been Chairman of the NC since 6 May 2015. The majority of the NC members including the NC Chairman are independent. The Company Secretary is the Secretary of the NC.

As agreed by the NC on 27 February 2023, at the conclusion of the forthcoming AGM, Mr. Mike Dean and Mr. Koh Poh Tiong will no longer be members of the NC. Mr. Graham Lee will be appointed as a member. The majority of the members of the new NC, including the NC Chairman will remain independent.

The NC applies objective performance criteria when it assesses the performance and contributions of individual Directors, the Committees of the Board and the Board. This process has been endorsed by the Board as an effective means of self-assessment and evaluation.

The NC seeks to build a company headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The NC also seeks to ensure that the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

The NC Chairman reports on NC proceedings to the Board with minutes of NC meetings, or by such other mode as the Chairman (or NC Chairman) deems appropriate.

The terms of reference for the NC are as follows:

(i) To review the structure, size and composition of the Board and Board Committees.

(ii) To establish the criteria and desirable attributes of new appointees to the Board and to make recommendations to the Board on all Board appointments.

(iii) To review succession plans for Directors, in particular the appointment and/or replacement of the Chairman, CEO and key management personnel.

(iv) To consider and make recommendations on all nominations, appointments and re-appointment of Directors (including the independent Directors) for re-election having regard to the Director's past contributions and performance.

(v) To determine annually whether or not a Director is independent, bearing in mind the salient factors set out in the Code (as may from time to time be amended or supplemented) for determining independence as well as all other relevant circumstances and facts.

(vi) To assess each Director's contribution and performance and this may involve the following matters:

- Attendance;
- Preparedness;
- Participation; and
- Candour.

(vii) To recommend to the Board objective performance criteria for the purpose of evaluating the Board's performance as a whole, each Committee's performance as a whole and also the contribution of each individual Director. The NC then implements the performance evaluation established by the Board. The performance criteria were refreshed in 2020 and are reviewed annually to ensure that they remain relevant and effective.

(viii) To evaluate the Board's performance as a whole.

(ix) To assess and review whether each Director is able to commit enough time to discharge their responsibilities and to determine the maximum number of listed company Board representation which a Director may hold; and

(x) To review the training and professional development programmes for the Board and its directors.

CORPORATE GOVERNANCE REPORT

Board Evaluation Process & Performance Criteria

Under the mentorship of the Chairman and the guidance of the NC, the Board conducts regular self-assessments at the individual and collective levels on an annual basis, to establish if a Director is contributing effectively, applying the following criteria:

1. Contribution towards the development of the Company's strategic planning
2. Corporate Governance oversight
3. Reviewing and advising on risk management
4. Succession planning
5. Monitoring key aspects of the Group's performance including budgets and actual performance, IPTs etc
6. Authorisation in corporate actions
7. Board and Management compensation
8. Fiscal control
9. Board's response to urgent matters/issues
10. Communication between Directors and Management
11. Attendance at Board meetings and Committee meetings

The criteria mentioned above, are tabulated in performance assessment forms, which require each Director to assess his peers individually, as well as the performance of each Committee. In its annual review, the NC also seeks to assess and ensure the effectiveness of the criteria and performance assessment.

Executive Management is not involved in the performance assessment, which was administered on a confidential basis by the corporate secretarial agent, In.Corp Corporate Services Pte. Ltd. ("**In.Corp**"). The results and data collated from the input and performance assessments from Directors, are consolidated and shared first with the NC Chairman by the Company Secretary and his representatives from In.Corp, prior to the results being tabulated for review and discussion at the NC meeting and the Board meeting.

The NC and the Board also conduct performance evaluation of the AC, NC, RC, EC, RMC and MSSC at the individual and collective levels on an annual basis, based on the following criteria:

1. Understanding of the respective Terms of Reference of the Committees and the provisions of the Code;
2. Preparation for meetings;
3. Attendance and contribution at meetings; and
4. Understanding of areas of expertise relevant to the respective Committees.

The NC reviews the Board's composition to maintain a mix of talent, expertise, knowledge and experience. Where possible, gender, cultural and geographical diversity are also sought. The NC aims to ensure that the Directors have a good mix of backgrounds so that different insights can be brought to the Board deliberations.

We have adopted an approach of building and managing checks and balances in our compliance and governance framework. Primary responsibility for driving compliance and governance rests with the CEO and CFO who focuses on and drives compliance and governance individually and collectively.

Continuous Review of Directors' Independence

Whilst each non-executive Director is required to reflect on and sign a declaration of independence based on the substantive requirements of the Code, the NC makes it a point to review the declarations, to satisfy itself that the substantive principles in the Code on independence are indeed fulfilled, and the NC asks each independent Director to confirm in writing that they consider each of the other independent Directors to be acting independently.

Our independent Directors' professionalism and high standing in the commercial sector and civil society enable them to exercise strong independent judgment in the best interests of the Company. It follows that the Board is confident and remains steadfast in its view that our non-executive Directors have maintained a high standard of conduct, care and duty and have observed the ethical standards and independence, and all our non-executive Directors are conscious of the need to disclose any conflict of interests arising from any other engagements or interests. The directorships held by, and the principal commitments of the non-executive Directors for the past 3 years are disclosed at pages 12 to 20.

The section "Independent Judgment" above provides further commentary on this subject.

Limitation on Directorships

In consultation with the NC, the Board has prescribed that non-executive Directors may not hold more than 6 directorships in other public listed companies.

There is no magic in the self-imposed limitation of 6 directorships, and the limit chosen by the Board is influenced by international practices and conventions, where it appeared that a person's involvement in anything more than 6 other active directorships could possibly impose some measure of strain on the individual, as well as his or her ability to attend Board and Committee meetings.

Despite some of the Directors having multiple Board representations, the NC has reviewed the performance and contribution of such Directors and is satisfied that these Directors are able to and have fully and appropriately carried out their duties as Directors of the Company.

The performance of the non-executive Directors is assessed by reference to their contributions at the Board, Committee and individual level.

The performance of the executive Directors is assessed not only on the basis of short-term financial indicators, which while relevant, are not always indicative of long-term growth, but also on the basis of people development or value creation within the Company. The performance of executive Directors is assessed also by reference to factors such as long-term vision, strategic focus on shareholder value and risk management.

It is an established practice that each member of the Board and NC abstains from voting on any resolutions in respect of the assessment of his/her performance or re-nomination as a Director.

Adequate and Timely Information

The Board has full and free access to Management, the Company Secretaries and information in the Company. Management understands the importance of responding to Directors' requests for information. The Board takes independent advice from external advisers at the Company's expense, if necessary, to enable it to better discharge its responsibilities and duties.

The Board is furnished with timely, comprehensive and relevant information on matters which require its attention and decision. This is done in response to specific requests, by way of regular updates and at Board and Committee meetings.

To give Directors enough time to prepare for Board and Committee meetings, the agenda and Board papers including background, supporting materials, copies of disclosure documents, budget forecasts, and financial statements are, as a general rule, sent to them 7 days in advance. The documents are sent to them securely.

Material variances between projections and/or budget and actual results are disclosed and explained to Directors. The Board is always kept updated of any significant developments on projects, business initiatives, industry developments, regulatory updates and press or analyst's commentaries. The Directors have the names and contact details of the key and senior members of the Company's Management to facilitate direct and swift access to Management.

INDEPENDENT PROFESSIONAL ADVICE

It is an annual practice for members of the AC to meet the external and internal auditors at least once a year without the presence of the CEO and other members of the Management team, to ensure that there is a free and uninhibited flow of information relevant to the AC's tasks in the Company's best interests.

Ms Lissa Siau serves as the Company Secretary. The Board has full and free access to the Company Secretary for information, advice and consultation and the appointment or removal of the Company Secretary is a matter for consideration and approval of the Board as a whole. The Company Secretary and/or her representatives attend all Board and Committee meetings and helps oversee compliance as well as follow up on matters arising from Board and Committee meetings.

(II) REMUNERATION MATTERS

Principle 6 - **Procedures for Developing Remuneration Policies:** The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. No Director is involved in deciding his or her own remuneration.

Principle 7 - **Level and Mix of Remuneration:** The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Policy and Practice for Principles 6 and 7

The RC has a formal and transparent procedure for developing policies on Directors and executive remuneration and for fixing the remuneration packages of individual Directors and key executives.

CORPORATE GOVERNANCE REPORT

The RC considers all aspects of remuneration, including termination terms, to ensure they are fair. In focusing on remuneration of Directors and key executives, the RC's review shall ensure that the level and structure of remuneration, is appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company and that the remuneration is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and for key management personnel to successfully manage the Company for the long term. No Director or key executive is involved in deciding his or her own remuneration.

The RC which has oversight of procedures for developing remuneration policies and the level and mix of remuneration, was established on 6 July 2001.

The RC has been chaired by Mr. Koh Poh Tiong, an independent director, since 15 January 2014 and currently also comprises Mr. Pedro Mata-Bruckmann, Mr. Nandu and Mr. Davinder Singh as members, being three independent Directors and one non-executive non-independent Director. The Company Secretary is the Secretary of the RC.

As agreed by the NC on 27 February 2023, at the conclusion of the forthcoming AGM, Mr. Koh Poh Tiong will no longer be Chairman of the RC. Mr. Pedro Mata-Bruckmann will be appointed Chairman of the RC. The majority of members of the new RC, including the RC Chairman will remain independent.

The terms of reference for the RC are to:

(i) Oversee the development of talent, expertise and leadership in the Company;

(ii) Oversee the development and management of appropriate compensation policies and practices, including (but not limited to) a compensation structure & programme for Directors, key executives and staff to attract, retain and motivate talent to provide good stewardship of the Company and key executives, to successfully manage the Company for the long term;

(iii) Working with the NC to set and approve a talent management framework applicable to the Company and its subsidiaries, with a specific focus on its application to senior management (including succession planning for key roles, career development, leadership assessment, identification and segmentation of critical talent, and attraction and retention of critical talent), and to link these to the remuneration framework;

(iv) Ensure that the Company has competitive compensation packages, programmes and schemes with a view to building long term sustainable growth, returns for shareholders and value creation of the Company;

(v) Ensure that the contractual terms and any termination payments are fair to the individual and the Company;

(vi) Report its decisions to the Board and refer all matters concerning, related to or in any way connected to the above terms of reference, for the Board's written approval; and

(vii) Ensure that the remuneration of non-executive directors is appropriate to the level of contribution, considering factors such as effort, time spent and responsibilities.

The RC has access to independent expert professional advice on human resource matters and it takes into consideration industry practices and norms in determining compensation. Kornferry has advised Management and the RC on human resource and remuneration matters. Delfi's relationship with Kornferry is purely on an arm's length professional basis. The RC oversees the remuneration policies of the senior management and strives to ensure that the Board and Management have the leadership and expertise needed to sustain and grow the Company's business. The RC sets incentive compensation targets for key executives and senior management.

The RC reviews the remuneration of each Director. In the case of Directors, key executives and senior management, it makes recommendations to the Board for approval. The CEO, Mr. John Chuang, works closely with the RC and attends the RC meetings as an advisor. He gives his views on human resource, compensation issues, performance measures and policies. Mr. John Chuang is always excluded from RC discussions on his own remuneration.

Each member of the RC abstains from voting on any resolution in respect of his/her remuneration.

The members of RC may meet together for the dispatch of any business, adjourn and otherwise regulate their meetings as they think fit. The quorum necessary for the RC meeting is two, with the majority of quorum being independent Directors. Matters to be resolved at any RC meeting shall be decided by a majority of votes from RC members who are independent and in case of an equality of votes, the Chairman shall have a second or casting vote.

The proceedings of RC shall be governed by the provisions of the Company's Constitution (as may from time to time be amended or supplemented) regulating the meetings and the proceedings of the Directors.

The members of the RC may pass resolutions in writing. Alternatively, a copy of a resolution which is sent or circulated by letter, facsimile or electronic communications to all RC members and which is signed by a majority of RC members who are independent, shall be as valid and effectual as if it had been passed at a meeting of the RC duly convened and held. Such resolutions in writing may consist of several documents each signed by one or more of the RC members in counterparts. The Company may accept copies of signed resolutions in writing delivered to the Company by personal delivery, post, facsimile or electronic communications.

All minutes of the RC, decisions taken and resolutions passed are to be tabled at the next available meeting of the Board.

No member of RC shall participate in any deliberation or decision if he/she is directly or indirectly interested in respect of the matter to be resolved by the RC.

COMPANY'S PHILOSOPHY ON CULTURE AND TALENT

The Company's Human Resource Manual sets out the Group's philosophy directed at attracting, retaining and motivating talent needed to achieve its vision and mission. The Group is on the constant lookout for staff, who (a) are highly qualified and who best fit the organisation, corporate culture and performance orientation, (b) possess superior performance and high potential, (c) have a strong sense of responsibility, loyalty, and commitment, and (d) have a desire to reach their fullest potential to enjoy high job satisfaction, as the Group seeks to nurture, groom and reward staff of the right calibre and potential. The executives and staff we attract and retain, would have an impact on our succession plan, and the strength of our leadership.

Performance Based Compensation

The Company adopts a remuneration policy that is performance based for staff, comprising a fixed component and a variable component. The fixed component is in the form of a base salary and benefits. The variable component is in the form of a variable bonus that is linked to the Company's and individual executive's performance. The RC endorses the bonus for distribution to key executives and Directors based on individual performance and presents its recommendations to the Board for approval. In determining remuneration and bonus awards, Management makes recommendations to the RC, having regard to key performance indicators, such as, (a) sales & profit targets, (b) strategic requirements and goals of the Company, (c) investment in future growth, and ultimately (d) the individual executive's contribution to these objectives.

In this direction, the Group rewards staff with excellent performance, who have fulfilled their obligations and met their performance targets; contributed to the growth and development of the organisation and its corporate culture; and in some cases, contributed to their division and organisation in ways that have exceeded what was expected of them.

Pay for performance is thus emphasised by linking the total compensation to the achievement of corporate and individual performance objectives, considering relevant comparative compensation in the market to maintain competitiveness.

The Board is of the view that as the Group pays variable compensation through bonuses on the actual delivered results of the Company (and not on possible future results) as well as the performance and results that have actually been delivered by its executive Directors and key executives, "claw back" provisions in employment contracts may not be relevant or appropriate.

While staff may be rewarded for having met their profit, sales or project targets, it is a considered policy to motivate managers and staff in performing and fulfilling their strategic goals, their commitment to investing in future growth, and resource and organisational development, and meeting and exceeding these key performance indicators ("**KPIs**") could have significant positive impact on their variable compensation. On the contrary, if they are proven to neglect or fall short of these KPIs, their variable compensation may be adversely impacted. These performance measures intensify the link between performance and the long-term growth of the Company. Managers and staff who meet their KPIs in furtherance of the Company's best interests will be justly and reasonably rewarded.

There are no restrictions on the non-executive Directors holding shares in the Company, provided that the shares are not transacted during the no-dealing periods as prescribed by the Listing Rules of the SGX-ST and where they are in possession of price sensitive information. Nevertheless, the non-executive Directors are encouraged to hold shares in the Company, to better align their interests with shareholders.

The Company does not operate a share option scheme.

Principle 8 - Disclosure on Remuneration: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Policy and Practice

Non-executive Directors' Fees

Non-executive Directors' fees are determined in accordance with a framework of fees reflecting their contribution to the Company through membership of the Board, Chairmanship of the Board and the fees attributed to their chairing and being members of specific Committees as set out at page 170. The overall level of these fees is set through periodic benchmarking exercises conducted with the assistance of independent consultants. The fees paid to the non-executive Directors comprises a base fee with a supplement for each Committee they are members of. The Chairman and the AC Chairman receive an additional fee to reflect their incremental responsibilities. Directors' fees for the Board and the various Board Committees were determined in accordance with a remuneration and compensation framework comprising responsibility fees, committee membership fees and the level of contribution to and involvement in the strategic oversight for the Group. The non-executive Directors' fees are always subject to the approval of the shareholders at the annual general meeting.

Executive Director's and Key Management Personnel's Remuneration

The RC is responsible for ensuring a formal and transparent procedure for developing policies on director and executive remuneration and for determining the remuneration packages of individual directors and senior management. The RC assists the Board to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate individuals without being excessive, thereby maximising shareholder value. The RC exercises broad discretion and independent judgment in ensuring that the amount and mix of remuneration is aligned with the interests of shareholders and promotes the long-term success of the Company.

The compensation paid to the executive directors and key management personnel is designed to create a well-balanced compensation scheme that reflects individual competence, responsibility and performance, both in the short-term and long-term, and positively impacts the company's overall performance.

A breakdown (in percentage terms) showing the level and mix of each key management personnel's (including the top 5 key management personnel) and executive Director's remuneration paid and payable for 2022 is set out in pages 169 to 170.

The remuneration (in incremental bands of S$100,000) of employee(s) who is/are substantial shareholders of the Company or are immediate family member(s) of a Director, the CEO or a substantial shareholder of the Company is also set out in page 171.

The remuneration of our executive Directors and key management personnel are set out in incremental bands of S$250,000 with further analysis showing the composition between Basic Salary; Variable or Bonuses; and Benefits in Kind. We are of the view that this level of disclosure in good faith supports both the spirit of the Principle 8 of the CG2018, and that disclosure in incremental bands of both the executive Directors and key management personnel is both sufficient and adequate, because any further disclosure could be detrimental to the Group's interests, as it may lead to poaching of key management personnel, or the revelation of the Group's trade practices or tactics to competitors, in what is a highly competitive industry.

Principle 9 - Risk Management and Internal Controls: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Policy and Practice

The Board and the Management of the Delfi Group are committed to maintaining throughout the Company a culture of risk awareness.

The Board retains the responsibility for determining the type and level of business risks that the Group undertakes on an integrated basis to achieve its business strategy and objectives.

Management is responsible for the design, execution and reporting of the Delfi Risk Management Program and as such proposes to the Board medium and long-term strategic plans with appropriate risk and reward analysis, annual plans and updates on both the strategies and the associated risk levels. The Board's response is to review such proposals and then accept, modify or reject the plans proposed by the Management.

Management is responsible to report to the board on significant progress or deviations of the plans, and to report on events that represent new risks to the Company.

The Board:

a. Is responsible for ensuring that the proper risk management is in place.

b. Will provide the necessary support to Management to perform its duties.

c. Will satisfy itself that Management is executing the agreed plans and properly reporting to the Board.

d. Will satisfy itself that Management is operating within the framework of the approved strategies and risk tolerance levels.

In discharging this responsibility, the Board continually monitors the threat and impact of risks to the Company's business and in parallel, assesses the Company's internal systems and procedures that monitor, control and mitigate these risks. Assurances are also provided to the Board by:

a. the CEO and CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

b. the CEO and other key management personnel responsible regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

The Board has determined areas where it takes a zero tolerance to risk and those areas of less materiality where risk management may be flexed to reflect the lessened likely occurrence of the risk or its likely impact.

Based on this assessment, the Board has determined a three-level approach to risk management:

1. Risks whose responsibility falls to Management to manage and to report to the Board on an exception basis;

2. Risks whose responsibility falls to Management to manage but which must be reported on periodically to the Board; and

3. Risks where specialist input is required in the assessment and/or management as required. This latter group may involve third parties, for example in areas such as food health and safety, IT or insurance. It may also include delegation to the AC, RC, RMC, NC or MSSC.

Risk Management

The RMC was established on 15 January 2014, under a written charter, to assist the Board in its supervision of risk management, policies and initiatives. During 2022, the RMC comprised a combination of executive and non-executive Directors and was chaired by Mr. Mike Dean. Its members were Mr. Pedro Mata-Bruckmann, Mr. John Chuang and Mr. Koh Poh Tiong, the majority of whom are independent.

As agreed by the NC on 27 February 2023, at the conclusion of the forthcoming AGM, Mr. Mike Dean will no longer be Chairman of the RMC and Mr. Koh Poh Tiong will no longer be a member. Mr. Graham Lee will be appointed as Chairman of the RMC and Mr. Nandu will be appointed a a member. The majority of the members of the new RMC, including the RMC Chairman will remain independent.

The RMC works closely with Management in fostering a culture of risk awareness and consciousness, throughout the Company. The RMC reviews the Delfi Risk Management Program and ensures that it is brought to the Board for periodic assessment as to its appropriateness and adequacy and to ensure that proper risk management is in place. In this regard, the RMC and the Board periodically undertake an enterprise-wide assessment of the universe of risks that the Delfi Group faces together with the mitigating factors and risk management policies already in place and thereby determine the net residual risk the Delfi Group faces. From this, the RMC agrees with the Board and Management a range of the specific risks that Management needs to address and to report back to the full Board at regular intervals to ensure that the Board is kept closely in touch with the risks, the mitigating factors and risk management policies and the net residual risk.

CORPORATE GOVERNANCE REPORT

Since the RMC's creation, Management has adhered to this schedule of presentations to the Board. The Board believes that risk management is a serious obligation entrusted to the Board and as such, the specific review of risk and risk management should not be delegated to a sub-committee. Rather, during the course of the year Management presents each risk and the associated risk management to the full Board so that all of the skills and experience our Directors possess are brought to bear in evaluating and managing this critical process.

In addition to formal meetings, Management keeps the RMC and the Board informed on developments in the industry and the Group's operations which may have an impact on the Group's risk profile. The terms of reference for the RMC are to:

a. develop and monitor the processes through which the Board and Management can properly communicate and carry on their risk management responsibilities; and

b. meet periodically or as and when reasonably necessary to determine which of the Group's risks and its attendant risk management procedures should be brought to the Board's attention for their review.

Through the RMC, the Board will satisfy itself that Management in the Company is executing the agreed-upon plans and reporting the progress to the Board, regularly and properly; within the framework of approved strategies and initiatives in keeping with the risk tolerance levels.

Economic and financial conditions result in challenging trading conditions or economic uncertainty. Our results may be affected by the impact of economic conditions on consumer confidence and buying habits.

Regular reviews through customer research, review of competitor activity, together with forecasting disciplines, are in place to assess current market conditions and to ensure that any issues are dealt with in a timely fashion. Our Sales and Wholesales team manages closely credit terms and use of insurance and/or bank guarantees with trading partners to balance their ability to purchase goods with managing the risk of bad debts. Our Treasury also monitors the stability of financial institutions that hold our deposits and investments are spread over a number of institutions to mitigate the inherent risks and ensure competitive terms.

The Board is of the opinion that the Group's risk management framework and internal controls (including information technology controls) and systems maintained by Management provide reasonable but not absolute safeguards against material loss and/or financial misstatement. The Board further acknowledges that no cost-effective internal control framework will provide an infallible system to serve as an absolute safeguard against all risks, losses, financial misstatements, poor judgment in decision making, human error, fraud or other irregularities. The system is designed to manage rather than to totally eliminate such risks.

Based on the:

- internal controls established and maintained by the Group;
- work performed by the internal and external auditors as well as other third-party independent professionals; and
- reviews performed by Management, the various Committees and the Board

the Board, with the concurrence of the AC and the RMC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 31 December 2022 to address the various risks that the Group considers relevant and material to its business operations.

Shortly after its listing in 2004, Delfi implemented a Code of Conduct which provides a framework for ethical decision-making and good conduct. The code contains important core values and principles of the Company's professional conduct and governance and applies to the Delfi Limited Group of Companies comprising all its subsidiaries and associated companies . The Board of Directors, Management and staff are dedicated to upholding the code.

WHISTLE BLOWER PROTECTION MECHANISM AND POLICY

The Company's whistle blowing mechanism and policy was established by the Board and is an integral part of the Company's Code of Conduct and Human Resource Manual. The mechanism adopted allows concerns and/or improprieties to be reported directly to key officers, including country heads and/or the CEO directly, and in certain cases may be reported directly to the AC Chairman. All issues raised with Delfi shall be treated in strict confidence, and the identity of those surfacing issues to Delfi would be protected.

The policy governing the mechanism described above seeks to encourage reporting in good faith, of matters which may comprise misdemeanours, misconduct, fraud, corruption, illegal acts, acts of default or other transgressions ("**Reportable Conduct**"). The mechanism and policy seek to clearly define processes that provide for reporting of Reportable Conduct in confidence that employees or other persons who file such reports are treated fairly and shielded from any reprisal.

Delfi does not tolerate Reportable Conduct, in any aspect of our operations. Our Best Practices manual further provides that if physical harm is threatened or if payment is made or asked for to avoid imminent physical harm, this must be reported to senior management at Delfi immediately providing full details of the people involved, the facts of the case and the payment sought or actually paid.

Delfi has designated its Internal Auditor to investigate whistleblowing reports. The Internal Auditor would investigate whistleblowing reports and surface its findings to the Audit Committee which is responsible for overseeing and monitoring whistleblowing.

As required under the Code, the Board has been assured by the Group's CEO and CFO, as well as relevant key management personnel:

- that the Company's financial records have been properly maintained and the Financial Statements give a true and fair view of its operations and finances; and
- that the Company's risk management and internal control systems have both been appropriately established and also tested to ensure that they are effective.

The Board is of the view that Delfi's risk identification and management framework are sufficient and adequate.

Principle 10 - Audit Committee: The Board has an Audit Committee which discharges its duties objectively.

Policy and Practice

The AC was formed on 6 July 2001 under a written charter (the "**AC Charter**") which has been updated a number of times since then. During 2022, the members of the AC were Mr. Mike Dean (Chairman), Mr. Pedro Mata-Bruckmann and Mr. Koh Poh Tiong. After the year end Mr Graham Lee was appointed to the AC on 1 January 2023. The AC noted that Mr Graham Lee had served as the external audit partner responsible for the Company's statutory audit for the periods 2001 to 2005 and 2011 to 2013.

The AC Chairman and all the members of the AC are independent. None of the members of the AC were former partners or directors of the Company's internal auditors, Ernst and Young Advisory Pte Ltd ("**EY**") or external auditors, PricewaterhouseCoopers LLP ("**PwC**") within a period of two years commencing on the date of their ceasing to be the partner of EY or PwC.

The AC is a standing committee established by resolution of the Board in accordance with Section 201B on the Companies Act 1967 of Singapore (the "**Act**"). In compliance with Principle 10 of CG2018, the Board has an AC which discharges its duties objectively, to ensure the integrity of the financial reports and to oversee the Company's financial reporting, internal accounting control system and audit functions.

The AC is empowered and functions as required by the provisions of Section 201B of the Act, the Listing Manual of the SGX-ST and the Code issued by Corporate Governance Council, as from time to time amended, modified or supplemented.

On 27 February 2023, the NC agreed that Mike Dean and Koh Poh Tiong would step down from the Board and the Audit Committee at the forthcoming AGM on 25 April 2023.

On that date, Graham Lee will be appointed Chairman of the AC and Nandu will be appointed as a member. All of the new AC members, including the AC Chairman will remain independent.

With strong educational and professional qualifications in finance, and 40 years' experience in the finance and investment industries, Mr. Mike Dean has been eminently qualified to serve as the Company's AC Chairman. Pedro has more than 50 years' experience in the global cocoa and chocolate industry. Poh Tiong has a unique blend of private and public sector work of over 45 years. Graham Lee had a 40-year career as a public accountant in Australia, the United States and most recently in Singapore where he was a partner of PwC for 20 years. Nandu has over 40 years of global senior executive experience in leadership roles across a diverse set of environments in both emerging and developed global markets including as an executive board member of Nestlé S.A. The Board believes that together they represent a formidable tribunal of expertise.

The main objectives of the AC are to focus on financial reporting, financial-related risks, risk management and internal controls relating to financial reporting and financial risks and the internal and external audits and thereby enhance the standard of the Company's corporate governance and to assist the Board in fulfilling its fiduciary responsibilities for the Company and each of its subsidiaries and thereby act in the interests of the Company's shareholders as a whole.

More specifically, the AC helps the Board with its oversight responsibilities in key areas including:

- Financial statement preparation and reporting, and integrity.
- Risk management and internal controls (in relation to financial reporting and other financial-related risks).
- Internal audit (scope, resources, performance, and results of work).
- External audit (qualifications, independence, engagement, fees and audit report).

The AC has oversight responsibilities in the following areas:

- Compliance with financial related legal, regulatory and company policies.
- Fraud risk management.
- Whistleblowing policies, processes and reporting.
- IPTs and RPTs.

The AC serves as an independent and objective party to review the integrity of the financial information presented by Management to shareholders and regulators and it provides communication between the Board and the EA and IA.

The second edition of the "Guidelines for Audit Committees in Singapore" was issued on 19 August 2014. The Singapore Institute of Directors issued the third edition of its "Audit Committee Guide" in 2018. The AC has reviewed and updated its Charter and practises in the light of these guidelines and has satisfied itself that the present AC Charter and practices reflect the best practices espoused by the guidelines.

The AC Charter sets out the AC's functions and responsibilities in greater detail. The AC agrees and reviews its key performance metrics with the NC, with respect to how it discharges its role and responsibilities.

The AC Charter is periodically reviewed and updated to ensure that evolutions in financial and business risks and corporate governance matters which are delegated to it, are properly identified and managed. The last review was conducted in 2018 and the present AC Charter, which is based on the Singapore Institute of Director's template Terms of Reference for an Audit Committee where a company also has a risk management committee, was adopted on 27 November 2018

The present AC Charter defines the AC's duties as follows:

1. Financial Reporting and Judgements

The AC shall review the financial reporting issues and judgements so as to ensure the integrity of the Group's and the Company's Financial Statements, and of announcements on the Group's financial performance and recommend changes, if any, to the Board. Specifically, the AC shall:

(a) Monitor the integrity of the financial reports prepared by the Company. In particular, it shall review the application and consistency of the accounting standards used (i.e., company and group levels).

(b) Assess, and challenge, where necessary, the accuracy, completeness, and consistency of financial reports (including interim reports), before they are submitted to the Board for approval or made public.

(c) Review the assurance provided by the CEO and CFO that the financial records have been properly maintained, and that the Financial Statements give a true and fair view of the Company's operations and finances.

2. Internal Controls

The AC shall review and report to the Board on the adequacy and effectiveness of the company's risk management and internal controls in relation to financial reporting and other financial-related risks and controls (and other risks to the extent delegated to it by the Board). Specifically, the AC shall:

(a) review the Company's financial risk profile/risk dashboard on a regular basis to understand the significant financial reporting and other financial-related risks facing the Company, and how they are being mitigated.

(b) review the Company's levels of risk tolerance and risk policies relating to financial reporting and other financial-related risks.

(c) review the risk appetite in relation to financial reporting and other financial-related risks and recommend such to the Board for approval.

(d) at least annually, review the adequacy and effectiveness of the risk management and internal control systems regarding financial reporting and other financial-related risks (and other risks and controls as delegated by the Board). The AC should state whether it concurs with the Board's comment on the adequacy and effectiveness of the Company's internal controls and risk management systems. The annual review may include reviewing Management and/or the assurance provider reports (for example, the internal audit reports) to highlight significant findings and recommendations, including Management's responses.

(e) coordinate with the Risk Management Committee ("RMC") on its oversight of non-financial and financial risk management and internal control matters. Arrange for access to, and review of, RMC reports on the adequacy and effectiveness of risk management and internal control systems.

(f) prepare the report on the AC activities (including the AC's oversight of aspects of the internal control system) and the adequacy and effectiveness of risk management and internal control systems in relation to financial reporting and other financial-related risks (and other risk and controls as delegated by the Board) to the RMC and/or Board for disclosures in the Company's annual report (as part of MR 1207(10) and CR 1204(10) requirements and Principle 9 of the Code of Corporate Governance).

(g) review disclosures in the annual report relating to the adequacy and effectiveness of risk management and internal control systems in relation to the financial reporting and financial-related risks and controls, including assurances received from the CEO and CFO.

3. Internal Audit

The AC shall review the adequacy, effectiveness, independence, scope and results of the Company's internal audit function. Specifically, it shall:

(a) monitor and assess the role and effectiveness of the internal audit function, including the internal audit charter, plans, activities, staffing, budget, resources, and organisational structure of the internal audit function.

(b) ensure that, where required, a Quality Assurance Review ("**QAR**") is independently conducted at least once every five years.

(c) where the QAR identities gaps or lack of expertise with the existing internal audit function, consider co-sourcing or outsourcing the internal audit function.

(d) review the internal audit programme and reports on a periodic basis and monitor Management's responsiveness to the findings and recommendations.

(e) ensure that the internal auditors ("IA") (or equivalent) have direct and unrestricted access to the AC Chairman, and that he is able to meet separately and privately to discuss matters and concerns.

(f) participate in the appointment, replacement or dismissal, evaluation and compensation of the IA (or equivalent).

4. External Audit

The AC shall review the scope and results of the external auditors ("**EA**"), and the independence and objectivity of the EA. It shall then recommend to the Board the appointment, reappointment and removal of the EA, and its remuneration and terms of engagement. Specifically, the AC shall:

(a) oversee the Company's relations with the EA, including its audit scope, approach, remuneration and terms of engagement.

(b) review the performance of the EA and facilitate its selection, appointment, reappointment, and removal. The factors to consider include an assessment of their effectiveness through the level of errors identified, accuracy in handling key accounting and audit judgements, and response to queries from the AC.

(c) monitor and assess annually whether the EA's independence or objectivity is impaired. The factors to consider include the amount of fees paid to the EA for the financial year, and the breakdown of aggregate fees for audit and non-audit services provided by the EA.

(d) discuss Key Audit Matters ("KAMs") with the EA and ascertain if there are any follow-up actions which should be taken to reduce the extent of uncertainty and corresponding need for judgement for future periods.

(e) review the audit representation letter (particularly in relation to non-standard issues), and the EA's management letter to assess if it is based on a good understanding of the Company's business. It should monitor the responsiveness of Management to the recommendations made, or the reasons why they have not been acted upon.

(f) meet regularly with the EA to discuss matters that the AC or EA believe should be discussed privately.

(g) ensure that the EA has direct and unrestricted access to the Chairman of the AC and the Chairman of the Board.

5. Statutory Duties

The AC shall ensure that the Company complies with the requisite laws and regulations as they relate to finance and the finance function. Specifically, the AC shall:

(a) review the effectiveness of the system that monitors compliance with laws and regulations, and the results of Management's investigation. It shall also follow up on any instances of non-compliance.

(b) monitor the processes for addressing complaints on accounting, internal controls or auditing matters.

(c) clarify the Company's code of conduct and process for communicating with all company staff and monitor levels of compliance.

(d) maintain open communication with and receive periodic reports on compliance matters from Management and the company's legal counsel.

(e) be aware of anti-corruption laws in the various jurisdictions in which the Company operates and ensure that processes are in place to comply with these laws.

6. Fraud Prevention

The AC shall ensure that the Company has programmes and policies in place to identify and prevent fraud. Specifically, the AC shall:

(a) work with Management to oversee the establishment appropriate controls and anti-fraud programmes.

(b) ensure that a system of reporting on potential and actual frauds is implemented, and take necessary steps when fraud is detected.

(c) review and ensure that the Company has implemented an appropriate ethics and compliance programme.

(d) monitor Management's and the EA and IA's assessments of internal controls, in particular over financial reporting.

7. Whistle Blowing

The AC should also oversee the establishment and operation of the whistle blowing process in the Company. Specifically, the AC shall:

(a) review on a quarterly basis with the EA and the IA and report to the Board, instances of whistle blowing complaints, findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation applicable to the Company or its subsidiaries which has or is likely to have a material impact on the Group's operating results and/or financial position.

(b) review the arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters or other matters, and to ensure that there is independent investigation of such matters and appropriate follow up actions.

(c) ensure that there is independent investigation of such matters and appropriate follow up actions.

(d) review reports on all whistleblowing incidents and ensure that they will be appropriately dealt with.

(e) During 2022, there were no known incidents of non-compliance with our Code of Business Ethics nor were there any whistle blowing cases at Delfi or any of its subsidiaries.

8. Interested Person Transactions ("IPTs") and Related Party Transactions ("RPTs")

The AC review all IPTs and RPTs. Specifically, the AC shall:

(a) review IPTs and RPTs to ensure that they are on normal commercial terms, and that they do not prejudice the interests of the Company or its minority shareholders.

(b) determine methods or procedures for checking that the transaction prices are adequate for transactions to be carried out on normal commercial terms, and that they will not prejudice the Company or its minority shareholders.

(c) subject to a specific mandate, direct Management to present the rationale, cost-benefit analysis and other details relating to IPTs and RPTs.

(d) receive reports from Management and internal audit regarding IPTs and RPTs.

(e) ensure proper disclosure and reporting to shareholders on IPTs as required by the SGX-ST Listing Manual.

(f) ensure proper disclosure and reporting in the Annual Report on RPTs as required by Accounting Standards.

(g) recommend the appointment of an independent financial adviser ("IFA") and its fees in respect of IPTs and any other transaction, matter, or other corporate action taken by the Company where the services of such IFA is required.

The AC meets regularly. In addition, as and where necessary, it holds informal discussions and meetings with Management. The AC has full discretion to invite any Director, executive officer, staff, professional, consultant or any other person to attend its meetings. Access to and the full co-operation of the Company's Management has been accorded to the AC. In practise, all AC meetings will be attended by the Group's CFO and CEO so that they are better able to give a complete account of the issues being reviewed and answer questions from the AC members. However, where there are matters of potential sensitivity, Management will be asked to excuse themselves from the meeting so that the AC may discuss matters openly.

In addition, both the EA and IA have unrestricted access to the AC and at least once each year meet the AC without Management being present to discuss matters concerning the Company in addition to periodic informal meetings with the AC Chairman. The AC keeps abreast of changes in accounting standards and issues that could potentially impact financial reporting, through appropriate in-house training and briefing sessions, and regular updates and advice from the Company's EA and IA.

EY was the appointed IA and helps the AC in its objective of being continuously vigilant and transparent, by fulfilling the role of IA. Delfi understands the need for continuing vigilance and transparency so that corporate governance principles are upheld.

The AC has full authority to investigate or look into any matter in its reasonable discretion and in the Company's best interests and engage any resources as it may reasonably require to discharge its functions properly.

The AC and the Board has reviewed the suitability of the EA, PwC, for their role by assessing a wide range of factors including the quality of their work, their expertise and resources for a job involving the size and complexity of the Company's operations, and whether their own quality control procedures are dedicated to upholding the Code.

KEY AUDIT MATTERS

On a quarterly basis, the AC receives and reviews in detail the Group's consolidated management accounts, together with supporting analyses and papers prepared by Management. During the review process, the AC identifies the critical accounting estimates and judgments for the Group, which will be assessed against the KAMs identified by PwC during the audit of the annual Financial Statements. The AC also considers, with input from PwC and other subject matter experts, the appropriateness of the critical accounting estimates and judgments made in preparing the annual Financial Statements.

In particular, the AC reviewed the following matters which it considered to be a "KAM" in accordance with the definition provided in Singapore Standards of Auditing 701(13), during its review of the Financial Statements for the year ended 31 December 2022.

1. Claims associated with the disposal of Delfi Cacau Brasil Ltda
   Refer to Notes 3(i) and 31(b) to the Financial Statements.

The Company has been notified by Barry Callebaut ("**BC**") of various tax claims and a labour claim made in Brazil. These comprise nine claims made by the Brazilian authorities against Barry Callebaut Industriae E

CORPORATE GOVERNANCE REPORT

Commercio de Producto Alimenties Ltda ("**BCBI**"), the BC company succeeding Delfi Cacau Brasil Ltda, a divested Brazil subsidiary which BC purchased as part of the sale of the Cocoa Ingredients business. In accordance with SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets, the Group should ensure that an appropriate provision is recognised for the relevant liabilities in respect of these claims.

The AC received and reviewed an update of these notified claims prepared by the CFO, and duly noted the Company's position that while reserving its rights in relation to the notifications, the Company has requested BC to defend these claims, as Management believes that there are strong grounds to resist these claims. The AC also considered the work performed by PwC which included, *inter alia,* seeking input from tax specialists of PwC Brazil in evaluating Management's assessment of the claims and the adequacy of the amounts recognised in respect of these claims. The AC is satisfied that the amounts recognised and disclosures in respect of these claims are reasonable and adequate. As Management considers the disclosure of further details of these claims can be expected to seriously prejudice the Group's position in relation to these claims, further information has not been disclosed in the Financial Statements.

2. Assessment of impairment of brands and license
   Refer to Notes 3(ii), 19 and 20 to the Financial Statements.

The Group has brands and a license with indefinite useful lives. In accordance with SFRS(I) 1-36 Impairment of Assets, the license and each of these brands are tested annually for impairment as well as when there is any indication that the carrying amounts may not be recoverable.

The AC considered whether impairment was required for the license and each of these brands. The AC reviewed (a) the valuation methodology, (b) the basis for the key assumptions (royalty rates, expected long-term growth rates and the discount rates applied) and (c) the key drivers of the expected future sales of the branded products for the license and each brand, and understanding and determining the reasonable recoverable amount of the license and each brand. The AC challenged Management on its assumptions and is satisfied that they are reasonable and appropriate. The AC has also reviewed the sensitivity analysis prepared by Management in their review of brand and license impairment. In addition, the strategic business plan detailing Management's expectations of future sales of the branded products that had been approved by the Management team and the Board of Directors was also considered. The AC concurred with Management's conclusion that no impairment was required for the license and each of the brands.

The AC also reviewed the adequacy of the disclosures in respect of the brands and license in Notes 19 and 20 to the Financial Statements, and in particular the sensitivity analysis as disclosed in Note 3(ii) on page 109 of the Financial Statements and found these to be reasonable and appropriate.

Other than the KAMs described above, the AC reviewed the balance sheet of the Company and the consolidated Financial Statements of the Group for the financial year ended 31 December 2022, as well as the EA's report thereon prior to their submission to the Board of Directors for approval. During the course of the review, there were a number of other matters that were subject to a similar level of scrutiny by the AC but, in concurrence with the EA, these were not so material as to be classified as a "KAM".

Interested Person Transactions ("IPTs")

At the AGM held on 26 April 2022, the shareholders renewed the Shareholders' Mandate for the Company to enter into certain categories of transactions with specified classes of the Company's Interested Persons. Each quarter during 2022 the AC received and reviewed a report prepared by Management on all IPTs. In addition, all IPTs conducted during the financial year were reviewed and reported to the AC by the IA in accordance with a pre-agreed set of procedures.

Detailed information on the IPTs in accordance with Rule 907 of the Listing Manual of SGX-ST is disclosed on page 173 of this annual report.

External Audit and Auditor Independence

PwC has been the Company's external auditors since 2003. The Group audit partner is rotated on a five-yearly basis. The audit partner for the year ended 31 December 2022 was Mr. Chua Chin San, who took over the assignment during 2019.

During the year, the AC approved the scope of the audit plan to be undertaken by PwC. The AC discussed the results of the audit with PwC and considered the extent to which the audit plan had been met, the robustness and perceptiveness of work performed on key accounting and audit judgments and the content of its audit reports.

On this basis, the AC assessed and concluded that PwC has fulfilled its responsibilities as EA.

Based on the above, the AC has recommended to the Board that PwC be re-appointed as the independent auditor of the Company at the forthcoming AGM. The Board has concurred with this and accordingly a motion to this effect has been tabled at the forthcoming AGM.

External Auditor's Fees

The fees paid to the EA are disclosed in page 173. There were also non-audit services provided by the EA and the non-audit fees are disclosed in page 173.

The AC has also performed an annual review of non-audit services provided by PwC to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the independent auditor. PwC has also provided a report confirming that it believes it remained independent throughout the year, within the meaning of the regulations on this matter. The AC is satisfied that the nature and extent of the services provided have not and will not prejudice the professionalism, independence and objectivity of the EA.

The Company conforms with the rules relating to appointment of EA as set out in Rules 712 and 715 of the Listing Manual of the SGX-ST.

INTERNAL AUDIT

The Board recognises that it is accountable to shareholders and certain other stakeholders and has overall responsibility to ensure, *inter alia*, effective governance, accurate financial reporting for the Company and for the Company's overall internal control framework, including financial, operational and compliance controls, risk management policies and systems needed to safeguard the shareholders' investments and assets of the Company.

The Board notes that Management seeks to maintain an appropriate internal structure for governance and processes to manage operational and compliance risks in support of the delivery of the Company's objectives.

In this context, the internal audit function provides a third tier of defence in being accountable to the Board and providing assurance that the Company's governance structure and risk management procedures as maintained by Management continue to be effective and adequate.

The IA and EA together with Management, assist the AC in its review of the adequacy of the internal controls, through regular evaluation of the Company's internal controls, financial and accounting policies, governance and risk management policies and procedures. Among other things, the aim is to ensure that the internal controls are adequate and effective.

EY were appointed as the Company's IA in 2018 and have worked closely with the AC and the Company to closely monitor and improve the internal audit framework. The IA report directly to the AC on internal audit matters and to the Group CFO on administrative matters. They have unfettered access to documents, records, properties and staff of the Company. Additionally, EY has direct access to the AC Chairman to privately meet and discuss matters or concerns.

EY is an independent professional firm that specialises in the provision of internal audit services and follows a globally accepted 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 Singapore, including the requirement for a quality assurance review.

Management and the AC is of the view that the IA meets the required standards for the professional practice of the Institute of Internal Auditors Singapore Internal Auditing Standards including, but not limited to, EY's professional competence, proficiency and care.

The engagement team is led by a Partner with over 25 years of internal audit and risk management experience, and with support from an Associate Partner with more than 15 years of internal audit experience backed by a team of experienced internal audit consultants for each review. 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 (IIA), including the requirement of a quality assurance review. Additionally, EY has direct access to the AC Chairman to privately meet and discuss matters or concerns. EY currently serves organisations listed on the 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 and co-ordinate the work undertaken by EY.

The AC is satisfied that EY is independent from the Company, its Directors, Management and its shareholders and is able to discharge its professional duties in an objective manner, free from any undue influence or conflicts of interest. Additionally, the AC is satisfied that the EY team engaged to work with the Company is effective, has the appropriate standing within the Group and is given the respect that its position requires. The AC is also of the view that the EY team is adequately resourced and staffed with sufficient persons with the relevant qualifications and experience.

Prior to the start of the financial year, the AC reviewed and approved the annual internal audit plan with the IA. Thereafter the AC regularly met with the IA and received regular updates from the IA on their progress in meeting the plan objectives. The AC discussed the result of the IA's audit findings and their evaluation of the Group's system of internal accounting controls together with responses from Management. Each quarter, the AC also reviewed progress by Management in addressing the issues identified by the IA. The internal audit plan was achieved, and where appropriate enhancements were made to the Company's organisational structure, operating procedures and systems and processes.

The Board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 31 December 2022 to address the various risks that the Group considers relevant and material to its business operations.

The Board is of the opinion that the Group's risk management framework and internal controls (including information technology controls) and systems maintained by Management provide reasonable but not absolute safeguards against material loss and/or financial misstatement. The Board further acknowledges that no cost-effective internal control framework will provide an infallible system to serve as an absolute safeguard against all risks, losses, financial misstatements, poor judgment in decision making, human error, fraud or other irregularities. The system is designed to manage rather than to totally eliminate such risks.

As Delfi operates internationally, it could be affected by a number of risks, including industry and/or the country risks, as well as risks that may generally arise from, inter alia, the use and application of cocoa ingredients, and/or the production, use and consumption of chocolate and other confectionery products, availability of talent, business risks, market risks, a downturn in the economy and political factors such as instability or anarchy in any country that Delfi operates in.

There may also be additional risks not presently known to the industry or the Company, or that the Company may, with the information presently available, currently deem immaterial, which could affect its business and operations. New and/or other risks may well emerge due to environmental, economic, technological, biological and/or other developments.

While the Board, the AC and the RMC have made every reasonable effort to place a robust and effective system of internal controls to address financial, operational and compliance risks and to prevent, manage and/or buffer risks, should some risks develop into actual events, the business, results of operations, financial condition and prospects of Delfi could be materially and/or adversely affected.

In accordance with good corporate practice, the AC periodically reviews the appointment of its IA and following such a review EY were re-appointed as the Company's IA for 2023.

(IV) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 11 - Shareholder Rights and conduct of general meetings: The Company treats all shareholders fairly and equitably in order to enable them to exercise their shareholders' rights, and to have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of the Group's performance, position and prospects.

Policy and Practice

The Company respects and upholds shareholders' rights and manages its communication with shareholders and investors with care and diligence in an open and non-discriminatory way, so that timely, regular and relevant information regarding the Group's performance, progress and prospects, helps shareholders and investors in their investment decisions. The Board recognises and exercises its overall responsibility to shareholders, by ensuring accurate financial reporting for Delfi and for the Company's overall internal control framework, including financial, operational and compliance controls (including information technology controls), risk management policies and through systems needed to safeguard the shareholders' investments and assets of Delfi. The Company's Constitution was amended to provide for the attendance by nominees of shareholders at general meetings. Although the Company's Constitution allows for *inabsentia* voting at general meetings of shareholders, the Company has decided against implementing voting *inabsentia* by mail, email or facsimile, until all relevant issues on security and integrity on such mode of communication are satisfactorily resolved.

The Company makes timely and relevant disclosures of material information to the SGX-ST, and these filings are also then posted on the Company's website to allow shareholders, investors and members of the public to keep abreast of developments in the Company's business and corporate activities.

We encourage and facilitate shareholder engagement and participation through our meetings and briefings referred to in Principle 12 (below).

The Company conveys its financial performance, position and outlook on a half year and full year basis via announcements to the SGX-ST and subsequently through the Company's website. Regular communication with shareholders enhances the Company's transparency. We also hold briefing sessions with the investment community when financial results are announced.

The Company's Investor Relations and Corporate Communications Department meets with key investors regularly and answers queries from shareholders. Where constructive and practicable, feedback received from our shareholders is addressed in the preparation of our annual and half year reports. It is the Company's policy to answer queries and emails requesting information within our targeted 3 to 5 business days.

Our Investor Relations representative may be contacted through the details listed in the Corporate Information Section (inside back cover).

In accordance with applicable regulations, all financial results comprising financial performance, position and prospects as well as price sensitive information are initially released through SGXNet and then subsequently through various media including press releases, and/or the Company's website at http://www.delfilimited.com.

The Company has clear Board approved policies and guidelines for dealings in securities of the Company by Directors and officers, in conformity with the rules relating to dealings in securities in Rule 1207(19) of the Listing Manual of the SGX-ST. The Company prohibits selected employees from trading in its securities for a period commencing one month before the announcement of the full year financial results and the half year financial results; and consistently reminds Directors, officers and staff of the need to avoid trading in its securities on short term considerations, as well as to observe laws and regulations on trading in shares, including (but not limited to) insider trading laws.

The Company's dividend policy is integral to Delfi's investment story. The Board seeks to distribute what it considers to be an appropriate portion of the Company's cash profit each year taking into account numerous factors including the prevailing economic conditions and prospects in the markets in which we operate, anticipated capital expenditure, likely acquisition opportunities, the availability and cost of borrowings and the need to reward shareholders for their investment in the Company.

Principle 12 - **Engagement with Shareholders:** The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

Principle 13 - **Engagement with Stakeholders**: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Policy and Practice

The Board strives in its communications with shareholders to give them an objective, balanced and clear assessment of the Company's results. Our view is that regular communication with shareholders enhances the Company's transparency.

Shareholders are informed of general meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in the main Singapore newspapers and posted on SGXNet.

In order to provide ample time for the shareholders to review and in compliance with the applicable laws and regulations, the notice of AGM, together with the Annual Report 2022, is distributed, either electronically or in printed format to all shareholders not less than 14 days before the scheduled AGM date. All shareholders are entitled to vote in accordance with the established voting rules and procedures at the AGM.

In view of the coronavirus disease 2019 ("**COVID-19**") situation, the AGM of the Company held in respect of

CORPORATE GOVERNANCE REPORT

FY2021 was convened and held by electronic means on 26 April 2022 pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**COVID-19 (Temporary Measures) Order 2020**"). As a result, alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions in advance of the AGM, addressing of substantial and relevant questions at or prior to the AGM and voting by appointing the Chairman of the AGM as proxy, were put in place for the AGM FY2021 of the Company.

In a similar vein, the forthcoming AGM of the Company to be held in respect of FY2022 will be convened and held by electronic means on 25 April 2023 pursuant to the COVID-19 (Temporary Measures) Order 2020 which are set to expire in July of 2023. The same alternative arrangements for the forthcoming AGM will be put in place as per the prior year, including that shareholders will be able to (i) submit questions to the Chairman of the Meeting "live" at the AGM; and (ii) vote at the AGM "live" by electronic means or by appointing a proxy or proxies (other than the Chairman of the Meeting) to vote on their behalf. Shareholders will be informed of the AGM through newspaper published notices, via SGXNet, and reports or circulars sent or made available to all shareholders.

In line with the Company's efforts to be environmentally friendly, printed copies of the Annual Report 2022, the Notice of the AGM, the important Notice of the AGM and the Proxy Form will not be sent to shareholders. These documents will be made available to shareholders electronically at the URL https://delfilimited.listedcompany.com/home.html

The Company conveys its financial performance, position and outlook on a half year and full year basis via announcements to the SGX-ST and subsequently through the Company's website. Additional disclosures, when required, are also made through the same communication channels.

In accordance with applicable regulations, all financial results comprising financial performance, position and prospects as well as price sensitive information are firstly released through SGXNet and then subsequently through various media including press releases and/or the Company's website at https://www.delfilimited.com. We hold briefing sessions with the investment community following the announcement of financial results and the Company's investor relations team meets with key investors regularly and answers queries from shareholders.

Communications with shareholders are overseen by the Investor Relations and Corporate Communications Department, headed by the Group Chief Financial Officer. This Department communicates with investors on a regular basis and attends to their queries.

The majority of our Directors including our Chairman and CEO always attend our AGM. Our Directors always endeavour to attend the AGM and shareholders are given the opportunity to share their thoughts and ideas or ask questions relating to matters which are the subject of the resolutions to be passed.

An independent external party is appointed as scrutineer for the electronic poll voting process. It is the role of the scrutineer to review the proxies and the electronic poll voting system, as well as attend to the proxy verification process, to ensure that the poll voting information is compiled correctly. All of the Company's resolutions are voted on via a poll as this assures shareholders of better transparency. Electronic poll voting devices are used to register the votes of shareholders.

At the AGM, the voting results for each resolution are disclosed to shareholders. When voting for a resolution has concluded, the poll voting results including the number and percentage of votes cast (both for and against the resolution in question) are made known to shareholders during the AGM. The poll voting and proxy voting results are promptly released to the SGX-ST via SGXNet.

The Company's Constitution provides for shareholders to participate and vote at general meetings, and shareholders are encouraged to do so. As a matter of good order, we will continue to propose and table separate resolutions in respect of each issue referred to shareholders for approval at general meetings, unless such resolutions are interdependent or linked.

Our lawyers, external auditors, and consultants make it a point to attend our general meetings.

The Company prepares and publishes minutes of general meetings incorporating the substantial and relevant comments or queries from shareholders that are relevant to the agenda of the meeting and responses from the Board and the Management. The Company will publish the minutes of the forthcoming AGM within one month from the AGM to the SGX-ST via SGXNet in accordance with the guidance on the conduct of general meetings amid the evolving COVID-19 situation issued by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation.

16 March 2023

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2022 and the balance sheet of the Company as at 31 December 2022.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 86 to 152 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Pedro Mata-Bruckmann (Chairman)
Chuang Tiong Choon
Chuang Tiong Liep
Chuang Tiong Kie
Anthony Michael Dean
Davinder Singh
Koh Poh Tiong
Doreswamy Nandkishore
Graham Nicholas Lee (appointed with effect from 1 January 2023)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed in this statement.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations (other than wholly-owned subsidiaries), except as follows:

	Holdings registered in the name of a director or nominee		Holdings in which a director is deemed to have an interest	
	At 31.12.2022	At 1.1.2022	**At 31.12.2022**	At 1.1.2022
The Company				
(No. of ordinary shares)				
Pedro Mata-Bruckmann	**177,000**	177,000	**–**	–
Chuang Tiong Choon	**604,800**	604,800	**316,976,500**	316,976,500
Chuang Tiong Liep	**290,800**	290,800	**310,491,000**	310,491,000
Chuang Tiong Kie	**630,800**	630,800	**–**	–
Anthony Michael Dean	**50,000**	50,000	**–**	–
Davinder Singh	**100,000**	100,000	**–**	–
Koh Poh Tiong	**–**	–	**–**	–
Doreswamy Nandkishore	**22,000**	22,000	**–**	–
Graham Nicholas Lee[1]	**–**	–	**–**	–
Cocoa Specialities, Inc.				
(Ordinary shares of Pesos 100 each)				
Chuang Tiong Choon	**1**	1	**–**	–
Delfi Foods, Inc.				
(Ordinary shares of Peso 1 each)				
Chuang Tiong Choon	**1**	1	**–**	–
Delfi Marketing, Inc.				
(Ordinary shares of Pesos 100 each)				
Chuang Tiong Choon	**1**	1	**–**	–
Chuang Tiong Liep	**1**	1	**–**	–
Springbright Investments Limited				
(Ordinary shares of US$1 each)				
Chuang Tiong Choon	**–**	–	**51**	51
Chuang Tiong Liep	**–**	–	**30**	30
Chuang Tiong Kie	**–**	–	**19**	19
Berlian Enterprises Limited				
(Ordinary shares of US$1 each)				
Chuang Tiong Choon	**–**	–	**51**	51
Chuang Tiong Liep	**–**	–	**30**	30
Chuang Tiong Kie	**–**	–	**19**	19

1 Appointed with effect from 1 January 2023

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

(a) (continued)

	Holdings registered in the name of a director or nominee		Holdings in which a director is deemed to have an interest	
	At 31.12.2022	At 1.1.2022	**At 31.12.2022**	At 1.1.2022
Aerodrome International Limited*				
<u>(Ordinary shares of US$1 each)</u>				
Chuang Tiong Choon	**–**	–	**10**	10

* Aerodrome International Limited ("AIL") is held by Johnsonville Assets Limited ("JAL") (70%) and Johnsonville Holdings Limited ("JHL") (30%). Credit Suisse Trust Limited ("CST") is a Singapore registered public trust company and has a deemed interest arising from its 100% shareholding in AIL as the trustee of JAL and JHL. Mdm Lim Mee Len (wife of Mr Chuang Tiong Choon) is the beneficiary of Johnsonville Assets Trust of which CST has been appointed as the trustee. Mdm Lim Mee Len and Mr Chuang Tiong Choon are beneficiaries of Johnsonville Holdings Trust of which CST has been appointed as the trustee.

(b) Chuang Tiong Choon and Chuang Tiong Liep who by virtue of their interest of not less than 20% of the issued capital of the Company, are deemed to have interests in the whole of the share capital of the Company's wholly-owned subsidiaries.

(c) Saved for Mr Chuang Tiong Choon disclosed below, the directors' interests in the shares of the Company as at 21 January 2023 were the same as those as at 31 December 2022 for all the directors.

	Holdings registered in the name of a director or nominee	Holdings in which a director is deemed to have an interest
	At 21.01.2023	**At 21.01.2023**
The Company		
<u>(No. of ordinary shares)</u>		
Chuang Tiong Choon	**604,800**	**319,476,500**

SHARE OPTIONS

The Company does not have any share option scheme or plans in place, or such scheme or plans that entitle holders to participate, by virtue of the scheme or plans, in any share issue of any other corporation.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

AUDIT COMMITTEE

The members of the Audit Committee ("AC") at the date of this statement are as follows:

Anthony Michael Dean (Chairman)
Pedro Mata-Bruckmann
Koh Poh Tiong
Graham Nicholas Lee (appointed with effect from 1 January 2023)

All AC members, including the Chairman, are independent directors. The AC performed its functions in accordance with section 201B(5) of the Singapore Companies Act 1967, the SGX-ST Listing Manual, the Code of Corporate Governance 2018, and the Guidebook for Audit Committees in Singapore 2014.

The key responsibilities of the AC are to assist the Board in fulfilling its statutory and other responsibilities relating to the integrity of the financial statements and monitoring of the system of internal controls and the independence of the external auditors.

The AC has full access to and the full co-operation of management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any executive officer to attend its meetings. The external and internal auditors have unrestricted access to the AC.

INTERNAL AND EXTERNAL AUDIT

The AC has reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. It has met the Company's internal and independent auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls.

The AC also held discussions with the internal and external auditors and is satisfied that the processes put in place by management provide reasonable assurance on the mitigation of fraud risk exposure to the Group.

FINANCIAL REPORTING

The AC has reviewed the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2022, as well as the Independent Auditor's Report thereon prior to its submission to the Board of Directors for approval. The AC has also reviewed the key audit matters set out in the Independent Auditor's report on pages 81 and 82 and included its commentary in relation to those matters in the Group's Corporate Governance Report.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

INTERESTED PERSON TRANSACTIONS

The Company renewed its Shareholders' Mandate for it to enter into certain categories of transactions with specified classes of the Company's Interested Persons. The AC has also reviewed the interested person transactions of the Group during the financial year in accordance with established procedures.

EXTERNAL AUDIT AND AUDITOR INDEPENDENCE

The AC has nominated PricewaterhouseCoopers LLP ("PwC") for reappointment as the independent auditor of the Company at the forthcoming Annual General Meeting. The AC has conducted an annual review of non-audit services to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the independent auditor.

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712, 715 and 716 of the Listing Manual of the SGX-ST.

Based on the above, the Board concurred with the AC's recommendation. Accordingly, the Board has nominated PwC for reappointment as the independent auditor of the Company at the forthcoming Annual General Meeting.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept reappointment.

On behalf of the directors

CHUANG TIONG CHOON
Director

CHUANG TIONG KIE
Director

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the accompanying consolidated financial statements of Delfi Limited ("the Company") and its subsidiaries ("the Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated income statement of the Group for the financial year ended 31 December 2022;
- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the balance sheets of the Group and of the Company as at 31 December 2022;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Claims associated with the disposal of Delfi Cacau Brasil Ltda *Refer to Notes 3(i) and 31(b) to the financial statements.* As explained in Note 3(i) to the financial statements, the Company is liable for claims notified by Barry Callebaut ("BC"). This comprised nine claims made by the Brazilian authorities against Barry Callebaut Industriae E Commercio de Productos Alimenties Ltda ("BCBI"), the BC company succeeding Delfi Cacau Brasil Ltda, a divested Brazil subsidiary. The Company's total exposure in respect of these notified claims as at 31 December 2022 amounted to **BRL93.0 million (US$17.8 million)**. We focused on this area due to the high level of management judgement associated with determining the need for, and magnitude of, the provisions for liabilities associated with these claims.	We evaluated the reasonableness of management's assessment of the outcome of these claims and the adequacy of the amounts recognised in respect of these claims. We involved our tax specialists in Brazil to assist us in the evaluation of management's assessment. We also considered the adequacy of the Group's disclosures (in Note 3(i) and Note 31(b)) made in relation to the amounts recognised in respect of these claims. Based on the audit procedures performed, the position taken by management is consistent with our evaluation.

Key Audit Matter	How our audit addressed the Key Audit Matter
Assessment of impairment of brands and licence *Refer to Notes 3(ii), 19 and 20 to the financial statements.* The Group has brands and a licence with indefinite useful lives, with a total carrying value of **US$17.4 million** as at 31 December 2022. The assessment of impairment was an area of focus because the assessment of the recoverable amounts of the brands and licence with indefinite useful lives involves significant judgements about the expected future sales of the branded products, royalty rates, expected long term growth rates and the appropriate discount rates applied to the future cash flow forecasts. Management has assessed that there is no impairment of brands and licence as the recoverable amounts are higher than the carrying values as at 31 December 2022.	We verified the expected future sales of the branded products to internal forecasts and strategic plans that were approved by senior management and the Board of Directors. We also compared the actual sales of the branded products for 2022 with the forecast figures included in the prior year to consider whether the assumptions included in the forecast, with hindsight, had been reasonable. We further considered the viability of expected future sales against local economic conditions and industry outlook. We involved our valuation specialists to evaluate the valuation methodology and management's assumptions applied based on the information and market conditions prevailing at the date of this report, as follows: • Royalty rates – we assessed them against rates charged by comparable brands; • Long-term growth rates – we compared them against economic and industry forecasts; and • Discount rates – we assessed the weighted average cost of capital for the Group against comparable organisations, as well as considering territory specific factors. We evaluated management's sensitivity calculations over the Group's individual brands and licence to assess the impact on the recoverable amount for each brand and licence. We also considered the adequacy of the Group's disclosures (in Notes 3(ii), 19 and 20) made in relation to brands and licence with indefinite useful lives. Based on the audit procedures performed, we found management's assessment to be consistent with the results of our procedures.

Other Information

Management is responsible for the other information. The other information comprises the following sections of the annual report, but does not include the financial statements and our auditor's report thereon:

- Five-Year Financial Highlights & Review
- Letter From Our Chairman
- Letter From Our CEO
- Board of Directors
- Senior Management
- Business Profile
- Operating & Financial Review
- Sustainable Value Creation
- Corporate Information
- Corporate Governance Report
- Directors' Statement
- Appendix (Shareholders' Mandate)
- Annexure
- Disclosure Under SGX-ST Listing Manual Requirements
- Shareholdings Statistics
- Notice of Annual General Meeting
- Additional Information on Directors Seeking Re-election at the Annual General Meeting
- Proxy Form

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Chua Chin San.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 22 March 2023

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	The Group 2022 US$'000	The Group 2021 US$'000
Revenue	4	**482,972**	405,128
Cost of sales		**(334,659)**	(285,421)
Gross profit		**148,313**	119,707
Other operating income	4	**3,911**	2,664
Selling and distribution costs		**(58,912)**	(52,834)
Administrative expenses		**(27,773)**	(23,120)
Finance costs	6	**(630)**	(1,057)
Other operating expenses		**(1,709)**	(1,106)
Share of results of associated company and joint ventures	15	**(156)**	(193)
Profit before income tax		**63,044**	44,061
Income tax expense	8(a)	**(19,149)**	(14,786)
Total profit		**43,895**	29,275
Profit attributable to:			
Equity holders of the Company		**43,895**	29,275
Non-controlling interest		**–**	–
		43,895	29,275
Earnings per ordinary share [1] **(expressed in US cents per share)**			
Basic and Diluted	9	**7.18**	4.79

Note:

(1) Diluted earnings per share for financial years 2022 and 2021 are the same as basic earnings per share as there were no potentially dilutive ordinary shares.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	The Group	
	2022	2021
	US$'000	US$'000
Profit for the year	**43,895**	29,275
Other comprehensive (loss)/income:		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation reserve		
– Currency translation differences arising from consolidation	**(17,574)**	(2,816)
Items that will not be reclassified subsequently to profit or loss:		
Defined pension benefits obligation		
– Remeasurements of defined pension benefits obligation (Note 25(b))	**(125)**	1,776
– Tax on remeasurements (Note 8(b))	**(109)**	(272)
	(234)	1,504
Other comprehensive loss, net of tax	**(17,808)**	(1,312)
Total comprehensive income for the year	**26,087**	27,963
Total comprehensive income attributable to:		
Equity holders of the Company	**26,087**	27,963
Non–controlling interest	**–**	–
	26,087	27,963

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2022

	Note	The Group		The Company	
		2022	2021	**2022**	2021
		US$'000	US$'000	**US$'000**	US$'000
ASSETS					
Current assets					
Cash and bank deposits	10	**77,135**	86,238	**58,392**	55,700
Trade receivables	11	**71,154**	68,961	**2,195**	1,185
Loan to joint venture	16	**60**	60	**60**	60
Inventories	12	**115,451**	64,837	**–**	–
Rights to returned goods	4(a)	**2,206**	2,129	**–**	–
Income tax recoverable	8(a)	**5,354**	6,030	**–**	–
Other current assets	13	**14,667**	10,388	**1,114**	512
		286,027	238,643	**61,761**	57,457
Non-current assets					
Investments in subsidiaries	14	**–**	–	**40,919**	40,919
Investments in associated company and joint ventures	15	**2,523**	2,872	**4,560**	4,560
Loans to associated company and joint venture	16	**827**	915	**–**	–
Property, plant and equipment	17	**81,460**	96,004	**1,855**	565
Intangible assets	19	**18,181**	19,544	**17,678**	17,863
Deferred income tax assets	8(b)	**3,643**	3,077	**–**	–
Income tax recoverable	8(a)	**1,660**	1,835	**–**	–
Other non-current assets	21	**768**	1,006	**–**	–
		109,062	125,253	**65,012**	63,907
Total assets		**395,089**	363,896	**126,773**	121,364
LIABILITIES					
Current liabilities					
Trade payables	22	**49,701**	38,013	**1,856**	1,175
Refund liabilities	4(a)	**7,236**	6,444	**–**	–
Other payables	23	**54,734**	53,634	**4,569**	3,441
Current income tax liabilities		**5,435**	2,852	**–**	–
Derivative liabilities		**–**	23	**–**	–
Borrowings	24	**19,009**	10,064	**–**	–
		136,115	111,030	**6,425**	4,616
Non-current liabilities					
Other payables	23	**880**	898	**845**	22
Deferred income tax liabilities	8(b)	**1,753**	2,037	**–**	–
Provisions for other liabilities and charges	25	**10,146**	10,627	**–**	–
		12,779	13,562	**845**	22
Total liabilities		**148,894**	124,592	**7,270**	4,638
NET ASSETS		**246,195**	239,304	**119,503**	116,726
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	26	**95,936**	95,936	**95,936**	95,936
Foreign currency translation reserve	27(a)	**(27,803)**	(10,229)	**–**	–
Other reserves	27(b)	**2,264**	2,498	**–**	–
Retained earnings	28	**175,798**	151,099	**23,567**	20,790
		246,195	239,304	**119,503**	116,726
Non-controlling interest		**–**	–	**–**	–
TOTAL EQUITY		**246,195**	239,304	**119,503**	116,726

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Attributable to equity holders of the Company							
	Note	Share capital US$'000	Foreign currency translation reserve US$'000	General reserve US$'000	Defined pension benefits obligation US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interest US$'000	Total equity US$'000
The Group									
Balance at 1 January 2022		**95,936**	**(10,229)**	**2,505**	**(7)**	**151,099**	**239,304**	**–**	**239,304**
Profit for the year		–	–	–	–	43,895	43,895	–	43,895
Other comprehensive loss for the year		–	(17,574)	–	(234)	–	(17,808)	–	(17,808)
Total comprehensive (loss)/ income for the year		**–**	**(17,574)**	**–**	**(234)**	**43,895**	**26,087**	**–**	**26,087**
Final and special dividend relating to 2021 paid	29	–	–	–	–	(9,534)	(9,534)	–	(9,534)
Interim dividend relating to 2022 paid	29	–	–	–	–	(9,662)	(9,662)	–	(9,662)
Total transactions with owners, recognised directly in equity		**–**	**–**	**–**	**–**	**(19,196)**	**(19,196)**	**–**	**(19,196)**
Balance at 31 December 2022		**95,936**	**(27,803)**	**2,505**	**(241)**	**175,798**	**246,195**	**–**	**246,195**
Balance at 1 January 2021		**95,936**	**(7,413)**	**2,505**	**(1,511)**	**136,113**	**225,630**	**119**	**225,749**
Profit for the year		–	–	–	–	29,275	29,275	–	29,275
Other comprehensive (loss)/ income for the year		–	(2,816)	–	1,504	–	(1,312)	–	(1,312)
Total comprehensive (loss)/ income for the year		**–**	**(2,816)**	**–**	**1,504**	**29,275**	**27,963**	**–**	**27,963**
Deregistration of a subsidiary		–	–	–	–	–	–	(119)	(119)
Final dividend relating to 2020 paid	29	–	–	–	–	(6,600)	(6,600)	–	(6,600)
Interim dividend relating to 2021 paid	29	–	–	–	–	(7,689)	(7,689)	–	(7,689)
Total transactions with owners, recognised directly in equity		**–**	**–**	**–**	**–**	**(14,289)**	**(14,289)**	**(119)**	**(14,408)**
Balance at 31 December 2021		**95,936**	**(10,229)**	**2,505**	**(7)**	**151,099**	**239,304**	**–**	**239,304**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 US$'000	2021 US$'000
Cash flows from operating activities			
Total profit		**43,895**	29,275
Adjustments:			
Income tax expense		**19,149**	14,786
Depreciation and amortisation		**11,790**	13,587
Property, plant and equipment written off		**50**	–
Gain on disposal of property, plant and equipment		**(320)**	(632)
Interest income		**(1,498)**	(576)
Interest expense		**630**	1,057
Fair value gain on derivatives		**(23)**	(7)
Share of results of associated company and joint ventures		**156**	193
Operating cash flow before working capital changes		**73,829**	57,683
Changes in working capital			
Inventories		**(50,614)**	12,010
Trade and other receivables		**(5,370)**	13,916
Rights to returned goods		**(77)**	686
Trade and other payables		**4,759**	4,456
Refund liabilities		**792**	(1,410)
Cash generated from operations		**23,319**	87,341
Interest received		**1,498**	576
Income tax paid, net of tax refund received		**(17,074)**	(10,732)
Net cash provided by operating activities		**7,743**	77,185
Cash flows from investing activities			
Purchases of property, plant and equipment		**(3,086)**	(2,722)
Advances for purchase of property, plant and equipment		**(689)**	(413)
Purchases of intangible assets		**(167)**	(239)
Proceeds from disposal of property, plant and equipment		**333**	3,178
Net cash used in investing activities		**(3,609)**	(196)
Cash flows from financing activities			
Proceeds from trade finance		**7,167**	–
Proceeds from bank loans		**1,069**	–
Repayment of trade finance		**–**	(5,410)
Repayment of bank loans		**–**	(31,853)
Repayment of lease liabilities		**(1,530)**	(2,010)
Payment to minority shareholder		**–**	(119)
Interest paid		**(630)**	(1,057)
Dividends paid to equity holders of the Company		**(19,196)**	(14,289)
Net cash used in financing activities		**(13,120)**	(54,738)
Net (decrease)/increase in cash and cash equivalents		**(8,986)**	22,251
Cash and cash equivalents			
Beginning of financial year		**86,238**	64,790
Effects of currency translation on cash and cash equivalents		**(1,201)**	(803)
End of financial year	10	**76,051**	86,238

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Reconciliation of liabilities arising from financing activities

				Non-cash changes			
	2021 US$'000	Proceeds US$'000	Principal and interest payment US$'000	Additions US$'000	Interest expense US$'000	Foreign exchange movement US$'000	2022 US$'000
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**

				Non-cash changes			
	2020 US$'000	Proceeds US$'000	Principal and interest payment US$'000	Additions US$'000	Interest expense US$'000	Foreign exchange movement US$'000	2021 US$'000
Bank loans	36,481	–	(32,538)	–	685	(689)	3,939
Trade finance	11,535	–	(5,633)	–	223	–	6,125
Lease liabilities	2,012	–	(2,159)	2,360	149	(79)	2,283

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Delfi Limited (the "Company") 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. The principal activities of each of the subsidiaries are set out in Note 14.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of critical accounting estimates and assumptions. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2022

On 1 January 2022, 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 following are the new or amended SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s, that are relevant to the Group effective as of 1 January 2022:

- Amendment to SFRS(I) 3 Business Combinations (Reference to the Conceptual Framework)
- Amendment to SFRS(I)1-16 Property, Plant and Equipment (Proceeds before Intended Use)
- Amendment to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts – Cost of Fulfilling a Contract)
- Annual improvements to SFRS(I)s 2018-2020

The adoption of the above new or amended SFRS(I)s 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which the control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

Please refer to Note 2.13(a) for the subsequent accounting policy on goodwill.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Subsidiaries (continued)

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.11 for the Company's accounting policy on investments in subsidiaries.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

(c) Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by shareholding giving rise to voting rights of 20%.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated company or joint venture over the Group's share of the fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Group accounting (continued)

(c) Associated companies and joint ventures (continued)

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' or joint ventures' post-acquisition profits or losses of the investee in the Group's profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies or joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations to make, or has made, payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associate or joint venture includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the assets transferred. The accounting policies of associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to Note 2.11 for the Company's accounting policy on investments in associated companies and joint ventures.

2.3 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in United States Dollars, which is the functional currency of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Currency translation (continued)

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Monetary items include primarily financial assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment in the foreign operation is repaid, a proportionate share of the accumulated currency translation difference is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses impacting profit or loss are presented in the income statement within "Other operating income" or "Other operating expenses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair value measurements are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in the other comprehensive income and accumulated in the foreign currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Revenue and other operating income recognition

(a) Sale of goods

The Group manufactures and sells a range of chocolate, chocolate confectionery and consumer products of which a majority represents a single performance obligation. Revenue from sale of goods is measured at the selling list price less trade incentives payable to the customers. Revenue from the sale of these goods is recognised at a point in time when the products are delivered to the customers.

The amount payable to customers relating to trade incentives are estimated based upon the Group's analysis of the incentives offered, expectations regarding customer and consumer participation, historical sales and payment trends, and the Group's experience with payment patterns associated with similar incentives offered in the past.

Sales are made with a credit term not exceeding 90 days. Based on customary business practice, some customers have a right to return the goods to the Group. Therefore, a refund liability and a right to the returned goods are recognised for products expected to be returned.

Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method). Based on historical trend, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date. The asset is initially measured at the carrying amount of the goods at the time of sale, less expected cost to recover the goods which is not expected to be material.

The returned asset will be presented and assessed for impairment separately from the refund liability. The Group will need to assess the returned asset for impairment, and adjust the value of the asset if it becomes impaired.

A receivable (financial asset) is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

(b) Interest income

Interest income is recognised on a time-proportion basis, using the effective interest rate method.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

(d) Royalty income

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement with related companies.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.6 Exceptional items

Exceptional items are items of income and expense of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the year.

2.7 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred income tax arising from a business combination is adjusted against goodwill on acquisition.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value, net of bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet.

2.9 Financial assets, at amortised cost

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. These instruments comprise of cash and cash equivalents, trade receivables, other receivables, deposits, loans to associated company and joint venture and loans to subsidiaries.

The Group assesses on a forward looking basis the expected credit losses with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by SFRS(I) 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

2.10 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing each product to its present location and condition. Inventories comprise manufactured and purchased inventories.

The cost of manufactured inventories includes raw material cost, direct labour cost and production overheads based on the normal level of activity but excludes borrowing costs. The raw material cost, which comprises primarily cocoa ingredients, milk, sugar and packaging materials, includes their purchase price, inward shipping costs and import duties and charges. Direct labour cost comprises primarily manufacturing staff cost. Production overheads comprise primarily utilities charges, rental costs, depreciation of plant and machinery and indirect costs relating to the manufacturing of the inventories.

Work-in-progress inventories include direct material cost and direct labour cost incurred to the date of the financial statements. The amount also includes an allocated amount of production overheads by applying an overhead rate to the estimated stage of completion.

The cost of goods purchased includes their purchase price, inward shipping costs and import duties and charges.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures are stated at cost less accumulated impairment losses (Note 2.14(c)) in the Company's balance sheet. On disposal of investments in subsidiaries, associated companies and joint ventures, the differences between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.12 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

All items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses (Note 2.14(c)).

(ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs (refer to Note 2.5 on borrowing costs). The projected cost of dismantlement, removal or restoration is also included as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring the assets or using the assets for purposes other than to produce inventories.

(b) Depreciation

Construction work-in-progress are not depreciated.

Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold land	Over the lease term of 17 to 30 years
Buildings and improvements	10 - 30 years
Machinery and equipment	10 - 15 years
Motor vehicles	5 years
Office equipment	5 - 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Property, plant and equipment (continued)

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2.13 Intangible assets

(a) Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisitions of joint ventures and associated companies represents the excess of the cost of acquisition over the Group's share of the fair value of the identifiable net assets acquired and contingent liabilities of the acquired joint ventures and associated companies at the date of acquisition. Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

Goodwill is recognised separately as an intangible asset and carried at cost less accumulated impairment losses (Note 2.14(a)).

Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Brands, licence, patents and trademarks

Brands and licence acquired as part of business combinations are recognised when they arise from contractual or other legal rights, or are separable.

Such brands and licence are recognised at their fair values at the acquisition date and subsequently carried at cost (i.e. the fair values at initial recognition) less accumulated amortisation and accumulated impairment losses.

Brands and licence that are regarded as having indefinite useful lives are not amortised and are subsequently tested for impairment annually (Note 2.14(b)).

Brands and licence that are regarded as having limited useful lives are stated at cost less accumulated amortisation and accumulated impairment losses (Note 2.14(c)). Amortisation is calculated using the straight-line method to allocate the cost of brands over their estimated useful lives of 5 years.

Patents and trademarks are stated at cost less accumulated amortisation and accumulated impairment losses (Note 2.14(c)). Amortisation is calculated using the straight-line method to allocate the cost of patents and trademarks over their estimated useful lives of up to 5 years.

The useful lives of brands and licence, patents and trademarks are assessed at each balance sheet date and adjustments are included in profit or loss in the financial year in which the changes arise.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Intangible assets (continued)

(c) Acquired computer software licences

Acquired computer software licences are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the assets for its intended use. Costs associated with maintaining the computer software are expensed when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of period of licence, or 5 years, whichever is shorter.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2.14 Impairment of non-financial assets

(a) Goodwill

Goodwill is recognised separately as an intangible asset tested for impairment annually, and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies of the business combination.

An impairment loss is recognised in profit or loss when the carrying amount of the CGU, including the goodwill, exceeds the recoverable amount of a CGU. The recoverable amount of the CGU is the higher of the CGU's fair value less costs to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Brands and licence with indefinite useful lives

Brands and licence that are regarded as having indefinite useful lives are tested annually for impairment, as well as when there is any indication that the carrying amounts may not be recoverable.

An impairment loss is recognised in profit or loss when the carrying amount of the acquired brand and licence exceeds the recoverable amount of the acquired brand and licence. The recoverable amount of the brand and licence is the higher of a brand's and licence's fair value less costs to sell and value-in-use.

An impairment loss on brand and licence is recognised as an expense and is reversed if, and only if, there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the brand's and licence's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Impairment of non-financial assets (continued)

(c) Other intangible assets
Property, plant and equipment (including right-of-use assets)
Investments in subsidiaries, associated companies and joint ventures

Other intangible assets, property, plant and equipment and investments in subsidiaries, associated companies and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less costs to sell and value-in-use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing, the recoverable amount is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from the other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for these assets is recognised in profit or loss.

2.15 Derivative financial instruments

A derivative financial instrument for which no hedge accounting is applied is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. Changes in its fair value are recognised in profit or loss. The Company does not apply hedge accounting for its derivative financial instruments.

2.16 Trade and other payables

Trade and other payables (excluding lease liabilities) represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

(a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15 *Revenue from Contracts with Customers*; and

(b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

Intra-group transactions are eliminated on consolidation.

2.19 Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are also presented as current liabilities when the Group has the intention to repay the borrowings within 12 months after the balance sheet date.

2.20 Leases

(a) When the Group is a lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

  The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

  These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

  Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Leases (continued)

(a) When the Group is a lessee: (continued)

- Lease liabilities

  The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

  Lease payments include the following:

  – Fixed payment (including in-substance fixed payments), less any lease incentives receivables;

  – Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;

  – Amount expected to be payable under residual value guarantees;

  – The exercise price of a purchase option if is reasonably certain to exercise the option; and

  – Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

  For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

  Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

  – There is a change in future lease payments arising from changes in an index or rate;

  – There is a change in the Group's assessment of whether it will exercise an extension option; or

  – There are modification in the scope or the consideration of the lease that was not part of the original term.

  Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term and low value leases

  The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Leases (continued)

(a) When the Group is a lessee: (continued)

- Variable lease payments

  Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

2.21 Employee compensation

Employee benefits are recognised as an expense, when the cost qualifies to be capitalised as an asset.

(a) Defined benefit plans

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and unrecognised past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related post-employment benefit obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when they arise. The experience adjustments are not to be reclassified to profit or loss in a subsequent period.

Past service costs are recognised immediately in profit or loss.

(b) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis.

The Group's obligation, in regard to the defined contribution plans, is limited to the amount it contributes to the fund. The Group's contributions to defined contribution plans are recognised in the financial year to which they relate.

(c) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Employee compensation (continued)

(d) Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

2.22 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.23 Dividends

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved for payment by the shareholders.

2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting to the Executive Committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.25 Fair value estimation of financial assets and liabilities

The carrying amounts of current financial assets and liabilities carried at amortised cost approximate their fair values.

The fair values of borrowings carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial liabilities.

2.26 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the period necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

Government grants relating to expenses are deducted against the related expenses.

Government grants relating to assets are deducted against the carrying amount of the assets.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom be exactly equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Claims associated with the disposal of Delfi Cacau Brasil Ltda

Barry Callebaut acquired Delfi Cacau Brasil Ltda ("DCBR"), a subsidiary of the Company, as part of the sale of the Cocoa Ingredients business on 30 June 2013. On 2 June 2014, Barry Callebaut restructured and merged DCBR into a new entity, Barry Callebaut Industriae E Commercio de Producto Alimenties Ltda ("BCBI").

In 2015, the Company entered into a settlement agreement with Barry Callebaut with regards to the dispute and the resulting arbitration that had been commenced by the Company against Barry Callebaut in relation to adjustments to the closing price that had been paid by Barry Callebaut to the Company. As part of the settlement, the parties had mutually agreed to terminate the Sales and Purchase Agreement on 28 August 2015, although the parties agreed that certain environmental, tax and other warranties would continue. Barry Callebaut remained entitled to bring any further claims that may arise under the continuing warranties.

In 2015 and 2016, Barry Callebaut notified the Company of various tax claims and a labour claim against BCBI, in relation to the activities of DCBR.

Since 2017, the Company has not been notified of any further claims.

As at 31 December 2022, the nine notified claims were as follows:

(a) 2 claims totalling Brazilian Real ("BRL") 36,880,050 in connection with tax assessments of the "Social Integration Program/Public Employee Savings Program (PIS)" and the "Contribution for the Financing of Social Security (COFINS)";

(b) A claim of BRL890,442 for unpaid import tax arising from the import of a bean roaster;

(c) 3 claims totalling BRL54,871,365 for the restitution of taxes and import duties arising from the import of cocoa beans;

(d) 2 claims totalling BRL374,851 for allegedly incorrect or overstating credits due arising from tax assessments from prior years;

(e) An unquantified claim based on a labour law complaint relating to outsourcing of activities to contract workers that has been referred on appeal to the second level judicial court. The penalty of BRL500,000 was notified to the Company in 2015.

As at 31 December 2022, the Company's total exposure in respect of notified tax and labour claims in Brazil has increased to BRL93,017,000 (2021: BRL89,249,000) primarily due to indexation. In USD terms, the Company's total exposure as at 31 December 2022 was US$17,829,000 (2021: US$16,027,000).

While reserving its rights in relation to the claims set out above, the Company has requested Barry Callebaut to defend these claims. There are strong grounds to resist these claims.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

(i) Claims associated with the disposal of Delfi Cacau Brasil Ltda (continued)

In assessing the relevant liabilities, management has considered, among other factors, industry practices and the legal environment in Brazil, and assessed that the amounts recognised in respect of these claims are adequate as at 31 December 2022. As management considers the disclosure of further details of these claims can be expected to seriously prejudice the Group's position in relation to the claims, further information has not been disclosed in these financial statements.

(ii) Estimated impairment of brands and licence

Brands and a licence with indefinite useful lives are tested for impairment annually, in accordance with the accounting policy stated in Note 2.14(b). As at 31 December 2022, the carrying amounts of brands and licence with indefinite useful lives were US$17,422,000 (2021: US$17,460,000).

Impairment tests are conducted annually to assess the brands and licence with indefinite useful lives and ensure that these brands and licence are not carried above their recoverable amounts. The recoverable amounts of the brands and licence have been estimated based on fair value less cost to sell using the relief from royalty method. Estimating the recoverable amounts requires the Group to forecast future cash flows based on expected future sales of the branded products, royalty rates, expected long term growth rates and the appropriate discount rates applied to the future cash flow forecasts (Note 20). In making these estimates, the Group has relied on past performance, its expectations of the future developments of the various branded products and markets and publicly available industry and economic data.

If management's estimated royalty rate of the brands and licence at 31 December 2022 was lowered by 1% (2021: 1%), the recoverable amounts of these brands and licence would be reduced by US$7,244,000 (2021: US$9,141,000) and the Group would have recognised an impairment charge of US$983,000 (2021: US$839,000) on two (2021: one) of the brands. For these brands, decreases in royalty rate by 0.07% and 0.26% (2021: 0.48%) would result in its recoverable amount to be equal to its carrying amount.

If management's estimated pre-tax discount rate of the brands and licence at 31 December 2022 was increased by 1% (2021: 1%), the recoverable amounts of these brands and licence would be reduced by US$3,187,000 (2021: US$6,222,000) and the Group would have recognised an impairment charge of US$201,000 (2021: US$460,000) on two (2021: one) of its brands. In 2022, increases in the pre-tax discount rate by 0.31% and 0.50% would result in the recoverable amount of the brand to be equal to its carrying amount. In 2021, an increase in the pre-tax discount rate by 0.80% would result in the recoverable amounts of the brands and license to be equal to their carrying amounts.

If management's estimated long-term growth rate of the brands and licence at 31 December 2022 was lowered by 1% (2021: 1%), the recoverable amounts of these brands and licence would be reduced by US$2,529,000 (2021: US$5,468,000) and the Group would have recognised an impairment charge of US$131,000 (2021: US$433,000) on two (2021: one) of the brands. For these brands, decreases in the long-term growth rate by 0.39% and 0.62% (2021: 0.90%) would result in its recoverable amount to be equal to its carrying amount.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER OPERATING INCOME

(a) Revenue from contracts with customers

	The Group	
	2022	2021
	US$'000	US$'000
Sale of goods	**482,972**	405,128

The Group derives revenue from the transfer of goods at a point in time (Note 2.4(a)). Disaggregation of revenue from contracts with customers by country is disclosed in Note 35(b).

Rights to returned goods and refund liabilities

	The Group	
	2022	2021
	US$'000	US$'000
Rights to returned goods	**2,206**	2,129
Refund liabilities	**(7,236)**	(6,444)

The Group has assessed its rights to returned goods for impairment separately from the refund liability (Note 2.4(a)).

(b) Other operating income

	The Group	
	2022	2021
	US$'000	US$'000
Other operating income:		
– Interest income	**1,498**	576
– Royalty income	**221**	233
– Gain on disposal of property, plant and equipment	**320**	632
– Foreign exchange gain – net	**471**	–
– Service fee	**140**	148
– Miscellaneous income	**1,261**	1,075
Total other operating income	**3,911**	2,664

5. EMPLOYEE COMPENSATION

	The Group	
	2022	2021
	US$'000	US$'000
Wages and salaries	**48,405**	43,700
Employer's contribution to defined contribution plans	**1,338**	1,322
Defined benefit plans (Note 25(b))	**1,616**	(1,388)
	51,359	43,634
Less: Government grant	**(33)**	(137)
	51,326	43,497

6. FINANCE COSTS

	The Group	
	2022	2021
	US$'000	US$'000
Interest expense:		
– Bank loans and overdrafts	**251**	685
– Trade finance	**256**	223
– Lease liabilities	**123**	149
	630	1,057

7. EXPENSES BY NATURE

The following items have been included in arriving at profit before tax:

	The Group	
	2022	2021
	US$'000	US$'000
Marketing expense	**8,099**	8,171
Amortisation of intangible assets (Note 19(d))	**1,433**	1,458
Cost of inventories recognised as an expense	**288,288**	244,091
Depreciation of property, plant and equipment (Note 17)	**10,357**	12,129
Employee compensation (Note 5)	**51,326**	43,497
Foreign exchange loss – net	**–**	164
Inventories written off	**1,157**	4,298
Allowance made for inventory obsolescence	**2,888**	1,172
(Writeback)/Impairment loss on trade receivables (Note 33(b)(i))	**(44)**	203
Logistics and insurance	**12,428**	11,144
Professional fees	**2,285**	1,984
Rental expense	**585**	409
Travelling expenses	**1,487**	1,178

8. INCOME TAXES

(a) Income tax expense

	The Group	
	2022	2021
	US$'000	US$'000
Tax expense attributable to profit is made up of:		
Profit for the financial year:		
Current income tax		
– Foreign	**16,560**	9,898
– Withholding taxes	**3,524**	3,354
Deferred income tax (Note 8(b))	**(1,024)**	1,532
	19,060	14,784
Under provision in prior financial years:		
– Current income tax	**89**	2
Total income tax expense	**19,149**	14,786

The income tax recoverable of the Group amounting to US$7,014,000 (2021: US$7,865,000) relates to prepaid taxes in foreign subsidiaries.

The tax liabilities of the Company and its subsidiaries have been measured based on the corporate tax rates and tax laws prevailing at balance sheet date.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	The Group	
	2022	2021
	US$'000	US$'000
Profit before tax	**63,044**	44,061
Share of results of associated company and joint ventures, net of tax	**156**	193
Profit before tax and share of results of associated company and joint ventures	**63,200**	44,254
Tax calculated at a tax rate of 17% (2021: 17%)	**10,744**	7,523
Effects of:		
– Different tax rates in other countries	**3,495**	2,735
– Income not subject to tax	**(193)**	(66)
– Expenses not deductible for tax purposes	**723**	543
– Withholding taxes	**3,524**	3,354
– Deferred tax assets not recognised	**820**	766
– Utilisation of previously unrecognised tax losses and capital allowances	**(53)**	(71)
– Under provision in prior financial years	**89**	2
Tax charge	**19,149**	14,786

8. INCOME TAXES (continued)

(b) Deferred income taxes

Deferred income tax assets and deferred income tax liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown in the balance sheets as follows:

	The Group	
	2022	2021
	US$'000	US$'000
Deferred income tax assets	**(3,643)**	(3,077)
Deferred income tax liabilities	**1,753**	2,037
Net deferred tax assets	**(1,890)**	(1,040)

The movement in deferred income tax account is as follows:

	The Group	
	2022	2021
	US$'000	US$'000
Beginning of financial year	**(1,040)**	(2,928)
Tax (credited)/charged to:		
– Profit or loss	**(1,024)**	1,532
– Other comprehensive income[1]	**109**	272
Currency translation differences	**65**	84
End of financial year	**(1,890)**	(1,040)

Note:

(1) This relates to tax charge on remeasurements of defined pension benefits obligation.

Deferred income tax assets are recognised for capital allowances and tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

The Group has unrecognised capital allowances of US$7,867,000 (2021: US$7,557,000) and unrecognised tax losses of US$105,225,000 (2021: US$101,675,000) at the balance sheet date, which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements in the respective countries of incorporation of those companies with unrecognised capital allowances and tax losses. The Company has unrecognised capital allowances of US$6,384,000 (2021: US$5,981,000) and tax losses of US$88,942,000 (2021: US$87,238,000) at the balance sheet date, which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements in Singapore.

These capital allowances and tax losses do not have any expiry dates, except for tax losses of US$2,528,000 (2021: US$2,672,000) incurred by a subsidiary which will expire in 2028.

Deferred income tax liabilities of the Group of US$21,962,000 (2021: US$19,653,000) have not been recognised for the withholding taxes that will be payable on the earnings of the overseas subsidiaries if remitted to the holding company, as the holding company is able to control the timing of such remittance and there is no current intention of remitting the unremitted earnings of the overseas subsidiaries to the holding company in the foreseeable future. The Company has determined that these unremitted earnings amounted to US$220,184,000 (2021: US$197,358,000) at the balance sheet date.

8. INCOME TAXES (continued)

(b) Deferred income taxes (continued)

The movement in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the year is as follows:

The Group

Deferred income tax liabilities

	Accelerated tax depreciation US$'000
2022	
Beginning of financial year	**3,971**
Credited to profit or loss	**(422)**
Currency translation differences	**(312)**
End of financial year	**3,237**
2021	
Beginning of financial year	4,463
Credited to profit or loss	(426)
Currency translation differences	(66)
End of financial year	3,971

Deferred income tax assets

	Provisions US$'000	Other deductible temporary differences US$'000	Total US$'000
2022			
Beginning of financial year	**(4,993)**	**(18)**	**(5,011)**
Charged to:			
– Profit or loss	**(617)**	**15**	**(602)**
– Other comprehensive income[1]	**109**	**–**	**109**
Currency translation differences	**377**	**–**	**377**
End of financial year	**(5,124)**	**(3)**	**(5,127)**
2021			
Beginning of financial year	(7,358)	(33)	(7,391)
Charged to:			
– Profit or loss	1,952	6	1,958
– Other comprehensive income[1]	272	–	272
Currency translation differences	141	9	150
End of financial year	(4,993)	(18)	(5,011)

Note:

(1) This relates to tax charge on remeasurements of defined pension benefits obligation.

The Company

The Company had no deferred tax assets or liabilities recognised at the balance sheet date.

9. 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.

	The Group	
	2022	2021
Net profit attributable to equity holders of the Company (US$'000)	**43,895**	29,275
Weighted average number of ordinary shares ('000)	**611,157**	611,157
Basic earnings per share (US cents)	**7.18**	4.79

(b) Diluted earnings per share

Diluted earnings per share for financial years 2022 and 2021 are the same as basic earnings per share as there were no potentially dilutive ordinary shares.

10. CASH AND BANK DEPOSITS

	The Group		The Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Cash at bank and on hand	**18,893**	35,461	**2,392**	7,700
Short-term bank deposits	**58,242**	50,777	**56,000**	48,000
	77,135	86,238	**58,392**	55,700

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

	The Group	
	2022	2021
	US$'000	US$'000
Cash and bank deposits (as above)	**77,135**	86,238
Less: Bank overdrafts (Note 24)	**(1,084)**	–
Cash and cash equivalents per consolidated statement of cash flows	**76,051**	86,238

11. TRADE RECEIVABLES

	The Group		The Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Trade receivables from contracts with customers				
– Non-related parties	**72,553**	70,156	**143**	614
– Subsidiaries	**–**	–	**2,052**	571
– Joint venture	**48**	485	**–**	–
	72,601	70,641	**2,195**	1,185
Less: Allowance for impairment of receivables – non-related parties	**(1,447)**	(1,680)	**–**	–
	71,154	68,961	**2,195**	1,185

12. INVENTORIES

	The Group		The Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Raw materials	**19,623**	13,372	**–**	–
Work-in-progress	**1,424**	1,230	**–**	–
Finished goods	**86,766**	44,718	**–**	–
Packaging materials and others	**7,638**	5,517	**–**	–
	115,451	64,837	**–**	–

13. OTHER CURRENT ASSETS

	The Group		The Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Other receivables				
– Non-related parties	**8,882**	5,652	**714**	156
– Subsidiaries (non-trade)	**–**	–	**214**	189
– Associated companies (non-trade)	**147**	186	**–**	–
– Joint ventures (non-trade)	**259**	515	**35**	11
– Related parties (non-trade)	**6**	19	**–**	–
	9,294	6,372	**963**	356
Deposits	**4,093**	3,052	**25**	18
Prepayments	**1,280**	964	**126**	138
	14,667	10,388	**1,114**	512

13. OTHER CURRENT ASSETS (continued)

(a) Other non-trade receivables due from subsidiaries, associated companies, joint ventures and related parties are unsecured, interest free and repayable upon demand. Related parties represent corporations in which certain directors have controlling interests.

(b) Included in other receivables due from non-related parties are advances for purchase of property, plant and equipment of US$689,000 (2021: US$413,000) and an outstanding loan of US$1,090,000 from one of the disengaged distributors in Indonesia (2021: US$1,202,000).

The outstanding amount is fully secured by collateralised properties. The distributor is expected to fully settle the loan through proceeds from the sale of the properties secured.

The remaining other receivables are subject to immaterial credit losses.

The carrying amounts of these current assets approximate their fair values.

14. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2022	2021
	US$'000	US$'000
Equity investments, at cost		
Beginning of financial year	**47,364**	48,076
Deregistration of subsidiary	**–**	(712)
End of financial year	**47,364**	47,364
Accumulated impairment		
Beginning of financial year	**6,445**	6,979
Deregistration of subsidiary	**–**	(534)
End of financial year	**6,445**	6,445
End of financial year	**40,919**	40,919

On 29 June 2021, the Accounting and Corporate Regulatory Authority of Singapore approved the application by Ceres Super Pte Ltd ("CSPL"), a dormant subsidiary company in which the Company has a 60% interest, to strike the name of CSPL off the Register of Companies pursuant to Section 344A of the Companies Act 1967 of Singapore. Prior to the filing of application for deregistration, CSPL closed its bank account and an amount of US$178,000 was returned to the Company.

14. INVESTMENTS IN SUBSIDIARIES (continued)

The list of subsidiaries in the Group is as follows:

Name of subsidiary/ Country of incorporation	Principal activities	Country of business	Equity holding 2022 %	2021 %
Held by the Company				
McKeeson Consultants Private Limited^ (Singapore)	Management consultants	Singapore	**100**	100
PT Perusahaan Industri Ceres*# (Indonesia)	Investment holding, manufacturing and marketing of chocolate confectionery products	Indonesia	**99.988**	99.988
PT General Food Industries* (Indonesia)	Dormant	Indonesia	**99.936**	99.936
PT Nirwana Lestari*# (Indonesia)	Marketing and distribution of chocolate confectionery and other consumer products	Indonesia	**99.862**	99.862
Ceres Sime Confectionery Sdn Bhd∞ (Malaysia)	Investment holding	Malaysia	**100**	100
Cocoa Specialities, Inc.* (Philippines)	Administrative services	Philippines	**100**	100
Delfi Chocolate Manufacturing S.A.* (Switzerland)	Administrative services	Switzerland	**100**	100
Delfi Cocoa Investments SA+ (Switzerland)	Investment holding	Switzerland	**100**	100
Delfi Singapore Pte Ltd^ (Singapore)	Dormant	Singapore	**100**	100
Delfi Marketing Sdn Bhd* (Malaysia)	Marketing and distribution of healthcare and other consumer products	Malaysia	**100**	100
Delfi Foods, Inc.* (Philippines)	Manufacturing of chocolate confectionery products	Philippines	**100**	100
Delfi Marketing, Inc.* (Philippines)	Marketing and distribution of chocolate confectionery and other consumer products	Philippines	**100**	100
Nutritional Goodness S.A. * (Switzerland)	Administrative services	Switzerland	**100**	100
Held by Ceres Sime Confectionery Sdn Bhd				
Brands of Hudsons Sdn Bhd∞ (Malaysia)	Marketing of consumer confectionery	Malaysia	**100**	100

14. INVESTMENTS IN SUBSIDIARIES (continued)

Name of subsidiary/ Country of incorporation	Principal activities	Country of business	Equity holding 2022 %	 2021 %
Held by McKeeson Consultants Private Limited				
PT Perusahaan Industri Ceres*# (Indonesia)	Investment holding, manufacturing and marketing of chocolate confectionery products	Indonesia	**0.012**	0.012
PT General Food Industries* (Indonesia)	Dormant	Indonesia	**0.064**	0.064
PT Nirwana Lestari*# (Indonesia)	Marketing and distribution of chocolate confectionery and other consumer products	Indonesia	**0.138**	0.138
Delfi Cocoa Ecuador SA+ (Ecuador)	Dormant	Ecuador	**0.004**	0.004
Held by Delfi Cocoa Investments SA				
Delfi Cocoa Ecuador SA+ (Ecuador)	Dormant	Ecuador	**99.996**	99.996
Held by PT Perusahaan Industri Ceres				
Ceres (International) Marketing Pte Ltd^ (Singapore)	Marketing of consumer confectionery	Singapore	**100**	100

^ Audited by PricewaterhouseCoopers LLP, Singapore.

* Audited by PricewaterhouseCoopers member firms outside Singapore.

∞ Audited by Grant Thornton, Malaysia.

\+ Not required to be audited by law in country of incorporation.

\# Significant subsidiaries of the Group under the SGX-ST Listing Manual.

15. INVESTMENTS IN ASSOCIATED COMPANY AND JOINT VENTURES

	The Group		The Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Investments in associated company (Note (a))	**–**	–	**–**	–
Investments in joint ventures (Note (b))	**2,523**	2,872	**4,560**	4,560
	2,523	2,872	**4,560**	4,560

(a) Investments in associated company

The details of the associated company are as follows:

Name of company	Place of business/ country of incorporation	Principal activities	Equity holding 2022 %	Equity holding 2021 %
Held by Delfi Foods, Inc.				
Alsa Industries, Inc. ("Alsa")*	Philippines	Leasing of property	**40**	40

* Audited by PricewaterhouseCoopers member firm outside Singapore.

The Group's investment in Alsa was fully impaired as at 31 December 2021 and 2022. In 2022, the Group did not recognise its share of loss of US$178,000 (2021: share of profits of US$111,000) because the Group's share of cumulative losses exceeded its interest in Alsa and the Group has no obligation in respect of those losses. The cumulative unrecognised share of losses of the associated company was US$273,000 as at 31 December 2022 (2021: US$95,000).

(b) Investments in joint ventures

The details of the joint ventures are as follows:

Name of company	Principal activities	Country of incorporation	Equity holding 2022 %	Equity holding 2021 %
Held by the Company				
Delfi-Orion Pte Ltd[1]	Development, marketing and sale of a range of branded confectionery products	Singapore	**50.0**	50.0
Delfi Yuraku Pte Ltd[1]	Investment holding	Singapore	**60.0**	60.0
Held by Delfi Yuraku Pte Ltd				
PT Delfi Yuraku Indonesia[2]	Manufacture, sale, and marketing of a range of chocolate snack products	Indonesia	**99.9**	99.9

1 Delfi-Orion and Delfi Yuraku are joint ventures as all board matters relating to the companies require unanimous consent from both parties.

2 The Group's effective interest is 60% including 0.1% held by PT Perusahaan Industri Ceres.

15. INVESTMENTS IN ASSOCIATED COMPANY AND JOINT VENTURES (continued)

(b) Investments in joint ventures (continued)

(i) In 2017, the Company and Japan's Yuraku Confectionery Company Ltd ("Yuraku") incorporated Delfi Yuraku Pte Ltd ("Delfi Yuraku"), a 60/40 JV Singapore company under a JV agreement dated 21 April 2017. The Company and Yuraku injected a total paid up capital of US$5,000,010 in Delfi Yuraku by subscribing to a total number of 5,000,010 ordinary shares. The Company holds 3,000,006 ordinary shares for a total consideration of US$3,000,006 representing 60% of total issued shares of Delfi Yuraku. Yuraku holds the remaining 40%.

The Company has also, through its joint venture and subsidiary, Delfi Yuraku and PT Perusahaan Industri Ceres, incorporated a new company, PT Delfi Yuraku Indonesia ("PT Delfi Yuraku") in Indonesia. PT Delfi Yuraku has an issued and paid up capital of US$5,000,000 comprising 5,000,000 ordinary shares, of which 4,995,000 and 5,000 were registered to Delfi Yuraku and Ceres respectively. PT Delfi Yuraku commenced commercial operations in October 2018.

During the financial year ended 31 December 2021, Delfi Yuraku Pte Ltd ("Delfi Yuraku") has increased its issued and paid-up capital from US$5,000,010 to US$6,100,010 through the issue and allotment of an additional 1,100,000 ordinary shares of US$1.00 each for a total cash consideration of US$1,100,000. The Company subscribed to 660,000 of these additional shares for a consideration of US$660,000. Yuraku subscribed for the remaining 40%.

(ii) The Group recognised a share of profits of US$54,000 (2021: US$60,000) for its share of Delfi-Orion's results for the financial year ended 31 December 2022.

15. INVESTMENTS IN ASSOCIATED COMPANY AND JOINT VENTURES (continued)

(b) Investments in joint ventures (continued)

Set out below is the summarised financial information for Delfi Yuraku, that is material to the Group.

Summarised balance sheet

	Delfi Yuraku	
	2022	2021
	US$'000	US$'000
Current assets	**714**	1,525
Includes:		
– Cash and cash equivalents	**412**	1,311
Current liabilities	**(294)**	(1,104)
Includes:		
– Financial liabilities (excluding trade payables)	**(233)**	(611)
Non-current assets	**2,923**	3,534
Non-current liabilities	**(340)**	(281)
Net Assets	**3,003**	3,674

Summarised statement of comprehensive income

	Delfi Yuraku	
	2022	2021
	US$'000	US$'000
Revenue	**724**	537
Interest income	**2**	1
Expenses		
Includes:		
– Depreciation	**(301)**	(311)
– Interest expense	**(3)**	(1)
Loss from operations	**(215)**	(375)
Income tax expense	**(135)**	(47)
Post-tax loss and total comprehensive loss	**(350)**	(422)
Dividends received from joint venture	**–**	–

The Group recognised a share of loss of US$210,000 (2021: US$253,000) for its share of Delfi Yuraku's results for the financial year ended 31 December 2022.

The information above reflects the amounts presented in the financial statements of the joint venture (and not the Group's share of those amounts).

15. INVESTMENTS IN ASSOCIATED COMPANY AND JOINT VENTURES (continued)

(b) Investments in joint ventures (continued)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in joint ventures, is as follows:

	Delfi Yuraku	
	2022	2021
	US$'000	US$'000
Net assets	**3,003**	3,674
Group's equity interest	**60%**	60%
Group's share of net assets and carrying value	**1,802**	2,204
Add:		
Carrying value of individually immaterial joint ventures	**721**	668
Carrying value of Group's interest in joint ventures	**2,523**	2,872

16. LOANS TO ASSOCIATED COMPANY AND JOINT VENTURE

	The Group		The Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Loan to associated company	**827**	915	**–**	–
Loan to joint venture	**60**	60	**60**	60
	887	975	**60**	60
Current				
Loan to joint venture	**60**	60	**60**	60
Non-current				
Loan to associated company	**827**	915	**–**	–

The loan to an associated company is unsecured and not expected to be repaid within the next 12 months. The loan bears interest at 6.09% (2021: 3.14%) per annum.

The loan to joint venture amounted to US$60,000 (2021: US$60,000). The loan bears interest at 5.47 % (2021: 0.94%) per annum and is repayable on demand.

The carrying amounts approximate their fair values.

17. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land US$'000	Buildings and improvements US$'000	Machinery and equipment US$'000	Motor vehicles US$'000	Office equipment US$'000	Construction in progress US$'000	Total US$'000
The Group							
2022							
Cost							
Beginning of financial year	3,679	58,463	104,791	3,101	17,059	21,085	208,178
Currency translation differences	(342)	(5,079)	(10,019)	(214)	(1,362)	(2,029)	(19,045)
Additions	–	1,650	2	426	567	1,923	4,568
Disposals/written off	–	(2,313)	(84)	(567)	(826)	–	(3,790)
Reclassification	–	139	1,244	–	76	(1,459)	–
End of financial year	3,337	52,860	95,934	2,746	15,514	19,520	189,911
Accumulated depreciation and impairment losses							
Beginning of financial year	1,468	26,052	65,633	2,967	16,054	–	112,174
Currency translation differences	(49)	(2,275)	(6,565)	(206)	(1,258)	–	(10,353)
Disposals/written off	–	(2,275)	(73)	(566)	(813)	–	(3,727)
Depreciation charge (Note 7)	118	3,889	5,616	184	550	–	10,357
End of financial year	1,537	25,391	64,611	2,379	14,533	–	108,451
Net book value							
End of financial year	**1,800**	**27,469**	**31,323**	**367**	**981**	**19,520**	**81,460**
2021							
Cost							
Beginning of financial year	3,722	56,824	103,173	3,684	16,976	25,631	210,010
Currency translation differences	(43)	(912)	(1,667)	(44)	(261)	(320)	(3,247)
Additions	–	2,273	14	110	303	2,386	5,086
Disposals/written off	–	–	(431)	(649)	(70)	(2,521)	(3,671)
Reclassification	–	278	3,702	–	111	(4,091)	–
End of financial year	3,679	58,463	104,791	3,101	17,059	21,085	208,178
Accumulated depreciation and impairment losses							
Beginning of financial year	1,352	22,012	60,561	3,395	15,510	–	102,830
Currency translation differences	(6)	(433)	(957)	(39)	(225)	–	(1,660)
Disposals/written off	–	–	(414)	(648)	(63)	–	(1,125)
Depreciation charge (Note 7)	122	4,473	6,443	259	832	–	12,129
End of financial year	1,468	26,052	65,633	2,967	16,054	–	112,174
Net book value							
End of financial year	**2,211**	**32,411**	**39,158**	**134**	**1,005**	**21,085**	**96,004**

17. PROPERTY, PLANT AND EQUIPMENT (continued)

	Buildings and improvements US$'000	Motor vehicles US$'000	Office equipment US$'000	Construction in progress US$'000	Total US$'000
The Company					
2022					
Cost					
Beginning of financial year	2,253	773	2,079	–	5,105
Additions	1,571	394	92	–	2,057
Disposals	(2,250)	(391)	(242)	–	(2,883)
End of financial year	1,574	776	1,929	–	4,279
Accumulated depreciation					
Beginning of financial year	1,878	658	2,004	–	4,540
Disposals	(2,250)	(391)	(231)	–	(2,872)
Depreciation charge	593	124	39	–	756
End of financial year	221	391	1,812	–	2,424
Net book value					
End of financial year	**1,353**	**385**	**117**	**–**	**1,855**
2021					
Cost					
Beginning of financial year	2,253	922	2,105	975	6,255
Additions	–	67	7	–	74
Disposals	–	(216)	(33)	(975)	(1,224)
End of financial year	2,253	773	2,079	–	5,105
Accumulated depreciation					
Beginning of financial year	1,128	777	1,992	–	3,897
Disposals	–	(216)	(33)	–	(249)
Depreciation charge	750	97	45	–	892
End of financial year	1,878	658	2,004	–	4,540
Net book value					
End of financial year	**375**	**115**	**75**	**–**	**565**

(a) Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 18(a).

(b) Bank borrowings are secured on property, plant and equipment and buildings of the Group with carrying value of US$4,070,000 (2021: US$5,157,000) (Note 24(a)).

(c) The Group recorded net gain of US$320,000 from the disposal of the other property, plant and equipment during the financial year ended 31 December 2022.

(d) During the financial year ended 31 December 2021, construction in progress equivalent to US$2,521,000 was sold to the Indonesian Government for a consideration of US$2,845,000 net of value-added tax. As a result, the Group recorded a gain from disposal of US$324,000.

18. LEASES – THE GROUP AS A LESSEE

Nature of the Group's leasing activities

Property

The Group leases land for its manufacturing operations, warehouses for storing inventories, and office space for the purpose of housing back office operations respectively.

Equipment and vehicles

The Group leases vehicles and equipment for staff use in its back office.

(a) Carrying amounts

ROU assets classified within property, plant and equipment

	The Group		The Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Leasehold land	**1,800**	2,211	**–**	–
Building	**1,832**	2,164	**1,071**	331
Motor vehicles	**294**	102	**230**	66
	3,926	4,477	**1,301**	397

(b) Depreciation charge during the year

	The Group	
	2022	2021
	US$'000	US$'000
Leasehold land	**118**	121
Building	**1,442**	1,900
Motor vehicles	**85**	79
Office equipment	**–**	1
	1,645	2,101

(c) Interest expense

	The Group	
	2022	2021
	US$'000	US$'000
Interest expense on lease liabilities	**123**	149

18. LEASES – THE GROUP AS A LESSEE (continued)

Nature of the Group's leasing activities (continued)

(d) Lease expense not capitalised in lease liabilities

	The Group	
	2022	2021
	US$'000	US$'000
Lease expense:		
– short term leases	**280**	226
– low-value leases	**305**	183
	585	409

(e) Total cash outflow for all the leases in 2022 was US$2,238,000 (2021: US$2,568,000).

(f) Addition of ROU assets during the financial year 2022 was US$1,514,000 (2021: US$2,360,000).

19. INTANGIBLE ASSETS

	The Group		The Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Brands and licence (Note (a))	**17,422**	17,460	**17,351**	17,351
Patents and trademarks (Note (b))	**309**	274	**–**	–
Computer software licences (Note (c))	**450**	1,810	**327**	512
	18,181	19,544	**17,678**	17,863

(a) Brands and licence

	The Group		The Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Net book value				
Beginning of financial year	**17,460**	17,556	**17,351**	17,351
Currency translation difference	**(38)**	(96)	**–**	–
End of financial year	**17,422**	17,460	**17,351**	17,351
End of financial year				
Cost	**17,807**	17,845	**17,616**	17,616
Accumulated amortisation and impairment loss	**(385)**	(385)	**(265)**	(265)
Net book value	**17,422**	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 (Note 2.14(b)). 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.

19. INTANGIBLE ASSETS (continued)

(b) Patents and trademarks

	The Group		The Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Net book value				
Beginning of financial year	**274**	240	**–**	–
Additions	**163**	148	**–**	–
Currency translation difference	**(2)**	(7)	**–**	–
Amortisation	**(126)**	(107)	**–**	–
End of financial year	**309**	274	**–**	–
End of financial year				
Cost	**2,536**	2,398	**–**	–
Accumulated amortisation	**(2,227)**	(2,124)	**–**	–
Net book value	**309**	274	**–**	–

(c) Computer software licences

	The Group		The Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Net book value				
Beginning of financial year	**1,810**	3,120	**512**	666
Additions	**4**	91	**–**	30
Currency translation difference	**(57)**	(50)	**–**	–
Amortisation	**(1,307)**	(1,351)	**(185)**	(184)
End of financial year	**450**	1,810	**327**	512
End of financial year				
Cost	**6,458**	6,953	**1,101**	1,101
Accumulated amortisation	**(6,008)**	(5,143)	**(774)**	(589)
Net book value	**450**	1,810	**327**	512

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

	The Group	
	2022	2021
	US$'000	US$'000
Patents and trademarks	**126**	107
Computer software licences	**1,307**	1,351
Total (Note 7)	**1,433**	1,458

20. IMPAIRMENT TESTS

The carrying values of brands and licence that are regarded as having indefinite useful lives are as follows:

	The Group		The Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Carrying value of brands and licence	**17,422**	17,460	**17,351**	17,351

The recoverable amounts of the brands and licence are estimated based on fair value less costs to sell using the relief from royalty method.

The cash flows, which related to royalty payments avoided for the individual brands and licence, were based on expected sales of the brands from financial budgets approved by management covering a four-year period. Cash flows beyond the budget period were extrapolated using the estimated growth rates which are consistent with the forecasts included in industry reports relevant to the brands and licence.

The discount rates used are based on a weighted average cost of capital (WACC), which is calculated based on publicly available market data, is pre-tax, and has been adjusted for specific risks relating to the principal countries of the brands and licence.

Key assumptions made were as follows:

	2022	2021
	%	%
Royalty rates	**2.1 to 7.0**	2.1 to 7.0
Growth rate (1)	**2.5 to 6.0**	2.5 to 6.5
Discount rates (2)	**9.0 to 15.5**	6.8 to 13.2

Notes:

(1) Weighted average growth rate used to extrapolate cash flows beyond the budget period

(2) Based on weighted average cost of capital, adjusted for country risk premium and brand risk premium

As the recoverable amounts of the brands and licence are higher than the carrying amounts, no impairment loss is recognised for the financial years ended 31 December 2022 and 31 December 2021 (Note 3).

21. OTHER NON-CURRENT ASSETS

	The Group	
	2022	2021
	US$'000	US$'000
Prepayments	**321**	301
Guarantee deposits	**30**	37
Others	**417**	668
	768	1,006

The carrying amounts of these non-current assets approximate their fair values.

22. TRADE PAYABLES

	The Group		The Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Trade payables:				
– Non-related parties	**47,516**	37,187	**681**	247
– Subsidiaries	**–**	–	**1,175**	928
– Joint venture	**370**	182	**–**	–
– Related parties	**1,815**	644	**–**	–
	49,701	38,013	**1,856**	1,175

Related parties represent corporations in which certain directors have controlling interests.

23. OTHER PAYABLES

	The Group		The Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Current				
Other payables:				
– Non-related parties	**18,904**	12,534	**227**	314
– Subsidiaries	**–**	–	**329**	287
– Joint venture	**22**	16	**–**	–
	18,926	12,550	**556**	601
Accrued operating expenses	**34,519**	39,699	**3,534**	2,467
Lease liabilities	**1,289**	1,385	**479**	373
	54,734	53,634	**4,569**	3,441
Non-current				
Lease liabilities	**880**	898	**845**	22

Other non-trade payables due to subsidiaries and joint venture are unsecured, interest free and repayable upon demand.

24. BORROWINGS

	The Group	
	2022	2021
	US$'000	US$'000
Current		
Secured		
Bank loans	**4,633**	3,939
Trade finance	**13,292**	6,125
	17,925	10,064
Unsecured		
Bank overdrafts	**1,084**	–
Total borrowings (current)	**19,009**	10,064
Total borrowings	**19,009**	10,064

Trade finance relates to banker's acceptances. The exposure of the borrowings of the Group and of the Company to interest rate changes and the contractual repricing dates at the balance sheet date is as follows:

	The Group	
	2022	2021
	US$'000	US$'000
6 months or less	**19,009**	10,064

(a) Security granted

Bank borrowings of one of the subsidiaries are secured over its property, plant and equipment (Note 17(b)).

(b) Carrying amounts and fair value

The carrying amounts of borrowings approximate their fair value as the borrowings bear interest at variable rates.

25. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

(a) Non-current

	The Group	
	2022	2021
	US$'000	US$'000
Employee post-employment defined benefit obligation	**10,038**	10,484
Others	**108**	143
	10,146	10,627

(b) Employee post-employment defined benefit obligation

The Group operates defined benefit plans for severance and service benefits required under the labour laws in Indonesia and the Philippines. These defined benefit plans are devised based on local market conditions and practices. All valuations were performed by independent actuaries at the end of each financial year using the projected unit credit method (Note 2.21(a)) and the Group reviews the assumptions used with its independent actuaries.

The amounts recognised in the balance sheet are determined as follows:

	The Group	
	2022	2021
	US$'000	US$'000
Present value of unfunded obligation	**11,823**	12,558
Fair value of plan assets	**(1,785)**	(2,074)
	10,038	10,484

The movement in the defined benefit obligation recognised in the balance sheet is as follows:

	The Group	
	2022	2021
	US$'000	US$'000
Beginning of financial year	**10,484**	16,076
Total charges/(credits), included in employee benefits expenses (Note 5)	**1,616**	(1,388)
Benefits paid	**(1,096)**	(863)
Contributions made to pension plan	**–**	(1,303)
Actuarial losses/(gains) recognised in other comprehensive income	**125**	(1,776)
Currency translation differences	**(1,091)**	(262)
End of financial year	**10,038**	10,484

25. PROVISIONS FOR OTHER LIABILITIES AND CHARGES (continued)

(b) Employee post-employment defined benefit obligation (continued)

Movement in the fair value of plan assets relating to defined post-employment benefit obligation is as follows:

	The Group	
	2022	2021
	US$'000	US$'000
Beginning of financial year	**2,074**	1,434
Employer's contribution during the year	**783**	1,303
Benefits payment from plan assets	**(930)**	(692)
Interest income from plan assets	**142**	124
Return on plan assets excluding interest income	**(97)**	(82)
Currency translation differences	**(187)**	(13)
Fair value of plan assets	**1,785**	2,074

The amounts recognised in profit or loss are as follows:

	The Group	
	2022	2021
	US$'000	US$'000
Current service cost	**943**	(2,096)
Interest cost	**818**	421
	1,761	(1,675)
Interest income on plan asset	**(142)**	–
Actuarial gain recognised during the year	**(26)**	(70)
Excess benefit paid	**23**	–
Provision for termination benefits	**–**	357
Total charges, included in employee benefits expenses (Note 5)	**1,616**	(1,388)

The amounts recognised in other comprehensive income are as follows:

	The Group	
	2022	2021
	US$'000	US$'000
Remeasurements of defined benefit obligation:		
– Gain from change in demographic assumptions	**(384)**	(339)
– Loss/(gain) from change in financial assumptions	**509**	(1,437)
	125	(1,776)

25. PROVISIONS FOR OTHER LIABILITIES AND CHARGES (continued)

(b) Employee post-employment defined benefit obligation (continued)

The valuation of defined benefit liabilities involves the use of appropriate financial and demographic assumptions such as discount rates, future salary increases, mortality rates, disability rates, retirement assumption rates and resignation rates. In determining the appropriate discount rates, management considers the market yields on government bonds in the respective countries. The mortality rates, disability rates and retirement assumption rates are based on country-specific mortality tables and labour laws of Indonesia and the Philippines. Future salary increases and resignation rates are projected based on historical information which are also objective and easily observed.

The significant actuarial assumptions used were as follows:

	The Group	
	2022	2021
	%	%
Discount rates (per annum)	**7.0 to 7.4**	4.9 to 7.4
Future salary increase (per annum)	**3.5 to 7.0**	3.5 to 7.0

	Increase/(decrease) in defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2022	2021	**2022**	2021	**2022**	2021
	%	%	**US$'000**	US$'000	**US$'000**	US$'000
Discount rate	**0.5**	0.5	**(261)**	(446)	**680**	537
Future salary increases	**0.5**	0.5	**656**	509	**(247)**	(429)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

26. SHARE CAPITAL

	The Group and the Company Issued share capital	
	Number of shares '000	**Share capital US$'000**
2022		
Beginning and end of financial year	**611,157**	**95,936**
2021		
Beginning and end of financial year	611,157	95,936

All issued shares are fully paid. There is no par value for these ordinary shares.

27. RESERVES

(a) Foreign currency translation reserve

	The Group	
	2022 US$'000	2021 US$'000
Beginning of financial year:	**(10,229)**	(7,413)
Net currency translation differences of financial statements of foreign subsidiaries, associated companies and joint ventures	**(17,574)**	(2,816)
	(17,574)	(2,816)
End of financial year	**(27,803)**	(10,229)

(b) Other reserves

Other reserves comprise general reserve (Note 28(a)) and defined pension benefits obligations (Note 25).

28. RETAINED EARNINGS

(a) Subsidiaries in Indonesia are required under their local laws to set aside an amount from their net profit to a general reserve until this reserve accumulates to amounts of 20% of their fully paid capital. Such reserves are not distributable.

(b) Movement in retained earnings for the Company is as follows:

	The Company	
	2022	2021
	US$'000	US$'000
Beginning of financial year	**20,790**	17,795
Profit for the year	**21,973**	17,284
Dividends paid (Note 29)	**(19,196)**	(14,289)
End of financial year	**23,567**	20,790

Movement in retained earnings for the Group is shown in the Consolidated Statement of Changes in Equity.

29. DIVIDENDS

	The Group	
	2022	2021
	US$'000	US$'000
Declared and paid during the year		
Final dividend for 2021: 1.08 US cents or 1.44 Singapore cents per share (2020: 1.08 US cents or 1.43 Singapore cents per share)	**6,600**	6,600
Special dividend for 2021: 0.48 US cents or 0.64 Singapore cents per share	**2,934**	–
Interim dividend for 2022: 1.58 US cents or 2.18 Singapore cents (2021: 1.27 US cents or 1.71 Singapore cents) per share	**9,662**	7,689
	19,196	14,289

At the forthcoming Annual General Meeting on 25 April 2023, a final dividend of 2.00 US cents or 2.64 Singapore cents per share and a special dividend of 0.72 US cents or 0.95 Singapore cents amounting to a total of US$16,623,000 will be recommended. The financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2023.

30. IMMEDIATE AND ULTIMATE HOLDING CORPORATIONS

The Company's immediate holding corporation is Aerodrome International Limited, incorporated in the British Virgin Islands. The Company's ultimate holding corporation is Credit Suisse Trust Limited ("CST"), incorporated in Singapore, in its capacity as trustee of Johnsonville Assets Limited and Johnsonville Holdings Limited. Mdm Lim Mee Len (wife of Mr Chuang Tiong Choon) is the beneficiary of Johnsonville Assets Trust of which CST has been appointed as the trustee. Mdm Lim Mee Len and Mr Chuang Tiong Choon are beneficiaries of Johnsonville Holdings Trust of which CST has been appointed as the trustee.

31. CONTINGENT LIABILITIES

(a) As at the balance sheet date, the Company has issued corporate guarantees to banks for its subsidiaries' bank borrowings as follows:

	The Company	
	2022	2021
	US$'000	US$'000
Corporate guarantees		
– Subsidiaries	**13,376**	6,368

(b) The Company was notified by Barry Callebaut of various claims under the continuing warranties, the details of which are set out in Note 3(i). In the event of an unfavourable outcome of any of these claims, and subject to the reservation of rights referred to in Note 3(i), the Company may have to pay and recognise additional liabilities and associated legal costs to Barry Callebaut.

32. COMMITMENTS FOR EXPENDITURE

Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	The Group		The Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Expenditure for property, plant and equipment				
–Approved and contracted for	**19**	120	**–**	59

33. FINANCIAL RISK MANAGEMENT

Overview

The Group's activities expose it to a variety of financial risks, market risks (including currency risk, price risk and interest rate risk), commodity price risk, credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses derivative financial instruments, such as foreign exchange forwards, non-deliverable forwards and foreign currency borrowings to hedge certain financial risk exposures.

Financial risk management is an integral part of the way the Group is managed. The Board provides written principles for overall risk management as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, and the use of derivative and non-derivative financial instruments. Risk management is executed jointly by a central Treasury department ("Group Treasury") and the Group's operating entities in accordance with the established policies and guidelines under close supervision by the Risk Management Committee and senior management. The Group Treasury identifies and evaluates certain financial risks in close co-operation with the Group's operating entities.

33. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk

(i) Currency risk

The Group has transactional currency exposures arising from sales, purchases and operating costs by operating units in currencies other than the respective functional currencies of Group entities, primarily, Indonesian Rupiah ("IDR"), Philippine Pesos ("PHP") and Malaysian Ringgit ("MYR"). The foreign currencies in which these transactions are denominated are mainly the United States Dollar ("USD"), Singapore Dollar ("SGD") and EURO ("EUR").

The operating entities' revenue, financing and a majority of their costs and operating expenditures are denominated in the functional currency in the locations they operate. A majority of the Group's raw material purchases and imports of agency brands are denominated in currencies that are not the entities' functional currencies. The Group engages in risk management activities to minimise the impact of volatility of these foreign currencies on the Group's performance. Active management of currency exposures involves an ongoing assessment of the movement of the foreign exchange rate on the Group's profitability and determining the most efficient methods of minimising these risks with the objective of reducing the overall impact of currency risks to the business.

The Group Treasury assists the operating entities in monitoring the foreign exchange exposure on a net basis by monitoring their receipts and payments in each individual foreign currency, and in using foreign exchange forward contracts to manage certain currency exposures arising from transactions that are denominated in foreign currencies. It is the Group's policy not to enter a forward contract until a firm commitment is in place. Such contracts allow the Group to sell or buy currencies at pre-determined forward rates.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations. The Group's net investments in Indonesia, Malaysia, the Philippines and Singapore are managed primarily through borrowings denominated in the relevant foreign currencies.

33. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	USD US$'000	IDR US$'000	MYR US$'000	SGD US$'000	EUR US$'000	Others US$'000	Total US$'000
At 31 December 2022							
Financial assets	67,999	72,270	31,530	1,369	58	20,452	193,678
Financial liabilities	(15,836)	(61,284)	(43,219)	(8,490)	(1,208)	(25,547)	(155,584)
Net financial assets/(liabilities)	**52,163**	**10,986**	**(11,689)**	**(7,121)**	**(1,150)**	**(5,095)**	**38,094**
Adjust: Net financial (assets)/ liabilities denominated in functional currency	(56,352)	(10,763)	11,442	1,761	–	3,537	(50,375)
Currency exposure of financial (liabilities)/assets net of those denominated in the respective entities' functional currencies	(4,189)	223	(247)	(5,360)	(1,150)	(1,558)	(12,281)
Firm commitments in foreign currencies	(42,211)	–	(441)	381	(5,771)	(1,943)	(49,985)
Derivative financial instruments							
Foreign exchange forwards	2,640	–	–	–	–	–	2,640
Currency Exposure	**(43,760)**	**223**	**(688)**	**(4,979)**	**(6,921)**	**(3,501)**	**(59,626)**
At 31 December 2021							
Financial assets	64,909	90,498	21,588	1,333	278	18,426	197,032
Financial liabilities	(11,762)	(67,936)	(23,905)	(5,438)	(1,469)	(19,951)	(130,461)
Net financial assets/(liabilities)	**53,147**	**22,562**	**(2,317)**	**(4,105)**	**(1,191)**	**(1,525)**	**66,571**
Adjust: Net financial (assets)/ liabilities denominated in functional currency	(52,622)	(22,317)	1,690	1,974	–	1,143	(70,132)
Currency exposure of financial liabilities net of those denominated in the respective entities' functional currencies	525	245	(627)	(2,131)	(1,191)	(382)	(3,561)
Firm commitments in foreign currencies	(2,767)	–	(208)	232	(200)	(35)	(2,978)
Derivative financial instruments							
Foreign exchange forwards	2,128	–	–	–	–	–	2,128
Currency Exposure	**(114)**	**245**	**(835)**	**(1,899)**	**(1,391)**	**(417)**	**(4,411)**

33. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

	USD US$'000	SGD US$'000	MYR US$'000	EUR US$'000	Others US$'000	Total US$'000
At 31 December 2022						
Financial assets	61,203	369	–	–	10	61,582
Financial liabilities	(1,879)	(4,714)	(100)	(10)	(547)	(7,250)
Net financial assets/(liabilities)	**59,324**	**(4,345)**	**(100)**	**(10)**	**(537)**	**54,332**
Adjust: Net financial assets denominated in functional currency	(59,324)	–	–	–	–	(59,324)
Currency exposure of financial (liabilities)/assets net of those denominated in functional currency	–	(4,345)	(100)	(10)	(537)	(4,992)
Firm commitments in foreign currencies	–	111	(240)	(168)	–	(297)
Currency exposure	**–**	**(4,234)**	**(340)**	**(178)**	**(537)**	**(5,289)**
At 31 December 2021						
Financial assets	56,310	811	–	101	20	57,242
Financial liabilities	(1,370)	(2,584)	(522)	(124)	(16)	(4,616)
Net financial assets/(liabilities)	**54,940**	**(1,773)**	**(522)**	**(23)**	**4**	**52,626**
Adjust: Net financial assets denominated in functional currency	(54,940)	–	–	–	–	(54,940)
Currency exposure of financial (liabilities)/assets net of those denominated in functional currency	–	(1,773)	(522)	(23)	4	(2,314)
Firm commitments in foreign currencies	–	88	(202)	(55)	–	(169)
Currency exposure	**–**	**(1,685)**	**(724)**	**(78)**	**4**	**(2,483)**

33. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis to foreign exchange movement

Assuming that all other variables, in particular interest rates, remain constant, a change of the following currencies against United States Dollar at the balance sheet date will increase/(decrease) profit after tax by the amounts shown below:

	The Group		The Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
SGD against USD				
– strengthened 5% (2021: 5%)	**(259)**	(129)	**(180)**	(74)
– weakened 5% (2021: 5%)	**259**	129	**180**	74
IDR against USD				
– strengthened 5% (2021: 5%)	**62**	(70)	**–**	–
– weakened 5% (2021: 5%)	**(62)**	70	**–**	–
MYR against USD				
– strengthened 5% (2021: 5%)	**(79)**	(77)	**(4)**	(22)
– weakened 5% (2021: 5%)	**79**	77	**4**	22
EUR against USD				
– strengthened 5% (2021: 5%)	**–***	(1)	**–***	(1)
– weakened 5% (2021: 5%)	**–***	1	**–***	1

* Less than US$500

As at 31 December 2022, the total notional amounts of the Group's foreign exchange forwards are US$2,640,000 (2021: US$2,128,000).

(ii) Price risk

The Group and the Company have insignificant exposure to equity price risk.

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's exposure to interest rate risks arises primarily from its short-term bank deposits and debt obligations. The short-term bank deposits and borrowings are mainly at variable rates and these expose the Group and the Company to cash flow interest rate risks.

The net impact of the interest rate risks as at 31 December 2022 and 2021 is considered insignificant. Consequently, no sensitivity analysis is prepared by the Group and Company.

33. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

Credit risk refers to the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's and the Company's major classes of financial assets are bank deposits (Note 10), trade and other receivables (Notes 11 and 13), and loans to associated company and joint venture (Note 16).

For trade and other receivables, and loans to associated company and joint venture, the Group adopts the policy of dealing only with customers and other counterparties of appropriate credit history and where possible, the Group has obtained sufficient security to mitigate credit risk.

The credit exposure and credit terms granted to our customers are continuously monitored at the entity level by the respective management and at the Group level by the Group Treasury.

For derivatives and bank deposits, the Group and the Company only transact with high credit quality financial institutions. The Group limits the amount of credit exposure to any financial institution.

As the above policies have been applied consistently, the Group does not expect to incur material credit losses on these financial assets.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

	The Group	
	2022	2021
	US$'000	US$'000
Corporate guarantees		
– Subsidiaries	**13,376**	6,368

Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers of the Group and the Company.

33. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

The credit risk for trade receivables based on the information provided to key management is as follows:

	The Group		The Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
By geographical areas				
Indonesia	**38,879**	45,597	**490**	481
Singapore	**339**	802	**28**	578
Philippines	**5,859**	5,444	**1,250**	44
Thailand	**213**	128	**312**	36
Malaysia	**25,813**	16,990	**115**	46
Other countries in Asia	**51**	–	**–**	–
	71,154	68,961	**2,195**	1,185
By types of customers				
Subsidiaries	**–**	–	**2,052**	571
Related parties, associated companies and joint venture	**48**	485	**–**	–
Non-related parties:				
– Retail chains	**43,659**	36,242	**–**	–
– Wholesalers and distributors	**20,278**	21,664	**143**	614
– Others	**7,169**	10,570	**–**	–
	71,154	68,961	**2,195**	1,185

(i) Trade receivables

The Group applies the SFRS(I) 9 simplified approach to measure the lifetime of expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 6 years before balance sheet date respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

33. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(i) Trade receivables (continued)

On that basis, the Group's credit risk exposure in relation to trade receivables as at 31 December 2022 and 31 December 2021 are set out in the provision matrix as follows:

	Current US$'000	Past due less than 30 days US$'000	Past due 1 to 3 months US$'000	Past due 3 to 6 months US$'000	Past due over 6 months US$'000
31 December 2022:					
Trade receivables	**51,026**	**17,598**	**1,879**	**314**	**1,784**
Less: Specific allowance	**–**	**–**	**–**	**–**	**(1,234)**
	51,026	**17,598**	**1,879**	**314**	**550**
Expected loss rate	**0.31%**	**0.26%**	**0.27%**	**0.96%**	**0.0%**
Loss allowance *	**159**	**46**	**5**	**3**	**–**
31 December 2021:					
Trade receivables	46,961	18,153	3,153	402	1,971
Less: Specific allowance	–	–	–	–	(1,529)
	46,961	18,153	3,153	402	442
Expected loss rate	0.18%	0.29%	0.25%	0.38%	0.41%
Loss allowance *	**86**	**53**	**8**	**2**	**2**

* Excludes trade receivables which were individually determined to be impaired.

The movements in allowance for impairment in relation to trade receivables are as follows:

	2022 US$'000	2021 US$'000
Beginning of financial year	**1,680**	1,521
(Decrease)/increase in loss allowance recognised in profit or loss during the year	**(44)**	203
Receivables written off as uncollectible	**(54)**	(15)
Currency translation difference	**(135)**	(29)
End of financial year	**1,447**	1,680

Cash and cash equivalents, rights to returned goods, loan to subsidiary, loans to associated company and joint venture and other receivables are subject to immaterial credit loss.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 180 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

33. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. Prudent liquidity risk management includes maintaining sufficient cash and having an adequate amount of committed credit facilities to meet the forecast net cash requirement of the Group's operations.

The table below analyses the Group's and Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year US$'000	Between 1 and 2 years US$'000	Between 2 and 5 years US$'000	Over 5 years US$'000	Total US$'000
The Group					
At 31 December 2022					
Trade and other payables	**110,368**	**–**	**–**	**–**	**110,368**
Provisions for other liabilities and charges	**–**	**–**	**–**	**108**	**108**
Lease liabilities	**1,352**	**504**	**345**	**49**	**2,250**
Borrowings	**19,394**	**–**	**–**	**–**	**19,394**
	131,114	**504**	**345**	**157**	**132,120**
At 31 December 2021					
Trade and other payables	96,698	–	–	–	96,698
Provisions for other liabilities and charges	–	–	–	143	143
Lease liabilities	1,488	913	18	–	2,419
Borrowings	10,271	–	–	–	10,271
	108,457	913	18	143	109,531
The Company					
At 31 December 2022					
Trade and other payables	**5,946**	**–**	**–**	**–**	**5,946**
Lease liabilities	**518**	**496**	**336**	**49**	**1,399**
Financial guarantee contracts	**13,376**	**–**	**–**	**–**	**13,376**
	19,840	**496**	**336**	**49**	**20,721**
At 31 December 2021					
Trade and other payables	4,242	–	–	–	4,242
Lease liabilities	375	22	–	–	397
Financial guarantee contracts	6,368	–	–	–	6,368
	10,985	22	–	–	11,007

33. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

The table below analyses the Group's derivative financial instruments for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year US$'000	Between 1 and 2 years US$'000	Between 2 and 5 years US$'000	Over 5 years US$'000	Total US$'000
The Group					
At 31 December 2022					
Net-settled non-deliverable forwards	–	–	–	–	–
Gross-settled foreign exchange forwards					
– Payments	–	–	–	–	–
– Receipts	–	–	–	–	–
	–	–	–	–	–
At 31 December 2021					
Net-settled non-deliverable forwards	–	–	–	–	–
Gross-settled foreign exchange forwards					
– Payments	(2,074)	–	–	–	(2,074)
– Receipts	2,051	–	–	–	2,051
	(23)	–	–	–	(23)

(d) Capital risk

The Group's objectives when managing capital are to minimise the overall cost of capital and to achieve an optimal capital structure so as to maximise shareholder value. The Group leverages on its credit profile and business standing in broadening its financing options to include the capital markets. In 2014, the Company established a US$500 million Multicurrency Medium Term Note ("MTN") programme. The Multicurrency MTN programme enables the Group to reduce dependence on bank financing; provide flexibility and currency-matched financing of short and long term assets and reduce effective interest cost over the longer term. There was no draw down of the MTN in 2021 and 2022.

Management monitors capital based on the Group's gearing ratio. The Group and the Company are required by the banks to maintain a gearing ratio of not exceeding 300% (2021: 300%). The gearing ratio is calculated as net debt divided by the Group's total equity. Net debt is calculated as borrowings less cash and cash equivalents. As of 31 December 2022, the Group is in a net cash position of US$58,126,000 (2021: net cash position of US$76,174,000).

The Group and the Company are also required by the banks to maintain a current ratio (current assets divided by current liabilities) of more than 100% (2021: 100%).

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2022 and 2021.

33. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2);

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
The Group				
At 31 December 2022				
Liabilities				
Derivative liabilities				
– Foreign exchange forwards	**–**	**–**	**–**	**–**
– Non-deliverable forwards	**–**	**–**	**–**	**–**
At 31 December 2021				
Liabilities				
Derivative liabilities				
– Foreign exchange forwards	–	23	–	23
– Non-deliverable forwards	–	–	–	–

The Company does not hold any financial instruments that are subjected to fair value measurements as at 31 December 2021 and 2022.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. The fair value of foreign exchange and non-deliverable forward contracts are determined using forward exchange rates at the balance sheet date. These instruments are included in Level 2. There are no financial instruments classified as Level 3 as the Group has not applied valuation techniques that are based on significant unobservable inputs.

The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated based on quoted market prices or dealer quotes for similar instruments by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The carrying amounts of borrowings approximate their fair values (Note 24(b)).

33. FINANCIAL RISK MANAGEMENT (continued)

(f) Financial instruments by category

The carrying amounts of the different categories of financial instruments are as follows:

	The Group		The Company	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Financial assets, at amortised cost	**160,197**	164,664	**61,582**	57,244
Financial liabilities at fair value through profit or loss	**–**	23	**–**	–
Financial liabilities at amortised cost	**123,017**	101,969	**7,249**	4,616

34. RELATED PARTY 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 year:

(a) Sales and purchases of goods and services

	The Group	
	2022	2021
	US$'000	US$'000
Revenue:		
Sales to joint venture	**346**	230
Sales to related parties	**25**	42
Interest income from associated company/joint venture	**37**	1
Service income from associated company/joint ventures	**251**	281
Service income from related parties	**–**	17
Expenditure:		
Purchases from joint ventures	**3,747**	2,738
Purchases from related parties	**15,597**	13,978
Rental payable to associated company	**83**	88
Directors' fees	**475**	475

Related parties represent corporations in which certain directors 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 at 31 December 2022, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from balance sheet date and are disclosed in Notes 11, 13, 22 and 23.

34. RELATED PARTY TRANSACTIONS (continued)

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	The Group	
	2022	2021
	US$'000	US$'000
Salaries and other short-term employee benefits	**6,467**	5,931
Post-employment benefits – contribution to CPF	**54**	48
	6,521	5,979

Included above is total compensation to directors of the Company amounting to US$3,972,800 (2021: US$2,710,000).

35. 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 its Branded Consumer business based on its two geographical segments, namely Indonesia and Regional Markets (which comprise the Philippines, Malaysia and Singapore).

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

	Indonesia US$'000	**Regional Markets US$'000**	**Total US$'000**
Sales:			
– Total segment sales	333,864	165,543	499,407
– Inter-segment sales	(16,418)	(17)	(16,435)
Sales to external parties	**317,446**	**165,526**	**482,972**
EBITDA	71,975	1,991	73,966
Interest income			1,498
Finance costs			(630)
Share of results of associated company and joint ventures			(156)
Income tax expense			(19,149)
Other segment information			
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	55,976	282,402
– Agency Brands	91,020	109,550	200,570
	317,446	**165,526**	**482,972**

35. SEGMENT INFORMATION (continued)

The segment information provided to the Executive Committee for the reportable segments for the year ended 31 December 2021 is as follows:

	Indonesia US$'000	Regional Markets US$'000	Total US$'000
Sales:			
– Total segment sales	280,751	134,968	415,719
– Inter-segment sales	(10,568)	(23)	(10,591)
Sales to external parties	**270,183**	**134,945**	**405,128**
EBITDA	55,956	2,173	58,129
Interest income			576
Finance costs			(1,057)
Share of results of associated company and joint ventures			(193)
Income tax expense			(14,786)
Other segment information			
Depreciation and amortisation	(10,453)	(3,134)	(13,587)
Capital expenditure on property, plant and equipment	2,271	2,815	5,086
Sales are analysed as:			
– Own Brands	190,485	46,927	237,412
– Agency Brands	79,698	88,018	167,716
	270,183	**134,945**	**405,128**

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

The Executive Committee assesses the performance of the operating segments based on a measure of earnings before interest, tax, depreciation and amortisation ("EBITDA") for its operations. This measurement basis excludes the effect of expenditure from the operating segments that are not expected to recur regularly in every period which are separately analysed. Interest income and finance expenses are not allocated to segments, as this type of activity is driven by the Group Treasury, which manages the cash position of the Group.

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

	The Group	
	2022 US$'000	2021 US$'000
EBITDA	**73,966**	58,129
Interest expense (Note 6)	**(630)**	(1,057)
Interest income (Note 4)	**1,498**	576
Depreciation of property, plant and equipment (Note 17)	**(10,357)**	(12,129)
Amortisation of intangible assets (Note 19(d))	**(1,433)**	(1,458)
Profit before tax	**63,044**	44,061

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

35. SEGMENT INFORMATION (continued)

(b) Geographical information

Sales are based on the country in which the customer is located. Non-current assets are shown by the country where the assets are located.

	The Group			
	Revenue		Non-current assets	
	2022	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000
Indonesia	**317,446**	270,183	**74,234**	88,804
Regional Markets:				
– Philippines	**47,806**	38,348	**7,537**	9,189
– Malaysia	**110,088**	89,925	**1,427**	2,692
– Singapore	**1,693**	1,392	**22,084**	21,390
– Other countries	**5,939**	5,280	**137**	101
	482,972	405,128	**105,419**	122,176

36. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant to the Group's accounting periods beginning on or after 1 January 2023 and which the Group has not early adopted:

Amendments to SFRS(I) 1-1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to SFRS(I) 1-1 *Presentation of Financial Statements* clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-12 *Income Taxes*: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023)

The amendments to SFRS(I) 1-12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases or lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

36. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (continued)

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- Right-of-use assets and lease liabilities, and
- Decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

SFRS(1) 1-12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The Group does not expect any significant impact arising from applying these amendments.

37. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Delfi Limited on 22 March 2023.

APPENDIX (SHAREHOLDERS' MANDATE)

This Appendix is circulated to Shareholders of Delfi Limited together with the Company's Annual Report. Its purpose is to provide Shareholders with the relevant information relating to, and to seek Shareholders' approval to renew the Shareholders' Mandate to be tabled at the Annual General Meeting to be held on 25 April 2023 at 10:00 a.m. in Singapore via electronic means.

The Notice of Annual General Meeting and a Proxy Form are enclosed with the Annual Report.

The Singapore Exchange Securities Trading Limited takes no responsibility for the correctness of any of the statements made, reports contained/referred to, or opinions expressed, in this Appendix.

DELFI LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number: 198403096C

APPENDIX IN RELATION TO THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

APPENDIX (SHAREHOLDERS' MANDATE)

DEFINITIONS

In this appendix (***Appendix***), the following definitions apply throughout unless otherwise stated:

AGM	:	The annual general meeting of the Company to be convened on 25 April 2023, notice of which is set out in the Annual Report 2022 dispatched together with this Appendix;
Audit Committee	:	An audit committee of the Company (as may be reconstituted as and when required in compliance with prevailing laws) presently comprising Mr Anthony Michael Dean (Chairman), Mr Pedro Mata-Bruckmann, Mr Koh Poh Tiong, and Mr Graham Nicholas Lee;
CDP	:	The Central Depository (Pte) Limited;
Company	:	Delfi Limited;
Companies Act	:	Companies Act, 1967 of Singapore;
Directors	:	The directors of the Company as at the date of this Appendix;
Executive Directors	:	The executive directors as at the date of this Appendix, unless otherwise stated;
Group	:	The Company and its subsidiaries;
Independent Director(s)	:	The independent director(s) of the Company as at the date of this Appendix unless otherwise stated;
Interested Person	:	A director, chief executive officer or controlling shareholder of the Company or an associate of such director, chief executive officer or controlling shareholder;
Interested Person Transaction	:	A transaction proposed to be entered into between the Group and any Interested Person;
John Chuang	:	Chuang Tiong Choon also known as Ma Wei Lin
Joseph Chuang	:	Chuang Tiong Liep also known as Chit Ko Ko
Latest Practicable Date	:	The latest practicable date prior to the printing of this Appendix, being 13 March 2023;
Listing Manual	:	The listing manual of the SGX-ST;
Rp or ***Rupiah***	:	Indonesian Rupiah;
Securities Account	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account;
SGX-ST	:	Singapore Exchange Securities Trading Limited;
Shareholders	:	Registered holders of Shares, except that where the registered holder is CDP, the term ***Shareholders*** shall, where the context admits, mean the Depositors whose Securities Accounts are credited with Shares;
Shares	:	Ordinary shares in the capital of the Company;
Substantial Shareholder	:	A person who has an interest in Shares which is 5% or more of the total votes attached to all the voting;
S$	:	Singapore dollars;
US$ and ***cents***	:	United States dollars and cents, respectively;
William Chuang	:	Chuang Tiong Kie also known as Maung Lu Win; and
% or ***per cent.***	:	Per centum or percentage.

APPENDIX (SHAREHOLDERS' MANDATE)

The terms ***Depositor*** and ***Depository Register*** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, 2001 of Singapore (***Securities and Futures Act***).

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Listing Manual and Securities and Futures Act or any modification thereof and not otherwise defined in this Appendix shall have the same meaning assigned to it under the Companies Act, the Listing Manual and Securities and Futures Act or any modification thereof, as the case may be.

Any reference to a time of day in this Appendix is made by reference to Singapore time unless otherwise stated.

APPENDIX (SHAREHOLDERS' MANDATE)

1. INTRODUCTION

The purpose of this Appendix is to provide Shareholders with the relevant information relating to, and to seek Shareholders' approval at the AGM to renew the general mandate (***Shareholders' Mandate***) that will enable the Group to enter into transactions with the Interested Persons in compliance with Chapter 9 of the Listing Manual.

Chapter 9 of the Listing Manual applies to transactions which a listed company or any of its subsidiaries or associated companies propose to enter into with an interested person of the listed company. An ***interested person*** is defined as a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder.

Chapter 9 of the Listing Manual allows a listed company to seek a Shareholders' Mandate for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, which may be carried out with the listed company's ***interested persons***.

The Shareholders' Mandate was approved at the annual general meeting of the Company held on 26 April 2022 and will be effective until the next annual general meeting is held or required by law to be held, whichever is the earlier. Accordingly, the Directors propose that the Shareholders' Mandate be renewed at the AGM to be held on 25 April 2023, to take effect until the next annual general meeting of the Company.

General information relating to Chapter 9 of the Listing Manual, including the meanings of terms such as ***interested person***, ***associate***, ***associated company*** and ***controlling shareholder***, are set out in the Annexure of this Appendix.

2. THE RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

2.1 Classes of Interested Persons

The Shareholders' Mandate will apply to the Group's interested person transactions including PT Tri Keeson Utama, PT Fajar Mataram Sedayu, PT Freyabadi Indotama and PT Sederhana Djaja and each of their associates. Please refer to the section "Potential Conflicts of Interest" in the Company's prospectus dated 28 October 2004 for more details.

Transactions with Interested Persons which do not fall within the ambit of the proposed Shareholders' Mandate will be subject to the provisions of Chapter 9 and/or other applicable provisions of the Listing Manual.

2. THE RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS (continued)

2.2 Scope of Interested Person Transactions

The interested person transactions with the Interested Persons which will be covered by the Shareholders' Mandate are the following:

(a) Transactions with PT Tri Keeson Utama

By virtue of their aggregate interest in 99.9% of the shareholding in PT Sederhana Djaja, the Executive Directors, Mr John Chuang, Mr Joseph Chuang and Mr William Chuang are deemed to be interested in 100.0% of the issued share capital of PT Tri Keeson Utama held by PT Sederhana Djaja. Accordingly, transactions between the Group and PT Tri Keeson Utama are deemed to be interested person transactions.

PT Tri Keeson Utama is principally engaged in the business of mixing and blending cocoa cakes and cocoa powder. The Company and/or its subsidiary, PT General Food Industries, has been selling cocoa products such as cocoa powder and cocoa cakes to PT Tri Keeson Utama. The value of the Company's sales to PT Tri Keeson Utama for the period from 1 January 2022 up to the Latest Practicable Date are as set out below:

	For the period from 1 January 2022 up to the Latest Practicable Date
Aggregate value of sales to PT Tri Keeson Utama (US$'000)	Nil

These transactions were entered into on a willing buyer and willing seller basis. The provision of cocoa products to PT Tri Keeson Utama is a recurrent interested person transaction.

Following the completion of the divestment of Cocoa Ingredients Division on 30 June 2013, sales of cocoa ingredients or products to PT Tri Keeson Utama has ceased. However, the Company may continue to provide some products to PT Tri Keeson Utama.

(b) Transactions with PT Fajar Mataram Sedayu

By virtue of their indirect interest in 99.9% of the shareholding in PT Sederhana Djaja, the Executive Directors, Mr John Chuang, Mr Joseph Chuang and Mr William Chuang are deemed to be interested in 51.0% of the issued share capital of PT Fajar Mataram Sedayu. The remaining shareholding interest in PT Fajar Mataram Sedayu is held by unrelated third parties. Accordingly, transactions between the Group and PT Fajar Mataram Sedayu are deemed to be interested person transactions.

PT Fajar Mataram Sedayu is principally engaged in the manufacture and sale of compound chocolate rice primarily for industrial use, as well as the manufacture and sale of consumer chocolate targeted at the lower segment of the Indonesian consumer chocolate market.

2. THE RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS (continued)

2.2 Scope of Interested Person Transactions (continued)

(b) Transactions with PT Fajar Mataram Sedayu (continued)

(i) Sale of materials by the Group to PT Fajar Mataram Sedayu

The Company's subsidiaries, PT Perusahaan Industri Ceres and PT General Food Industries, have been undertaking the sale of products such as cocoa liquor, cocoa butter and vegetable fats to PT Fajar Mataram Sedayu. The value of the Company's sales to PT Fajar Mataram Sedayu for the period from 1 January 2022 up to the Latest Practicable Date are as set out below:

	For the period from 1 January 2022 up to the Latest Practicable Date
Aggregate value of sales to PT Fajar Mataram Sedayu (US$'000)	Nil

These transactions were entered into on a willing buyer and willing seller basis. The provision of products such as cocoa liquor, cocoa butter and vegetable fats to PT Fajar Mataram Sedayu is a recurrent interested person transaction.

Following the completion of the divestment of Cocoa Ingredients Division on 30 June 2013, sales of cocoa ingredients or products to PT Fajar Mataram Sedayu has ceased. However, the Company may continue to provide some of the Company's products to PT Fajar Mataram Sedayu.

(ii) Purchase of goods from PT Fajar Mataram Sedayu

The Company's subsidiary, PT Nirwana Lestari, has been undertaking the purchase of products from PT Fajar Mataram Sedayu, for distribution in Bali, Indonesia. PT Nirwana Lestari intends to continue purchasing such products from PT Fajar Mataram Sedayu. The quantum of the Company's purchases from PT Fajar Mataram Sedayu for the period 1 January 2022 to the Latest Practicable Date are set out below:

	For the period from 1 January 2022 up to the Latest Practicable Date
Aggregate value of purchases from PT Fajar Mataram Sedayu (US$'000)	Nil

These transactions were entered into on a willing buyer and willing seller basis. The purchase of chocolate rice, chocolate spread, wafer, and other products from PT Fajar Mataram Sedayu is a recurrent interested person transaction. The Company intends to continue purchasing such products from PT Fajar Mataram Sedayu.

2. THE RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS (continued)

2.2 Scope of Interested Person Transactions (continued)

(c) Transactions with PT Freyabadi Indotama

By virtue of their aggregate interest in 100.0% of the shareholding in Berlian Enterprises Limited, the Executive Directors, Mr John Chuang, Mr Joseph Chuang and Mr William Chuang are deemed to be interested in 49.0% of the issued share capital of PT Freyabadi Indotama held in aggregate by McKeeson Investments Pte Ltd and PT Sederhana Djaja. Accordingly, transactions between the Group and PT Freyabadi Indotama are deemed to be interested person transactions.

PT Freyabadi Indotama is a joint venture entity, in which Fuji Oil Ltd, an unrelated third party, McKeeson Investments Pte Ltd and PT Sederhana Djaja own 51.0%, 30.0% and 19.0% of its issued share capital respectively. PT Freyabadi Indotama is principally engaged in the manufacture and sale of industrial chocolate.

(i) Sale of materials by the Group to PT Freyabadi Indotama

The Company's subsidiaries, PT Perusahaan Industri Ceres, PT Nirwana Lestari and PT General Food Industries have been undertaking the sale of products such as cocoa powder, cocoa butter, chocolate rice, cocoa liquor and other products to PT Freyabadi Indotama. The value of the Company's sales to PT Freyabadi Indotama for the period from 1 January 2022 up to the Latest Practicable Date are set out below:

	For the period from 1 January 2022 up to the Latest Practicable Date
Aggregate revenue received from PT Freyabadi Indotama (US$'000)	25

These transactions were entered into on a willing buyer and willing seller basis. The provision of products such as cocoa powder, cocoa butter, chocolate rice, cocoa liquor and other products to PT Freyabadi Indotama is a recurrent interested person transaction. The Company intends to continue providing the Company's products to PT Freyabadi Indotama.

(ii) Purchase of products from PT Freyabadi Indotama

The Company's subsidiaries, PT Nirwana Lestari, PT Perusahaan Industri Ceres have been undertaking the purchase of chocolate coating and plastic packaging products from PT Freyabadi Indotama. The value of the Company's purchases from PT Freyabadi Indotama for the period from 1 January 2022 up to the Latest Practicable Date are as set out below:

	For the period from 1 January 2022 up to the Latest Practicable Date
Aggregate purchases from PT Freyabadi Indotama (US$'000)	15,597

These transactions were entered into on a willing buyer and willing seller basis. The purchase of chocolate coating and plastic packaging products from PT Freyabadi Indotama is a recurrent interested person transaction. The Company intends to continue purchasing such products from PT Freyabadi Indotama.

2. THE RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS (continued)

2.2 Scope of Interested Person Transactions (continued)

(d) Transactions with PT Sederhana Djaja

By virtue of their aggregate interest in 100.0% of the shareholding in Berlian Enterprises Limited, the Executive Directors, Mr John Chuang, Mr Joseph Chuang and Mr William Chuang are deemed to be interested in 99.9% of the issued share capital of PT Sederhana Djaja held by McKeeson Investments Pte Ltd. Accordingly, transactions between the Group and PT Sederhana Djaja are deemed to be interested person transactions. PT Sederhana Djaja is an investment holding company.

The total annual rental paid by the Group to PT Sederhana Djaja for the period from 1 January 2022 up to the Latest Practicable Date are as set out below:

	For the period from 1 January 2022 up to the Latest Practicable Date
Total annual rental paid to PT Sederhana Djaja (US$'000)	Nil

These transactions were entered into on a willing buyer and willing seller basis. The Group terminated its lease agreements with PT Sederhana Djaja in 2018. However, the Company may continue to lease properties from PT Sederhana Djaja.

2.3 Rationale for and Benefits of the Shareholders' Mandate

In the ordinary course of the Group's business activities, the Group and the Interested Persons may enter into transactions with each other from time to time. Further, it is likely that such transactions will occur with some degree of frequency and could arise at any time.

The Directors are of the view that it will be beneficial to the Group to transact or continue to transact with the Interested Persons, especially since the transactions are to be entered into on normal commercial terms.

Due to the time-sensitive nature of commercial transactions, the Company is seeking Shareholders' approval pursuant to Chapter 9 of the Listing Manual for the renewal of the Shareholders' Mandate to enable the Group to enter into transactions with the Interested Persons, provided that such transactions are entered into in the Group's ordinary course of business, are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The Shareholders' Mandate is intended to enhance the Group's ability to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for the Company to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for the entry by the Group into such transactions. This will substantially reduce administrative time and expenses associated with the making of such announcements or the convening of general meetings from time to time, and allow resources to be focused towards other corporate and business opportunities.

The Shareholders' Mandate will not cover any transactions between the Group and the Interested Persons which have a value below S$100,000 as the threshold and aggregation requirements under Chapter 9 of the Listing Manual do not apply to such transactions. In addition, the transactions will not include the purchase or sale of assets, undertakings or businesses that are not in the Group's ordinary course of business.

APPENDIX (SHAREHOLDERS' MANDATE)

2. THE RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS (continued)

2.3 Rationale for and Benefits of the Shareholders' Mandate (continued)

If approved at the AGM, the Shareholders' Mandate will take effect from the date of the passing of the resolution to be proposed at the AGM and will continue to be in force until the next annual general meeting. The Company will seek the approval of Shareholders for the renewal of the Shareholders' Mandate annually.

Pursuant to Rule 920(1)(a) of the Listing Manual, the Company is required to:

(a) disclose the Shareholders' Mandate in the Company's Annual Report, giving details of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year under review, (in the form set out in Rule 907 of the Listing Manual); and

(b) announce the aggregate value of transactions conducted pursuant to the Shareholders' Mandate for the financial periods which it is required to report on within the time period required for the announcement of the financial results of the Group (in the form set out in Rule 907 of the Listing Manual).

2.4 Review Procedures for Interested Person Transactions

The Company has established the following guidelines and procedures to ensure that all Interested Person Transactions are made on the Company's normal commercial terms and conditions are consistent with the Group's usual business practices and policies, which are generally no more favourable to the Interested Person than those extended to unrelated third parties:

(a) All Interested Person Transactions will be documented and submitted periodically to the Audit Committee for their review to ensure that such transactions are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the Company. In the event that a member of the Audit Committee is deemed to have an interest in an Interested Person Transaction, he will abstain from reviewing that particular transaction. The Audit Committee will include the review of Interested Person Transactions as part of the standard procedures during the Audit Committee's examination of the adequacy of the Group's internal controls.

(b) In respect of any purchase of products or procurement of services from Interested Persons, quotes received from at least two unrelated third parties in respect of the same or substantially the same types of transactions are to be used as a comparison wherever possible. The Audit Committee will review these comparables, taking into account pertinent factors, including but not limited to:

    (i) whether the pricing is in accordance with the Company's usual business practice and policies;

    (ii) quality of the products offered;

    (iii) delivery time;

    (iv) track record; and

    (v) whether the terms are no more favourable to the Interested Persons than those extended by unrelated third parties.

    In cases where it is not possible to obtain comparables from other unrelated third parties, the Company may enter into the transaction with the Interested Person provided that the price and terms received from the Interested Person are no less favourable than those extended by the Interested Person to the unrelated third parties, taking into account all pertinent factors including, but not limited to business practices, industry norms, volume, quality, delivery time and track record.

2. THE RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS (continued)

2.4 Review Procedures for Interested Person Transactions (continued)

(c) In respect of any sale of products to Interested Persons, the Audit Committee will review the terms of the sale to ensure that they are not prejudicial to the interest of the Shareholders, taking into account pertinent factors, including but not limited to whether transactions with Interested Persons have been carried out at the prevailing market rates or prices on terms which are no more favourable to the Interested Person than the usual commercial terms extended to unrelated third parties.

Where the prevailing market rates or prices are not available due to the nature of the product to be sold, the Company may enter into the transaction with the Interested Person provided that the pricing policies are consistent with the usual margin obtained by the Group for the same or substantially similar type of transaction with unrelated third parties. In determining the transaction price payable by Interested Persons for such products, factors such as, but not limited to, quantity, volume, consumption, customer requirements, specifications and duration of contract will be taken into account.

The Group will implement the following procedures for the identification of interested persons and the recording of all the Company's interested person transactions:

(a) At or about the fifteenth day of each month, the heads of the various departments are required to submit details of all Interested Person Transactions entered into during the previous month to the Chief Financial Officer, such as the actual value of the transactions. A "nil" return is expected if there are no Interested Person Transactions for the month;

(b) the Chief Financial Officer will maintain a register of interested person transactions carried out with Interested Persons; and

(c) following the review of the list by the Chief Financial Officer, the list will be submitted to the Company's Chief Executive Officer for approval prior to the submission to the Audit Committee for review and approval.

The Directors will ensure that all disclosure requirements on the Interested Person Transactions, including those required by prevailing legislation, the Listing Manual and accounting standards, are complied with. In addition, such transactions will be subject to Shareholders' approval if required by the Listing Manual. The Company will disclose in its Annual Report the aggregate value of the Interested Person Transactions conducted during the financial year.

The Company will maintain a register of transactions carried out with the Interested Persons pursuant to the Shareholders' Mandate (recording the basis, including the quotations obtained to support such basis, on which they were entered into), and the Company's internal audit plan will incorporate a review of all transactions entered into in the relevant financial year pursuant to the Shareholders' Mandate.

The Audit Committee shall review these internal audit reports on the Interested Person Transactions annually to ascertain that the established review procedures to monitor the Interested Person Transactions have been complied with.

If, during these periodic reviews by the Audit Committee, the Audit Committee is of the view that the review procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Group are conducted, the Company will revert to Shareholders for a fresh mandate based on new guidelines and review procedures to ensure that Interested Person Transactions will be conducted at arm's length, on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and the Substantial Shareholders in Shares as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest	
	Number of Shares	**%**	**Number of Shares**	**%**
Substantial Shareholders				
Lim Mee Len	–	–	319,476,500[(1)]	52.27
John Chuang	220,800	0.04	319,860,500[(2)]	52.34
Credit Suisse Trust Limited (***CST***)	–	–	317,723,100[(3)]	51.99
Johnsonville Assets Limited (***JAL***)	–	–	317,723,100[(4)]	51.99
Johnsonville Holdings Limited (***JHL***)	–	–	317,723,100[(5)]	51.99
Aerodrome International Limited (***Aerodrome***)			317,723,100[(6)]	51.99
Joseph Chuang	270,800	0.044	310,511,000[(7)]	50.81
Maplegold Assets Limited (***Maplegold***)	–	–	310,191,000[(8)]	50.75
Berlian Enterprises Limited (***Berlian***)	–	–	310,191,000[(9)]	50.75
Springbright Investments Limited (***Springbright***)	–	–	293,414,000[(10)]	48.01
First Pacific Advisors, LP (***FPALP***)	48,851,300	7.993	–	–
Steven T. Romick	–	–	48,851,300[(11)]	7.993
J. Richard Atwood	–	–	48,851,300[(12)]	7.993
FPA GP, Inc. (***FGI***)	–	–	48,851,300[(13)]	7.993
Directors				
Pedro Mata-Bruckmann	–	–	177,000[(14)]	0.03
John Chuang	220,800	0.036	317,360,500[(2)]	51.93
Joseph Chuang	270,800	0.044	310,511,000[(7)]	50.81
William Chuang	630,800	0.10	–	–
Anthony Michael Dean	–	–	50,000[(15)]	0.008
Davinder Singh	100,000	0.016	–	–
Koh Poh Tiong	–	–	–	–
Doreswamy Nandkishore	22,000	0.0036	–	–
Graham Nicholas Lee	–	–	–	–

Notes:

1. Mdm Lim Mee Len (wife of Mr John Chuang) is deemed to be interested in the Shares held (directly and indirectly) by Aerodrome, Berlian, Springbright, McKeeson Investments Pte Ltd (***McKeeson***) and Honeychurch International Limited (***Honeychurch***), including her shares which are held by her nominee, Citibank Nominees Singapore Pte Ltd. Mdm Lim's interests arise as she is the beneficiary of the Johnsonville Asset Trust (***JAT***) and Johnsonville Holdings Trust (***JHT***) of which CST has been appointed as the trustee. CST owns 100% of JAL and JHL, which in turns own 70% and 30% of the issued and paid-up share capital of Aerodrome. Accordingly, she is deemed to be interested in all the shares held (directly and indirectly) by Aerodrome and Honeychurch.
2. Mr John Chuang is deemed to be interested in all the shares held (directly and indirectly) by his wife, Mdm Lim Mee Len, including his shares which are held by his nominee, DBS Nominees Pte Ltd. He is also one of the beneficiaries of JHL.
3. CST is a Singapore registered public trust company and its deemed interest arises from its 100% shareholding in JAL and JHL. Accordingly, CST is deemed to be interested in all the shares held (directly and indirectly) by Aerodrome.
4. JAL has a 70% shareholding in Aerodrome. Accordingly, JAL is deemed to be interested in all the shares held (directly and indirectly) by Aerodrome.
5. JHL has a 30% shareholding in Aerodrome. Accordingly, JHL is deemed to be interested in all the shares held (directly and indirectly) by Aerodrome.
6. Aerodrome is the holding company of Berlian. Accordingly, Aerodrome is deemed to be interested in all the shares held (directly and indirectly) by Berlian.
7. Mr Joseph Chuang is the sole shareholder of Maplegold. Accordingly, he is deemed to be interested in all the shares held (directly and indirectly) by Maplegold, including the shares held (directly or indirectly) by his wife, Madam Cheah Leong Teen and his shares which are held by his nominee, Citibank Nominees Singapore Private Limited.
8. Maplegold has a 30% shareholding in Berlian. Accordingly, Maplegold is deemed to be interested in all the shares held (directly and indirectly) by Berlian.

APPENDIX (SHAREHOLDERS' MANDATE)

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS (continued)

9. Berlian is the sole shareholder of McKeeson and Springbright. Accordingly, Berlian is deemed to be interested in all the shares held (directly and indirectly) by McKeeson and Springbright. In addition, Berlian's shares in the Company are held by its nominee, Citibank Nominees Singapore Private Limited.
10. Springbright's shares in the Company are held by its nominee, Raffles Nominees (Pte) Ltd
11. Mr Steven T. Romick may be deemed to share voting and/or investment power over the securities of the Company as a director and officer of the general partner of FPALP. Mr Romick disclaims beneficial ownership of the securities owned by FPALP's clients.
12. Mr J. Richard Atwood may be deemed to share voting and/or investment power over the securities of the Company as a director and officer of the general partner of FPALP. Mr Atwood disclaims beneficial ownership of the securities owned by FPALP's clients.
13. FPA GP, Inc. may be deemed to share voting and/or investment power over the securities of the Company as the general partner of the investment advisor, FPALP. The general partner disclaims beneficial ownership of the securities owned by FPALP's clients.
14. Mr Pedro Mata-Bruckmann's shares in the Company are held by his nominee, Merrill Lynch (Singapore) Pte Ltd.
15. Mr Anthony Michael Dean's shares in the Company are held by his nominees, DBS Nominees Pte Ltd.

4. AUDIT COMMITTEE'S STATEMENT

The Audit Committee has reviewed the terms of the Shareholders' Mandate subject to the renewal. Having considered, *inter alia*, the scope, the guidelines on review procedures, the rationale and the benefits of the Shareholders' Mandate, the Audit Committee confirms that (a) the review procedures for determining the prices of Interested Person Transactions have not changed since approval for the Shareholders' Mandate was last given; and (b) the review procedures set out in paragraph 2.4 of this Appendix are sufficient to ensure that the Interested Person Transactions will be transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

If, during the periodic reviews by the Audit Committee, it is of the view that the established review procedures are no longer appropriate or adequate to ensure that the Interested Person Transactions will be transacted on normal commercial terms and will not be prejudicial to the interests of the Company and minority Shareholders, the Company will seek a fresh mandate from Shareholders based on new review procedures.

5. DIRECTORS' RECOMMENDATIONS

The Independent Directors are of the opinion that the entry into of the Interested Person Transactions by the Group in the ordinary course of its business will enhance the efficiency of the Group and is in the best interests of the Company. For the reasons set out in paragraph 2.3 of this Appendix, the Independent Directors recommend that Shareholders vote in favour of Resolution 9, being the Ordinary Resolution relating to the proposed renewal of the Shareholders' Mandate at the forthcoming AGM.

6. ANNUAL GENERAL MEETING

The AGM, notice of which is set out in the Annual Report 2022 of the Company, will be held on 25 April 2023 at 10:00 a.m. in Singapore via electronic means, for the purpose of considering and, if thought fit, passing with or without any modifications, the Ordinary Resolution relating to the renewal of the Shareholders' Mandate at the AGM as set out in the Notice of AGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the AGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the Proxy Form attached to the Notice of AGM in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Company's share registrar. M&C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902, not later than 48 hours before the time fixed for the AGM. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the AGM if he so wishes.

8. INSPECTION OF DOCUMENTS

Copies of the audited financial statements of the Company for the last two financial years ended 31 December 2021 and 2022 are available for inspection at the registered office of the Company at 111 Somerset Road, #16-12, TripleOne Somerset, Singapore 238164, during normal business hours from the date of this Appendix up to the date of the AGM.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in this Appendix are fair and accurate and that there are no material facts the omission of which would make any statement in this Appendix misleading.

ANNEXURE

GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE LISTING MANUAL

SCOPE

Chapter 9 of the Listing Manual applies to transactions which a listed company or any of its subsidiaries (which are not listed on the SGX-ST or an approved stock exchange) or associated companies (which are not listed on the SGX-ST or an approved stock exchange, provided that the listed group, or the listed group and its interested person(s) has control over) proposes to enter into with a counter-party which is an interested person of the listed company.

DEFINITIONS

An ***interested person*** means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder.

An ***associate*** means (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual), means (i) an immediate family member (that is, the spouse, child, adopted child, stepchild, sibling or parent), (ii) the trustees of any trust of which he or his immediate family is beneficiary or, in the case of discretionary trust, is a discretionary object, and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more, and, (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies, taken together (directly or indirectly), have an interest of 30% or more.

An ***associated company*** means a company in which at least 20% but not more than 50% of its shares are held by the listed company or the group.

A ***controlling shareholder*** means a person who holds (directly or indirectly) 15% or more of the total number of issued shares excluding treasury shares in the Company or one who in fact exercises control over the listed company.

GENERAL REQUIREMENTS

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested persons and are hence excluded from the ambit of Chapter 9 of the Listing Manual, immediate announcement or, immediate announcement and shareholders' approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company's latest audited consolidated NTA), are reached or exceeded. In particular, shareholders' approval is required where:

(a) the value of such transaction, when aggregated with the value of all other transactions previously entered into with the same interested person in the same financial year of the listed company, is equal to or exceeds 5% of the latest audited consolidated NTA of the listed company; or

(b) the value of such transaction is equal to or exceeds 5% of the latest audited consolidated NTA of the listed company.

GENERAL REQUIREMENTS (continued)

Immediate announcement of a transaction is required where:

(a) the value of such transaction when aggregated with the value of all other transactions previously entered into with the same interested person in the same financial year of the listed company is equal to or exceeds 3% of the latest audited consolidated NTA of the listed company; or

(b) the value of such transaction is equal to or exceeds 3% of the latest audited consolidated NTA of the listed company.

GENERAL MANDATE

A listed company may seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.

DISCLOSURE UNDER SGX-ST LISTING MANUAL REQUIREMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

ADDITIONAL REQUIREMENTS OF SINGAPORE EXCHANGE SECURITIES TRADING LISTING MANUAL

(a) Corporate information

Company Secretary
Siau Kuei Lian, ACS, ACG

Registered Office
111 Somerset Road #16-12
TripleOne Somerset
Singapore 238164
Tel: (65) 6477 5600 Fax: (65) 6887 5181
Email address: enquiry@delfilimited.com

Registrar and Share Transfer Office
M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

Auditor
PricewaterhouseCoopers LLP
7 Straits View, Marina One
East Tower, Level 12
Singapore 018936
Mr. Chua Chin San
Partner-in-charge (since the financial year ended 31 December 2019)

(b) Material contracts

Chuang Tiong Choon, Chuang Tiong Liep and Chuang Tiong Kie, who are the Company's executive directors, are deemed to have an aggregate interest of 49.0% in the issued share capital of PT Freyabadi Indotama ("Freyabadi") held in aggregate by McKeeson Investments Pte Ltd and PT Sederhana Djaja, by virtue of their aggregate interest in 100% of the shareholding in Berlian Enterprises Limited. Chuang Tiong Kie is also the President Director of Freyabadi.

By virtue of their aggregate interest in 99.9% of the shareholding in PT Sederhana Djaja, Chuang Tiong Choon, Chuang Tiong Liep and Chuang Tiong Kie who are the Company's executive directors, are deemed to be interested in 100% of the issued share capital of PT Tri Keeson Utama ("TKU") held by PT Sederhana Djaja.

(i) Call Option Agreement

On 22 September 2004, the Company entered into a call option agreement with PT Sederhana Djaja and McKeeson Investments Pte Ltd (collectively, the "Grantors") pursuant to which the Grantors granted to the Company the right to require the Grantors to sell to the Company ordinary shares, representing 49%, 100% and 51% of the issued and paid-up share capital of Freyabadi, TKU and PT Fajar Mataram Sedayu ("FMS") respectively.

ADDITIONAL REQUIREMENTS OF SINGAPORE EXCHANGE SECURITIES TRADING LISTING MANUAL (continued)

(b) Material contracts

(ii) Deed of Undertaking

On 22 September 2004, each of Chuang Tiong Choon, Chuang Tiong Liep and Chuang Tiong Kie (the "Covenantors") entered into a deed of undertaking with the Company to undertake and agree to dispose of their respective shareholding interests in Freyabadi, TKU and FMS in the event that the Audit Committee determines that a potential conflict of interest may arise between the Group, Freyabadi and TKU and between the Group and FMS; and the Group's acquisition of each Covenantor's shareholding interests in Freyabadi, TKU and FMS is not in the Group's commercial interest.

(c) (i) Directors' remuneration

A breakdown showing the level and mix of each executive director's remuneration (including salary, bonus, directors' fees and benefits-in-kind) paid and payable for financial years 2021 and 2022 are as follows:

	2022 Basic Salary (%)	Variable or Bonuses (%)	Benefits in Kind (%)	Total (%)
S$2,500,000 to S$2,999,999				
– Chuang Tiong Choon	**38**	**56**	**6**	**100**
S$1,000,000 to S$1,499,999				
– Chuang Tiong Liep	**58**	**36**	**6**	**100**
S$750,000 to S$999,999				
– Chuang Tiong Kie	**52**	**42**	**6**	**100**

	2021 Basic Salary (%)	Variable or Bonuses (%)	Benefits In Kind (%)	Total (%)
S$1,500,000 to S$1,749,999				
– Chuang Tiong Choon	60	35	5	100
S$500,000 to S$749,999				
– Chuang Tiong Liep	85	11	4	100
S$250,000 to S$499,999				
– Chuang Tiong Kie	86	11	3	100

ADDITIONAL REQUIREMENTS OF SINGAPORE EXCHANGE SECURITIES TRADING LISTING MANUAL (continued)

(c) (i) **Directors' remuneration** (continued)

The remuneration of its non-executive directors for financial years 2021 and 2022 are as follows:

	FY2022 S$	FY2021 S$	**Fee (%)**	**Total (%)**
Pedro Mata-Bruckmann	**198,864**	192,451	100	100
Anthony Michael Dean	**159,188**	153,977	100	100
Davinder Singh	**73,463**	71,058	100	100
Koh Poh Tiong	**119,842**	116,250	100	100
Doreswamy Nandkishore	**100,895**	97,592	100	100
Total	**652,352**	631,328		

(c) (ii) **Executive Officers' remuneration**

	Basic Salary (%)	**Variable or Bonuses (%)**	**2022 Benefits in Kind (%)**	**Retirement (%)**	**Total (%)**
S$750,000 to S$999,999					
Nancy Florencia	**86**	**14**	**–**	**–**	**100**
S$500,000 to S$749,999					
Amos Moses Yang	**57**	**9**	**34**	**–**	**100**
Richard Jeffrey Chung Ting Tshung	**56**	**36**	**8**	**–**	**100**
Michael Roberts Wynne[(1)]	**42**	**37**	**13**	**8**	**100**
S$250,000 to S$499,999					
Ferry Haryanto	**75**	**19**	**6**	**–**	**100**
Tan Chay Kee[(2)]	**87**	**–**	**13**	**–**	**100**

	Basic Salary (%)	Variable or Bonuses (%)	2021 Benefits in Kind (%)	Retirement (%)	Total (%)
S$1,000,000 to S$1,249,999					
Lim Seok Bee[(3)]	23	6	18	53	100
Nancy Florencia	68	32	–	–	100
S$500,000 to S$749,999					
Amos Moses Yang	58	38	4	–	100
Michael Roberts Wynne[(1)]	70	18	12	–	100
S$250,000 to S$499,999					
Ferry Haryanto	88	11	1	–	100
Richard Jeffrey Chung Ting Tshung	72	18	10	–	100

(1) Michael Roberts Wynne resigned from the Company with effect from 19 August 2022.
(2) Tan Chay Kee joined the Company with effect from 1 April 2022.
(3) Lim Seok Bee retired from the Company with effect from 30 June 2021.
* The total remuneration paid to the top five key officers was US$2,285,000 (2021: US$3,040,000)

ADDITIONAL REQUIREMENTS OF SINGAPORE EXCHANGE SECURITIES TRADING LISTING MANUAL (continued)

(c) (iii) Remuneration of employees who are immediate family members of a director or the CEO and whose salary exceeds S$100,000 per year are as follows:

S$200,000 to S$299,999

David Chuang Koong Wey Director of Information Technology Son of Mr Chuang Tiong Choon

(d) Properties of the Group

Held by	Location	Land Area (sq m)	Tenure	Existing use
	Leasehold Land and Buildings			
PT Perusahaan Industri Ceres	Village: Pasawahan, Sub district: Dayeuh Kolot, No. 92 Regency: Bandung, Province: West Java Indonesia	4,378	30 years from February 2003	Factory, Warehouse, Office Building
	Village: Pasawahan, Sub district: Dayeuh Kolot, No. 92 Regency: Bandung, Province: West Java Indonesia	24,185	30 years from September 2004	Factory, Warehouse, Office Building
	Village: Pasawahan, Sub district: Dayeuh Kolot, No. 88 Regency: Bandung, Province: West Java Indonesia	3,840	30 years from November 2008	Factory, Warehouse
	Village: Pasawahan, Sub district: Dayeuh Kolot, No. 94 Regency: Bandung, Province: West Java Indonesia	14,610	30 years from March 2009	Factory, Warehouse, Office Building
	Village: Pasawahan, Sub district: Dayeuh Kolot, No. 86 Regency: Bandung, Province: West Java Indonesia	15,750	30 years from March 2009	Factory, Warehouse
	Village: Pasawahan, Sub district: Dayeuh Kolot, No. 90 Regency: Bandung, Province: West Java Indonesia	9,900	30 years from March 2009	Factory, Warehouse

ADDITIONAL REQUIREMENTS OF SINGAPORE EXCHANGE SECURITIES TRADING LISTING MANUAL (continued)

(d) Properties of the Group (continued)

Held by	Location	Land Area (sq m)	Tenure	Existing use
	Leasehold Land and Buildings			
PT Perusahaan Industri Ceres	Desa Wanakerta, Kecamatan Telukjambe Barat, Kabupaten Karawang	223,961	30 years from July 2016 to September 2020	For future expansion
		22,208	Registration in progress	For future expansion
PT Nirwana Lestari	Village: Bojong Menteng Sub District: East Bekasi, Jln Raya Narogong, Km 7 Regency: Bekasi Province: West Java Indonesia	19,450	20 years from December 2008	Office, Warehouse
	Denpasar, Bali 80116 Jl. Cargo Permai I no.188	1,515	17 years from May 2005	Warehouse
	Denpasar, Bali 80116 Jl. Cargo Permai I no.188 (Agreement No. 108)	1,260	20 years from September 2011	Office, Warehouse
	Denpasar, Bali 80116 Jl. Cargo Permai I no.188 (Agreement No. 15)	2,800	20 years from September 2011	Office, Warehouse
Delfi Foods, Inc.	Barangay Parang, Marikina City, Metro Manila, Philippines	25,296	Freehold	Factory, Warehouse, Office Building

ADDITIONAL REQUIREMENTS OF SINGAPORE EXCHANGE SECURITIES TRADING LISTING MANUAL (continued)

(e) Interested person transactions and conflicts of interest ("IPT")

Pursuant to Rule 920(1) of the Listing Manual, the Company has obtained a Shareholders' Mandate for it to enter into certain categories of interested person transactions with PT Tri Keeson Utama, PT Fajar Mataram Sedayu, PT Freyabadi Indotama and PT Sederhana Djaja and each of their associates. Transactions with interested persons which do not fall within the Shareholders' Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual of the SGX-ST.

As at 31 December 2022, the total IPT of US$15.62 million (2021: US$14.02 million) was recorded, as shown below.

Name of interested person	(1) Aggregate value of all interested person transactions during the financial year under review (excluding transactions conducted under shareholders' mandate pursuant to Rule 920) 2022 US$'000	(1) Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 2022 US$'000
PT Freyabadi Indotama		
– Sales of goods	–	25
– Purchase of products	–	15,597
	–	15,622

Note:

(1) Includes transactions that are individually less than S$100,000 in value

(f) Auditors' fees

	The Group 2022 US$'000	 2021 US$'000
Auditor's remuneration paid/payable to:		
– Auditor of the Company	**228**	227
– Other auditors*	**196**	211
Other fees paid/payable to:		
– Auditor of the Company	**29**	34
– Other auditors*	**1**	–
	454	472

* Includes the network of member firms of PricewaterhouseCoopers International Limited (PwCIL)

ADDITIONAL REQUIREMENTS OF SINGAPORE EXCHANGE SECURITIES TRADING LISTING MANUAL (continued)

(g) Appointment of auditors

The Group has complied with Rules 712 and 716 of the Listing Manual issued by Singapore Exchange Securities Trading Limited in relation to its auditor.

(h) Compliance with Rule 716 of the Listing Rules of SGX-ST

Both the Audit Committee and Board are satisfied that the appointment of different auditors of its subsidiaries would not compromise the standard and effectiveness of the audit of the Company. Accordingly, the Company is in compliance with Rule 716 of the Listing Rules of the SGX-ST.

(i) Review of the provision of non-audit services by the auditors

The Audit Committee has undertaken a review of non-audit services provided by the auditor, and in the opinion of the Audit Committee, the provision of these non-audit services would not affect their independence.

(j) Internal controls

Please refer to information disclosed in the Corporate Governance Report.

SHAREHOLDINGS STATISTICS

AS AT 13 MARCH 2023

Total number of ordinary shares	:	611,157,000
Total number of voting shares	:	611,157,000
Total number of treasury shares held	:	Nil
Total number of subsidiary holdings held	:	Nil
Class of shares	:	Ordinary shares
Voting rights	:	1 vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	18	1.70	234	0.00
100 – 1,000	136	12.88	91,408	0.01
1,001 – 10,000	491	46.50	2,723,103	0.45
10,001 – 1,000,000	391	37.03	27,202,513	4.45
1,000,001 and above	20	1.89	581,139,742	95.09
	1,056	100.00	611,157,000	100.00

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%
1	Raffles Nominees (Pte) Limited	325,162,639	53.20
2	Citibank Nominees Singapore Pte Ltd	113,053,229	18.50
3	DBS Nominees Pte Ltd	65,840,624	10.77
4	HSBC (Singapore) Nominees Pte Ltd	24,629,757	4.03
5	ABN Amro Clearing Bank N.V.	15,754,100	2.58
6	Mckeeson Investments Pte Ltd	6,000,000	0.98
7	OCBC Securities Private Ltd	3,320,401	0.54
8	Phillip Securities Pte Ltd	3,214,800	0.53
9	Morgan Stanley Asia (S) Securities Pte Ltd	3,074,202	0.50
10	UOB Kay Hian Pte Ltd	2,780,900	0.46
11	CGS-CIMB Securities (Singapore) Pte Ltd	2,524,600	0.41
12	BPSS Nominees Singapore (Pte.) Ltd.	2,423,260	0.40
13	DBSN Services Pte Ltd	2,060,571	0.34
14	Maybank Securities Pte.Ltd.	1,973,559	0.32
15	United Overseas Bank Nominees Pte Ltd	1,962,700	0.32
16	Ong Wai Meng	1,694,100	0.28
17	DBS Vickers Securities (S) Pte Ltd	1,621,400	0.27
18	Chuang Mying Hwa @ Mying Mying	1,523,400	0.25
19	Alex Theodor Hefner Golke	1,338,000	0.22
20	DB Nominees (Singapore) Pte Ltd	1,187,500	0.19
		581,139,742	95.09

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company, approximately 38.58% of the Company's shares listed on the Singapore Exchange Securities Trading Limited were held in the hands of the public. Therefore, the Company has complied with Rule 723 of the Listing Manual.

SHAREHOLDINGS STATISTICS

AS AT 13 MARCH 2023

SUBSTANTIAL SHAREHOLDERS

(as recorded in the Register of Substantial Shareholders)

Name	Direct Interest Number of Shares	%	Deemed Interest Number of Shares	%
Lim Mee Len	–	–	319,476,500(1)	52.27
John Chuang	220,800	0.04	319,860,500(2)	52.34
Credit Suisse Trust Limited ***(CST)***	–	–	317,723,100(3)	51.99
Johnsonville Assets Limited ***(JAL)***	–	–	317,723,100(4)	51.99
Johnsonville Holdings Limited ***(JHL)***	–	–	317,723,100(5)	51.99
Aerodrome International Limited ***(Aerodrome)***	–	–	317,723,100(6)	51.99
Joseph Chuang	270,800	0.044	310,511,000(7)	50.81
Maplegold Assets Limited ***(Maplegold)***	–	–	310,191,000(8)	50.75
Berlian Enterprises Limited ***(Berlian)***	–	–	310,191,000(9)	50.75
Springbright Investments Limited ***(Springbright)***	–	–	293,414,000(10)	48.01
First Pacific Advisors, LP ***(FPALP)***	48,851,300	7.993	–	–
Steven T. Romick	–	–	48,851,300(11)	7.993
J. Richard Atwood	–	–	48,851,300(12)	7.993
FPA GP, Inc. ***(FGI)***	–	–	48,851,300(13)	7.993

Notes:

1. Mdm Lim Mee Len (wife of Mr John Chuang) is deemed to be interested in the Shares held (directly and indirectly) by Aerodrome, Berlian, Springbright, McKeeson Investments Pte Ltd (***McKeeson***) and Honeychurch International Limited (***Honeychurch***), including her shares which are held by her nominee, Citibank Nominees Singapore Pte Ltd. Mdm Lim's interests arise as she is the beneficiary of the Johnsonville Asset Trust (***JAT***) and Johnsonville Holdings Trust (***JHT***) of which CST has been appointed as the trustee. CST owns 100% of JAL and JHL, which in turns own (70%) and (30%) of the issued and paidup share capital of Aerodrome. Accordingly, she is deemed to be interested in all the shares held (directly and indirectly) by Aerodrome and Honeychurch.
2. Mr John Chuang is deemed to be interested in all the shares held (directly and indirectly) by his wife, Mdm Lim Mee Len, including his shares which are held by his nominee, DBS Nominees Pte Ltd. He is also one of the beneficiaries of JHL.
3. CST is a Singapore registered public trust company and its deemed interest arises from its 100% shareholding in JAL and JHL. Accordingly, CST is deemed to be interested in all the shares held (directly and indirectly) by Aerodrome.
4. JAL has a 70% shareholding in Aerodrome. Accordingly, JAL is deemed to be interested in all the shares held (directly and indirectly) by Aerodrome.
5. JHL has a 30% shareholding in Aerodrome. Accordingly, JHL is deemed to be interested in all the shares held (directly and indirectly) by Aerodrome.
6. Aerodrome is the majority and controlling shareholder of Berlian. Accordingly, Aerodrome is deemed to be interested in all the shares held (directly and indirectly) by Berlian.
7. Mr Joseph Chuang is the sole shareholder of Maplegold. Accordingly, he is deemed to be interested in all the shares held (directly and indirectly) by Maplegold, including the shares held (directly or indirectly) by his wife, Madam Cheah Leong Teen and his shares which are held by his nominee, Citibank Nominees Singapore Private Limited.
8. Maplegold has a 30% shareholding in Berlian. Accordingly, Maplegold is deemed to be interested in all the shares held (directly and indirectly) by Berlian.
9. Berlian is the sole shareholder of McKeeson and Springbright. Accordingly, Berlian is deemed to be interested in all the shares held (directly and indirectly) by McKeeson and Springbright. In addition, Berlian's shares in the Company are held by its nominee, Citibank Nominees Singapore Private Limited.
10. Springbright's shares in the Company are held by its nominee, Raffles Nominees (Pte) Ltd
11. Mr Steven T. Romick is the director and officer of the general partner of FPALP and disclaims beneficial ownership of the securities owned by FPALP's clients. Accordingly, he is deemed to be interested in all the shares held (directly and indirectly) by FPALP.
12. Mr J. Richard Atwood is the director and officer of the general partner of FPALP and disclaims beneficial ownership of the securities owned by FPALP's clients. Accordingly, he is deemed to be interested in all the shares held (directly and indirectly) by FPALP.
13. FPA GP, Inc. is the general partner of the investment advisor, FPALP and disclaims beneficial ownership of the securities owned by FPALP's clients. Accordingly, FPA GP, Inc is deemed to be interested in all the shares held (directly and indirectly) by FPALP.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM" or the "Meeting") of **DELFI LIMITED** ("***Company***") will be held in Singapore, on Tuesday, 25 April 2023 at 10.00 a.m. via electronic means, for the following purposes:

A. AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2022, together with the auditors' report thereon. **(Resolution 1)**

2. To declare a final dividend of 2.64 Singapore cents and special dividend of 0.95 Singapore cents per ordinary share for the financial year ended 31 December 2022. **(Resolution 2)**

3. To re-elect the following Directors who will be retiring under Regulation 104 or 108 of the Constitution of the Company and who, being eligible, offer themselves for re-election as Directors of the Company:

   (a) Mr Chuang Tiong Choon (Regulation 104) **(Resolution 3)**

   (b) Mr Graham Nicholas Lee (Regulation 108) **(Resolution 4)**

   (*See explanatory note*)

4. To note the retirement of Mr Anthony Michael Dean as an Independent Director of the Company who is retiring pursuant to Regulation 104 of the Constitution of the Company and will not be seeking re-election.

   Upon his retirement, he will relinquish his position as Chairman of the Audit Committee, Chairman of the Risk Management Committee and as a member of the Nominating Committee.

5. To note the retirement of Mr Koh Poh Tiong as an Independent Director of the Company who is retiring pursuant to Regulation 104 of the Constitution of the Company and will not be seeking re-election.

   Upon his retirement, he will relinquish his position as Chairman of the Remuneration Committee, as a member of the Audit Committee, Nominating Committee, Risk Management Committee and Market Sustainability and Strategy Committee.

6. To approve Directors' fees of US$455,954 payable by the Company for the financial year ending 31 December 2023 (2022: US$474,800). **(Resolution 5)**

7. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration. **(Resolution 6)**

B. TO TRANSACT ANY OTHER ORDINARY BUSINESS THAT MAY PROPERLY BE TRANSACTED AT AN ANNUAL GENERAL MEETING

C. AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following resolutions as ordinary resolutions:

8. **Share Issue Mandate** (**Resolution 7**)

That, under Section 161 of the Companies Act 1967 ("***Act***") and the Listing Manual of the SGX-ST, authority be given to the Directors of the Company to:

(a) (i) issue shares in the Company ("***Shares***") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements, or options (collectively, "***Instruments***") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible or exchangeable into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares under any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of Shares to be issued under this Resolution (including Shares to be issued under the Instruments, made or granted under this Resolution) does not exceed 50 per cent of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares under the Instruments made or granted under this Resolution) does not exceed 20 per cent of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any), at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with sub-paragraph (2)(a) or sub-paragraph (2)(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Act, the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

9. **Authority to allot and issue new ordinary shares under the Delfi Limited Scrip Dividend Scheme** **(Resolution 8)**

That under Section 161 of the Act, authority be given to the Directors to allot and issue from time to time such number of new ordinary shares in the capital of the Company as may be required to be allotted and issued under the Delfi Limited Scrip Dividend Scheme.

10. **The Proposed Renewal of the Mandate for Interested Person Transactions** **(Resolution 9)**

That:

(a) approval be given, for the purposes of Chapter 9 of the Listing Manual of the SGX-ST, for the Company, its subsidiaries and its associated companies which are entities at risk as defined in Chapter 9 of the Listing Manual of the SGX-ST, or any of them, to enter into any of the transactions falling within the types of interested person transactions, particulars of which are set out in the Annual Report of the Company for the financial year ended 31 December 2022 ("***Appendix***") with any person who falls within the class of interested persons described in the Appendix, provided that such transactions are made at arm's length and on normal commercial terms, will not be prejudicial to the interests of the Company and its minority shareholders, and will be subject to the review procedures for interested person transactions as set out in the Appendix;

(b) the approval given in sub-paragraph (a) above ("***IPT Mandate***") shall, unless revoked or varied by the Company in general meeting, continue in force until the next AGM of the Company is held or is required by law to be held, whichever is the earlier; and

(c) the Directors be authorised to do all such acts and things (including, without limitation, executing all such documents as may be required) as they may consider expedient or necessary in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

By Order of the Board of Directors

Siau Kuei Lian
Company Secretary

Singapore, 10 April 2023

NOTES:

(1) The AGM will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trust, Unit Trusts and Debenture Holders) Order 2020. This Notice will accordingly be sent to members by electronic means via publication on the Company's website at the URL https://www.delfilimited.com and on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

(2) Alternative arrangements relating to:

(a) attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or audio-only stream),

(b) submission of questions to the Chairman of the Meeting in advance of, or "live" at, the AGM, and addressing of substantial and relevant questions in advance of, or "live", at the AGM; and,

(c) voting at the AGM (i) "live" by the member or his/her/its duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or, (ii) by appointing the Chairman of the Meeting as proxy to vote of the member's behalf at the AGM,

are set out in the accompanying Company's announcement dated **10 April 2023**. This announcement may be accessed at the Company's website at https://www.delfilimited.com or SGX's website at https://www.sgx.com/securities/company-announcements.

(3) A member will not be able to attend the AGM in person. **A member (whether individual or corporate) who wishes to have his/her/its voting rights exercised at the AGM may:**

(a) (where the member is an individual) vote "live" via electronic means at the AGM, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the AGM on his/her/its behalf; or,

(b) (where the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM.

The accompanying proxy form for the AGM may be downloaded from the Company's website at the URL https://www.delfilimited.com and on the SGX website at the URL https://www.sgx.com/securities/company-announcements. A member may also appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL https://delfilimited.listedcompany.com/home.html

(4) A member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote instead of him/her. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument. A proxy need not be a member of the Company.

(5) A member who is a Relevant Intermediary* entitled to attend and vote at the AGM is entitled to appoint more than two proxies to attend and vote at the AGM instead of such member, but each such proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

*A "Relevant Intermediary" means:

(a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities Future Acts 2001 and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

(6) The instrument appointing a proxy(ies) or Chairman of the Meeting as proxy must be deposited in the following manner;

(a) if submitted by post, be deposited at the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902; or

(b) if submitted electronically, be submitted:

(i) via email to the Company's Share Registrar at gpb@mncsingapore.com; or,

(ii) via the online process through the pre-registration website which is accessible from the URL https://delfilimited.listedcompany.com/home.html

in either case, by 10.00 a.m. on 23 April 2023 being not less than forty-eight (48) hours before the time appointed for holding the AGM. A proxy need not be a member of the Company.

A member of the Company who wishes to submit an instrument appointing proxy(ies) or Chairman of the Meeting as proxy must download complete and sign the proxy form from the Company's website, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. A member may also appoint a proxy(ies) or Chairman of the Meeting as proxy via the online process through the pre-registration website which is accessible from the URL https://delfilimited.listedcompany.com/home.html

If it is difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email or appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL https://delfilimited.listedcompany.com/home.html

(7) The instrument appointing proxy(ies) or the Chairman of the Meeting as proxy must be under the hand of the appointer or of his/her attorney duly authorised in writing. Where the instrument appointing proxy(ies) or the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing proxy(ies) or the Chairman of the Meeting as proxy is executed by an attorney on behalf of the appointer, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

(8) A corporation which is a member may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, 1967.

(9) Investors who hold shares through the Central Provident Fund Investment Scheme ("***CPF Investors***") or the Supplementary Retirement Scheme ("***SRS Investors***"):

(a) may vote "live" via electronic means at the Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

(b) may appoint the Chairman of the Meeting as their proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the Meeting (i.e. by 10.00 a.m. on 13 April 2023).

(10) The Annual Report 2022 and the Appendix to the Annual Report 2022 in relation to the proposed renewal of the Shareholder' Mandate for Interested Person Transactions have been published electronically and may be accessed at the Company's website at the URL https://www.delfilimited.com. The above documents may also be accessed on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing proxy(ies) or the Chairman of the Meeting as proxy to vote at the AGM of the Company and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the AGM of the Company via live audio-visual webcast or audio-only stream, or (c) submitting any question prior to the AGM of the Company in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

(i) processing and administration and analysis by the Company (or its agents or service providers) of the instruments appointing proxy(ies) for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof);

(ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to the live audio-visual webcast or audio-only stream to observe the proceedings of the AGM of the Company and providing them with any technical assistance where necessary;

(iii) addressing substantial and relevant questions from members received before the AGM of the Company and if necessary, following up with the relevant members in relation to such questions; and

(iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

The member's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the AGM of the Company may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM of the Company. Accordingly, the personal data of a member (such as his name, his presence at the AGM of the Company and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

EXPLANATORY NOTES & STATEMENT UNDER REGULATION 64 OF THE CONSTITUTION OF THE COMPANY

ORDINARY BUSINESS

Resolutions 3 and 4 are to re-elect Mr Chuang Tiong Choon and Mr Graham Nicholas Lee who will be retiring by rotation under Regulation 104 or 108 of the Constitution of the Company.

Resolution 3:
If re-elected, Mr Chuang Tiong Choon, an Executive Director, shall remain as the Group Chief Executive Officer and Managing Director, and Chairman of the Executive Committee and as a member of the Risk Management Committee, Nominating Committee and Market Sustainability and Strategy Committee. Please refer to page 184 in the Annual Report for the detailed information as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

Resolution 4:
If re-elected, Mr Graham Nicholas Lee, shall remain as an Independent Director. He will be considered independent for the purpose of Rule 704(8) of the Listing Manual of SGX-ST. Please refer to page 184 in the Annual Report for the detailed information as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

Upon his re-election, Mr Graham Nicholas Lee will be appointed as Chairman of the Audit Committee and Risk Management Committee, as a member of Nominating Committee and Market Sustainability and Strategy Committee with effect from the conclusion of the AGM.

SPECIAL BUSINESS

Resolution 7:
The proposed Resolution 7, if passed, will empower the Directors, from the date of the AGM until the next AGM of the Company, to issue Shares and/or Instruments up to an aggregate number not exceeding 50 per cent of the total number of issued Shares excluding treasury shares and subsidiary holdings, if any, with a sub-limit of 20 per cent for Shares issued other than on a *pro rata* basis to Shareholders.

Resolution 8:
The proposed Resolution 8, if passed, will empower the Directors to allot and issue shares in the Company under the Delfi Limited Scrip Dividend Scheme to members who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.

Resolution 9:
The proposed Resolution 9, if passed, will renew the IPT Mandate (which was last renewed at the AGM of the Company held on 26 April 2022) to facilitate the Company, its subsidiaries and associated companies which are entities at risk as defined in Chapter 9 of the Listing Manual of the SGX-ST, to enter into Interested Persons Transactions, the details of which are set out in the Annual Report. The authority under the renewed IPT Mandate will, unless revoked or varied by the Company in general meeting, expire at the conclusion of the next AGM of the Company, or the date by which the next AGM is required by law to be held, whichever is the earlier.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE AGM

Mr Chuang Tiong Choon and Mr Graham Nicholas Lee who will be retiring by rotation under Regulation 104 (for Mr Chuang Tiong Choon) and 108 (for Mr Graham Nicholas Lee) of the Constitution of the Company, are seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 25 April 2023 ("***AGM***") (collectively, the "***Retiring Directors***" and each a "***Retiring Director***").

The information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST, as required under Rule 720(6) of the Listing Manual of the SGX-ST, is set out below:

Name of Retiring Director	Chuang Tiong Choon	Graham Nicholas Lee
Date of Appointment:	1 November 1989	1 January 2023
Date of last re-appointment	27 April 2021	Not applicable
Age:	74	66
Country of principal residence:	Singapore	Australia
The Board's comments on this re-appointment (including rationale, selection criteria, and the search and nomination process) :	The Board of Directors, after considering the recommendation of the Nominating Committee, has reviewed and considered Mr John Chuang Tiong Choon's work experience and suitability for re-appointment as an Executive Director, the Group Chief Executive Officer and Managing Director of the Company. The Board has reviewed and concluded that Mr John Chuang Tiong Choon possesses the expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors has accepted and approved the Nominating Committee's recommendation, who has reviewed and reconsidered the assessment criteria that led to Mr Graham Lee's appointment as an Independent Director on 1 January 2023 as well as Mr Graham Lee's contributions and performance as an Independent Director of the Company since his appointment.
Whether appointment is executive, and if so, the area of responsibility:	Executive. Mr John Chuang is responsible for the overall strategic planning, management and business development of the Group.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.):	Executive Director, Group Chief Executive Officer and Managing Director, Chairman of the Executive Committee, and a member of the Risk Management Committee, Nominating Committee and Market Sustainability and Strategy Committee.	Independent Director and a member of the Audit Committee in the period since his appointment on 1 January 2023 to the present date. It is proposed that subsequent to his re-election as an Independent Director, Mr Graham Lee will assume the role as the Chairman of both the Audit Committee and Risk Management Committee and will become a member of both the Nominating Committee and the Market Sustainability and Strategy Committee upon the conclusion of the AGM.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE AGM

Name of Retiring Director	Chuang Tiong Choon	Graham Nicholas Lee
Professional qualifications:	Bachelor of Engineering (Honours), University of Liverpool Masters in Business Administration, Cranfield Business School	Past Fellow of the Institute of Singapore Chartered Accountants, Past Associate Member of Chartered Accountants Australia and New Zealand
Working experience and occupation(s) during the past 10 years:	Please refer to Other Principal Commitments including Directorships	Partner, PricewaterhouseCoopers Singapore (through to 30 June 2017)
Shareholding interest in the listed issuer and its subsidiaries:	*The Company* 220,800 Ordinary shares (direct interest) 319,860,500 Ordinary shares (deemed interest) *Subsidiaries of the Group* Nil	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries:	Yes. • Brother of Executive Directors, Mr Joseph Chuang Tiong Liep and Mr William Chuang Tiong Kie; and • Spouse to Madam Lim Mee Len (Substantial Shareholder).	None
Conflict of interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7.7 of Listing Rules) under Rule 720(1) has been submitted to the listed issuer:	Yes	Yes
Other Principal Commitments* including Directorships Past (for the last 5 years)	Nil	Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE AGM

Name of Retiring Director	Chuang Tiong Choon	Graham Nicholas Lee
Other Principal Commitments* including Directorships (Present)	Alsa Industries, Inc Aerodrome International Limited Berlian Enterprises Limited Ceres Sime Confectionery Sdn Bhd Cocoa Specialties Inc Delfi Marketing, Inc Delfi Foods, Inc Delfi Singapore Pte. Ltd. McKeeson Investments Pte Ltd Ceres (International) Marketing Pte Ltd PT Sederhana Djaja PT Perusahaan Industri Ceres PT Nirwana Lestari PT General Food Industries Springbright Investments Limited	Director of RCD Fund Pty Ltd (acting as trustee for Robert Connor Dawes Foundation) Director of OzSing Pty Ltd (acting as trustee of OzSing Family Superannuation Fund)
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE AGM

Name of Retiring Director	Chuang Tiong Choon	Graham Nicholas Lee
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE AGM

Name of Retiring Director	Chuang Tiong Choon	Graham Nicholas Lee
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE AGM

Name of Retiring Director	Chuang Tiong Choon	Graham Nicholas Lee
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity of business trust?		
(j) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE AGM

Name of Retiring Director	Chuang Tiong Choon	Graham Nicholas Lee
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N/A	N/A

This page has been intentionally left blank.

This page has been intentionally left blank.

DELFI LIMITED

(Company Registration No. 198403096C)
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

TO BE EFFECTIVE THIS FORM MUST BE SUBMITTED NO LATER THAN 10.00 A.M. ON 23 APRIL 2023

(For CPF/SRS Investors, see Note 9.)

IMPORTANT:

1. The Annual General Meeting ("**AGM**" or the "**Meeting**") will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trust, Unit Trusts and Debenture Holders) Order 2020. The Notice of AGM dated 10 April 2023 will be available via publication on the Company's website at the URL: https://www.delfilimited.com and on the SGX website at the URL https://www.sgx.com/securities/company-announcements
2. Alternative arrangements relating to:
   (a) attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or audio-only stream);
   (b) submission of questions to the Chairman of the Meeting in advance of, or "live" at, the AGM, and addressing of substantial and relevant questions in advance of, or "live", at the AGM; and
   (c) voting at the AGM (i) "live" by the member or his/her/its duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or, (ii) by appointing the Chairman of the Meeting as proxy to vote of the member's behalf at the AGM, are set out in the accompanying Company's announcement dated 10 April 2023.
3. A member will not be able to attend the AGM in person. **A member (whether individual or corporate) who wishes to have his/her/its voting rights exercised at the AGM may:**
   (a) (where the member is an individual) vote "live" via electronic means at the AGM, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the AGM on his/her/its behalf; or,
   (b) (where the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM
4. An investor who holds shares under the Central Provident Fund Investment Scheme ("***CPF Investor***") and/or the Supplementary Retirement Scheme ("***SRS Investor***") (as may be applicable) may vote "live" via electronic means at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS operators or should approach their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy at least 7 working days before the Meeting.
5. By submitting an instrument appointing a proxy(ies), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated **10 April 2023**.

PLEASE READ THE NOTES TO THE PROXY FORM

I/We, ______________________________ (Name) ______________________________

______________________________ (NRIC/Passport No./Company Registration No.)

of ______________________________ (Address)

being a *member/members of Delfi Limited (the "***Company***"), hereby appoint:

Name	Address	Email Address^	NRIC/Passport Number	Proportion of Shareholdings	
				No. of Shares	%
And/or (delete as appropriate)					

^ Appointed proxy(ies) will be prompted via email (within 2 business days after the Company's receipt of a validly completed and submitted proxy form) to pre-register at the pre-registration website which is accessible from the URL https://www.delfilimited.com in order to access the "live" audio-visual webcast or "live" audio-only stream of the AGM proceedings.

or failing whom, Chairman of the Meeting, as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the AGM of the Company to be convened and held by way of electronic means at 10:00 a.m. (Singapore time) on Tuesday, 25 April 2023 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or to abstain from voting on the resolutions to be proposed at the AGM as indicated below.

(If you wish to exercise all your votes "For" or "Against", or "Abstain" please tick with "√" within the box provided. Alternatively, please indicate the number of votes "For" or "Against", or "Abstain" each resolution.)

No.	Resolutions relating to:	No. of votes 'For'*	No. of votes 'Against'*	No. of votes 'Abstain'*
Ordinary Businesses				
1	To receive and adopt Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2022, together with the auditors' report thereon.			
2	To declare final and special dividend.			
3	To re-elect Mr Chuang Tiong Choon as a Director of the Company.			
4	To re-elect Mr Graham Nicholas Lee as a Director of the Company.			
5	To approve Directors' fees for the financial year ending 31 December 2023.			
6	To re-appoint PricewaterhouseCoopers LLP as auditors and to authorise the Directors to fix their remuneration.			
Special Businesses				
7	To authorise Directors to issue shares and/or instruments under Section 161 of the Companies Act 1967.			
8	To authorise Directors to issue new ordinary shares under the Delfi Limited Scrip Dividend Scheme.			
9	To renew the Mandate for Interested Person Transactions.			

Note: Please note that the short descriptions given above of the resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of AGM for the full purpose and intent of the resolutions to be passed.

Dated this ____________ day of ______________ 2023

Total number of Shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	
Total	

____

Signature of Member(s)
and/or Common Seal of Corporate Shareholder
*Delete where inapplicable

IMPORTANT – PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member will not be able to attend the AGM in person. **A member (whether individual or corporate) who wishes to have his/her/its voting rights exercised at the AGM may:**

   (a) (where the member is an individual) vote "live" via electronic means at the AGM, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the AGM on his/her/its behalf; or,

   (b) (where the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM.

   This proxy form for the AGM may be downloaded from the Company's website at the URL https://www.delfilimited.com and on the SGX website at the URL https://www.sgx.com/securities/company-announcements A member may also appoint a proxy(ies) or Chairman of the Meeting as proxy via the online process through the pre-registration website which is accessible from the URL https://delfilimited.listedcompany.com/home.html

3. A member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument. A proxy need not be a member of the Company.

4. A member who is a Relevant Intermediary* entitled to attend and vote at the AGM is entitled to appoint more than two proxies to attend and vote at the AGM instead of such member, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   *A "Relevant Intermediary" means:

   (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. The instrument appointing a proxy(ies) or Chairman of the Meeting as proxy must be deposited in the following manner;

   (i) if submitted by post, be deposited at the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902; or

   (ii) if submitted electronically, be submitted via email to the Company's Share Registrar at gpb@mncsingapore.com or via the online process through the pre-registration website which is accessible from the URL https://delfilimited.listedcompany.com/home.html

   in either case, by 10.00 a.m. on 23 April 2023 being not less than forty-eight (48) hours before the time appointed for holding the AGM. A proxy need not be a member of the Company.

   A member of the Company who wishes to submit an instrument appointing proxy(ies) or Chairman of the Meeting as proxy must download, complete and sign the proxy form from the Company's website, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. A member may also appoint a proxy(ies) or Chairman of the Meeting as proxy via the online process through the pre-registration website which is accessible from the URL https://delfilimited.listedcompany.com/home.html

   If it is difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email or appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL https://delfilimited.listedcompany.com/home.html

6. Completion and return of the instrument appointing a proxy(ies) or the Chairman of the Meeting does not preclude a member from attending, speaking and voting at the AGM. A member who access the "live" webcast of the AGM proceedings may revoke the appointment of a proxy(ies) or the Chairman of the Meeting at any time before voting commences and in such an event, the Company reserves the right to terminate the proxy(ies)' access to the AGM proceedings.

7. The instrument appointing a proxy(ies) or the Chairman of the Meeting as proxy must be under the hand of the appointor or of his/her attorney duly authorized in writing. Where the instrument appointing proxy(ies) or the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorized. Where the instrument appointing proxy(ies) or the Chairman of the Meeting as proxy is executed by an attorney on behalf of the appointer, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

8. A corporation which is a member may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, 1967.

9. Investors who hold shares through the Central Provident Fund Investment Scheme ("***CPF Investors***") and/or the Supplementary Retirement Scheme ("***SRS Investors***"):

   (a) may vote "live" via electronic means at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the Meeting as their proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF and/or SRS Approved Nominees to submit their votes at least seven (7) workings days before the AGM (i.e. by 10.00 a.m. on 13 April 2023).

10. The Company shall be entitled to reject the instrument appointing a proxy(ies) or the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) or the Chairman of the Meeting as proxy.

11. In the case of members whose Shares entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy(ies) or the Chairman of the Meeting as proxy lodged if such members, being the appointor, are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the virtual AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 10 April 2023.

Some of the information in this report constitute "forward looking statements" which reflect Delfi's current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which may be outside Delfi's control. You are urged to view all forward looking statements with caution. For updated information, please contact our Corporate Office.

NOTE ABOUT PRINTING:

In line with Delfi Limited continuing efforts to promote environmental sustainability, this report is printed on environmentally-friendly paper.

If you would like additional copies or to share this report, we encourage you to download the soft copy in order to reduce consumption of resources from printing and distributing hard copies. The portable document format (PDF) soft copy is available for download via Delfi Limited website: www.delfilimited.com.

ABOUT THE FOREST STEWARDSHIP COUNCIL

The Forest Stewardship Council™ (FSC™) is an independent, non-governmental, not-for-profit organisation established to promote the responsible management of the world's forests.

For more information, please visit: www.fsc.org.

MIX
Paper | Supporting responsible forestry
FSC www.fsc.org
FSC™ C004791

DELFI LIMITED

111 Somerset Road, #16-12
TripleOne Somerset
Singapore 238164

T: +65 6477 5600
F: +65 6887 5181
enquiry@delfilimited.com

Co. Reg. No. 198403096C
(Incorporated in the Republic of Singapore)

www.delfilimited.com