Delfi

ANNUAL REPORT 2023

NAVIGATING in CHANGING TIMES

Adapting to New Challenges

Delfi is at the forefront of driving sustainable value, while building on diligence and resilience to adapt to the ongoing transformation impacting today's global business landscape. Our portfolio of iconic brands, combined with a deep-seated expertise and a culture steeped in innovation, ensures that we are well-positioned to meet consumer needs.

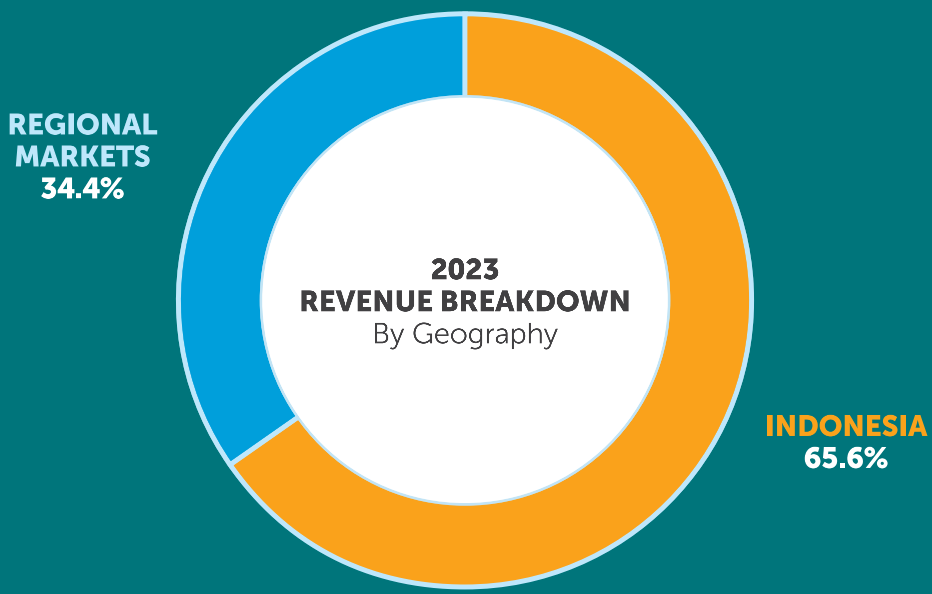
OVERVIEW

FINANCIAL REPORTS & STATEMENTS

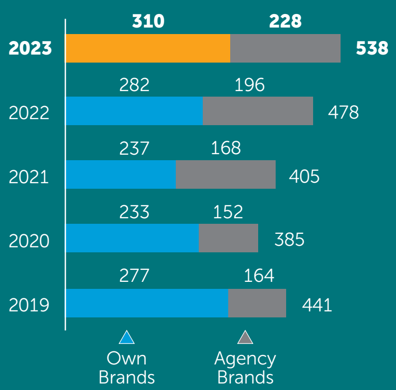
Meeting Evolving Consumers Tastes

Our brands convey a special status and recognition in the hearts and minds of consumers, connecting with them emotionally and culturally. Delfi's rich heritage and core values will continue to propel the way ahead, where our spirit of innovation inspires the creation of diverse products that allow us to keep up with changing consumer lifestyles and evolving palates.

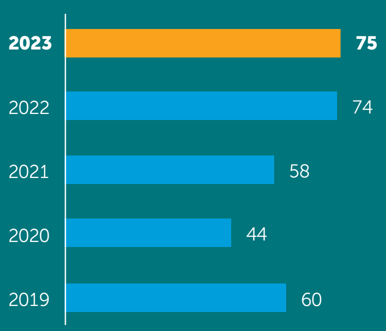
FIVE-YEAR FINANCIAL HIGHLIGHTS & REVIEW



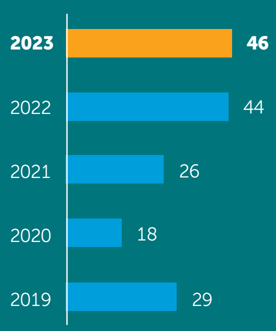
GROUP REVENUE
(US$ million)



GROUP EBITDA
(US$ million)

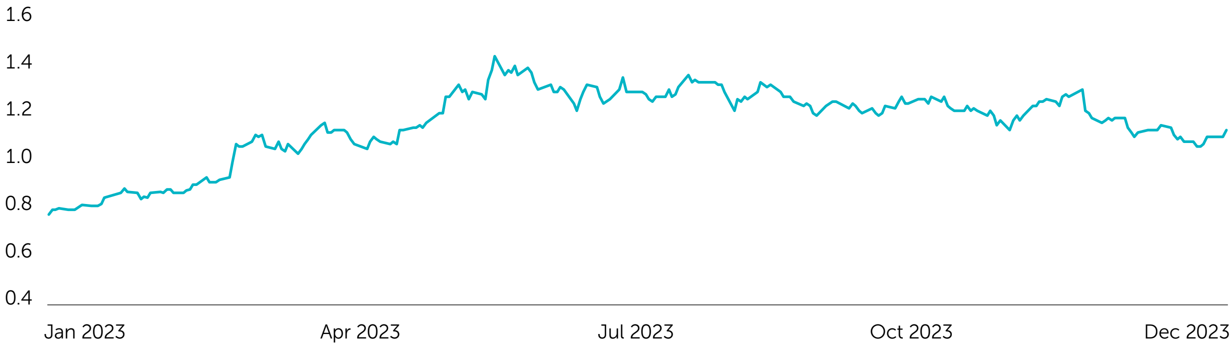


GROUP PATMI*
(US$ million)



* Excludes exceptional/non-recurring items

2023 SHARE PRICE PERFORMANCE
(S$/Share)



REVENUE

In 2019, the Group generated strong net sales growth as momentum continued from 2018 and the business continued to benefit from the reorganisation of the product portfolio and improvements to the organisation of our routes-to-market that took place a few years earlier. Net sales for the year improved to US$440.7 million, an increase of 8.2% compared to 2018, driven by growth in Own Brands of 5.9% combined with a solid performance in our Agency Brands, which grew by 12.3%. In Indonesia, our Premium format category and direct shipment initiatives to mini-mart retail customers also contributed to the strong performance.

In 2020, our business was negatively impacted by the outbreak of COVID-19. After a good start to the year, when first quarter net sales had grown by 5.6% compared to the first quarter in 2019, sales subsequently slowed as a result of large-scale government restrictions placed on businesses and social gatherings in our key markets during the second quarter. This had a direct negative effect on demand as government restrictions took effect across the entire region, although our production and operations remained intact. The impact was especially adverse during the second quarter. After the initial steep negative impact, we saw governments start to ease restrictive measures by the middle of the third quarter, resulting in the start of a recovery with positive momentum carried into the last quarter of the year. However, the recovery at the end of the year did not fully offset the steep decline experienced during the middle of the year and as a result, for the full year we experienced an overall Y-o-Y decrease in 2020 net sales of 12.6%, to US$385.1 million.

The momentum from the late-year recovery in 2020 carried into the first quarter of 2021 and we started the year on a promising note. Net sales for the first quarter of the year approached pre-COVID levels of 2019. However, the emergence of the more highly contagious Delta variant late in the second quarter of 2021 resulted in new restrictions and lockdowns imposed by governments across our markets. While our performance was weighed down somewhat due to the impact on supermarkets and other points of sale from restrictions and lockdowns imposed by authorities, we were able to keep our business intact, which helped keep net sales higher compared to what we had achieved a year earlier. As a result, Y-o-Y net sales in 2021 reached US$405.1 million, a 5.2% improvement compared to the prior year period. The increase was driven by both our Own Brands and Agency Brands segments which grew 2.0% and 10.2% respectively.

In 2022, we generated stellar results as economies in our key markets were fully opened with governments easing restrictions by the middle of the second quarter. This triggered a release of pent-up consumer demand and a strong recovery of economic growth. We achieved net sales of US$477.5 million in 2022 (Y-o-Y increase of 17.9%), which surpassed the equivalent figure during 2019, signaling our first full-year recovery after COVID. The key drivers for the strong performance came from high growth in Own Brands of 18.7%, especially from Premium format products in Indonesia, and increased growth in Agency Brands of 16.7%, mainly from the snacking and healthcare categories in Malaysia.

In 2023, we benefited from sustained economic growth and buoyant consumer demand in our key markets, especially in the first half. Net sales reached a record US$538.2[1] million, a Y-o-Y increase of 12.7% driven from Y-o-Y growth of 11.2% and 15.6% in Indonesia and Regional Markets, respectively. Investments in our core brands with high growth potential and improvements to our routes-to-market, especially in Indonesia, contributed to the strong growth for the year.

GROSS PROFIT

In 2019, the Group achieved a Gross Profit of US$133.1 million, a Y-o-Y increase of 11.2% with a Gross Profit Margin ("GPM") of 30.2%. The strong performance was driven mainly by initiatives and adjustments made to the business organisation and first implemented shortly after divesting our cocoa ingredients business. The earlier initiatives included a major revamping of our branded product portfolio, changes to our distribution and routes-to-market strategies, and changes made to the sales and commercial management teams in Indonesia all of which had a positive impact on our performance through 2019. The improvement was also supported by the price increases and product resizing implemented for selected core products, higher net sales of Own Brands products in the Premium category and ongoing cost-containment initiatives.

Gross Profit for 2020 dropped by 17.3% to US$110.1 million in line with the reduced net sales from COVID. Our Gross Profit Margin dropped to 28.6% due to lower net sales from the COVID impact and increased trade promotion expenses as part of our effort to limit the decline in sales due to the pandemic.

In 2021, our Gross Profit improved to US$119.7 million from the partial recovery from COVID during the year. Our Gross Profit Margin increased by 90 basis points to 29.5% when compared to 2020. The improvement was due to

1 2023 record net sales of US$538.2 million compares to the historical results of Delfi's consumer branded business.

FIVE-YEAR FINANCIAL HIGHLIGHTS & REVIEW

fuller margins for our products (with reduced sales returns), and higher contribution from our Premium brands in our sales mix compared to the prior year.

In 2022, our Gross Profit reached US$145.5 million, an increase of 21.6% compared to 2021. Our Gross Profit Margin increased to 30.5%, a 100 basis points improvement over the prior year. The increase was driven mainly by strong growth of our Premium brands, higher sales volumes, implementation of timely cost mitigation initiatives, combined with tighter control of our ingredients and packaging costs.

The Group achieved Gross Profit of US$153.2 million in 2023, an increase of 5.3% compared to 2022. However, our GPM decreased to 28.5%, a reduction of 200 basis points compared to 2022. The decrease can be attributed to the higher promotional spending in 2023 as a result of increased competition and a strategic increase in investments to further strengthen our core brands (especially *SilverQueen*) as well as investing in building the products which we believe have the opportunity for the strongest growth. The higher promotional spending was partially offset by: (i) growth in our Premium and Value format categories; (ii) higher sales volume achieved; and (iii) initiatives implemented to mitigate the impact of rising input costs.

EBITDA

During 2019, we achieved EBITDA of US$59.6 million (Y-o-Y growth 16.4%), mainly from higher net sales combined with the year's higher Gross Profit Margin, and a strong performance from our Regional Markets. EBITDA generated by Regional Markets was US$4.6 million, compared to a loss in the previous period. The turnaround was from an increase in performance of our higher-margined Own Brands (including *Van Houten* that was newly acquired in the prior year), and strong performance from our Agency Brands, in particular from the snacking & confectionery, and healthcare categories.

The Group generated EBITDA of US$43.9 million in 2020, a decrease of 26.4% from 2019's pre-COVID level. The comparison with 2019 reflected the deep negative impact from COVID-19's restrictions and lockdowns by authorities on both net sales, and operating costs as we increased spending to fund expenditures for protective equipment, safety needs, and COVID testing requirements to protect our staff. The reduced net sales from restrictions and lockdowns imposed during that year lowered overhead absorption.

For 2021, we generated EBITDA of US$58.1 million, an increase of 32.4% compared to the same period in the prior year. This figure included non-recurring gains totaling US$4.1 million related to measurements of employee retirement obligations and the disposal of assets. Excluding the non-recurring items, EBITDA would have been US$54.0 million, which was still significantly higher than the prior year's level by 23.0%. The improvement was driven by stronger net sales, higher gross profit, and tighter management of operating costs.

The Group matched its stellar net sales growth in 2022 with an improvement in its 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 net sales, the higher Gross Profit Margin achieved during the year, and continued tight control of operating costs.

In 2023, the Group generated EBITDA of US$74.5 million, slightly higher than the figure in 2022. The 2023 figure reflected the strategic decision during the year to increase A&P spending to thwart increasing competition and further strengthen our core brands, in particular those which we believe have the highest potential for growth.

DISTRIBUTIONS TO SHAREHOLDERS

In its year-end reporting for 2023, the Company announced dividends for the full year 2023 of US$26.2 million. This figure includes the interim dividend of US$12.4 million paid in September 2023, combined with the proposed final and special distribution of US$13.8 million for 2023, which if approved at the upcoming AGM on the 23 April 2024, will be paid in May of 2024. The combined interim and the proposed dividends announced, would bring the total distributions to shareholders over the past five years to US$98.5 million, or 16.1 US cents per share, and the total distributions to shareholders since the Group's listing on the Singapore Exchange ("SGX") in 2004 would total US$408.3 million, comprising of normal and special dividends, and a one-time capital reduction of US$60.0 million in 2016.

For The Year (In US$ million)	2023	2022	2021	2020	2019
Revenue*	538.2	477.5	405.1	385.1	440.7
Gross Profit*	153.2	145.5	119.7	110.1	133.1
Gross Margin	28.5%	30.5%	29.5%	28.6%	30.2%
EBITDA	74.5	74.0	58.1	43.9	59.6
EBITDA Margin	13.8%	15.5%	14.3%	11.4%	13.5%
Net profit attributable to shareholders	**46.3**	**43.9**	**26.0**	**17.5**	**28.5**
- Exceptional & Non-recurring items[a]	-	-	3.3	-	(0.3)
Group					
Net profit attributable to shareholders	**46.3**	**43.9**	**29.3**	**17.5**	**28.2**

At Year End (In US$ million)	2023	2022	2021	2020	2019
Total Assets	420.9	395.1	363.9	382.4	402.3
Total Liabilities	(154.7)	(148.9)	(124.6)	(156.7)	(174.7)
Total Shareholders' Equity	**266.2**	**246.2**	**239.3**	**225.7**	**227.6**
Total Debt	(32.7)	(19.0)	(10.1)	(48.7)	(58.3)
Net Cash/(Debt)	26.6	58.1	76.2	16.8	(0.7)
Return on Equity (%)					
- Excludes Exceptional & Non-recurring items	18.1	18.1	11.2	7.7	13.1
- Include Exceptional & Non-recurring items	18.1	18.1	12.6	7.7	13.0
Per Share Data					
Dividend (US cents)	**4.32**	**4.30**	**2.83**	**2.35**	**2.35**
- Normal	3.80	3.58	2.35	2.35	2.35
- Special	0.52	0.72	0.48	-	-
Earnings (US cents) - Basic & Fully Diluted					
- Excludes Exceptional & Non-recurring items[a]	7.6	7.2	4.3	2.9	4.7
- Include Exceptional & Non-recurring items[a]	7.6	7.2	4.8	2.9	4.6
Net Tangible Assets (US cents)	**40.5**	**37.3**	**36.0**	**33.5**	**33.7**

Note:

* 2019 and 2022 Revenue and Gross Profits have been recomputed to conform to the financial statements where certain trade related promotion expenses were reclassified to net off against sales, and certain distribution related expenses have been reclassified from Selling and Distribution costs to Cost of Goods Sold. These reclassifications were reclassified to net off against sales, and certain distribution related expenses have been reclassified from Selling and Distribution costs to Cost of Goods Sold. These reclassifications have no impact on EBITDA or Net Profit, the Balance Sheets of the Group or of the Company, or the Consolidated Cash Flows for all the financial years.

(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 Indonesia Government, in 2021

LETTER FROM OUR CHAIRMAN

"The increase in revenue was driven by a number of initiatives including further investment in our core brands; innovating our brand offerings; and strengthening our distribution network to develop a more effective routes-to-market capability."

Dear Shareholders,

Even after 22 years as Chairman of our company, I still find myself excited to share with you details of yet another year of successful outcomes. Although 2023 presented us with challenging global geopolitical and macro-economic uncertainties, it is my pleasure to report another year of solid performance, built on the resilience and excellence demonstrated by the Delfi management team and by our company as a whole.

STRONG GROWTH IN 2023

Despite the challenges that 2023 presented, we achieved total revenue for the year of US$538.2 million, an increase of 12.7% over 2022. This marks a record level in our history for our branded consumer business. We also achieved PATMI of US$46.3 million for the year, which is the highest level achieved since 2015.

The increase in revenue was driven by a number of initiatives including further investment in our core brands; innovating our brand offerings; and strengthening our distribution network to develop a more effective routes-to-market capability. Revenue was positively impacted from the growth of both our Own Brands and Agency Brands segments.

Equally significantly, we generated strong net cash from operating activities in 2023 of US$25.2 million. This was achieved through our strong revenue, a detailed focus on prudent working capital management and tight management of operating costs.

Our cash flow generation funded US$23.6 million in capital expenditure to meet expected future demand and resulted in a year end cash balance of US$59.4 million.

With our healthy revenue growth and strong cash flow generation, the Board is proposing a final dividend of 1.74 US cents per share and a special dividend of 0.52 US cents per share for 2023, in line with our longstanding practice to deliver value to shareholders by sharing profits through dividends. If the proposed dividends are approved at the AGM, when combined with the interim dividend of 2.06 US cents per share it would bring the total dividend for FY2023 to 4.32 US cents per share. Since the Company's listing in 2004, a total of US$408.3 million has been paid out to shareholders as normal or special dividends along with the one-time capital reduction of US$60.0 million paid in 2016. If approved at the upcoming AGM this coming April, the final and special dividends for 2023 will be payable on 15 May 2024.

In 2023, Delfi received the Most Transparent Award in the consumables category during the Singapore Investors' Association (Singapore) (SIAS) Investor's Choice Awards, recognizing our commitment to transparency and accountability with shareholders and stakeholders. This accolade is bestowed upon publicly listed companies in Singapore that prioritise disclosing information transparently and ensuring shareholder rights, enabling investors to make well-informed decisions. We are grateful for SIAS' acknowledgment of our endeavours and privileged to be presented with this esteemed award.

OUTLOOK

Going into 2024, we expect the macro-environment in our markets to remain uncertain and potentially challenging with a backdrop of slowing economies in other parts of the world. Although the GDP of Indonesia and the Philippines is expected to grow by around 5.0% and 6.0% respectively for 2024, we believe the prospects of a decrease in consumer sentiment could weigh on consumer spending driven by potential foreign exchange volatility in the region, and global macro-economic uncertainty. Hence, to reach our growth objectives, we will further invest in our leading Premium brand category, develop product extensions, and continue launching new products. We also aim to further strengthen our distribution and routes-to-market capabilities and remain focused on increasing our sales to Gen Z and Millennial consumers, who we expect to increasingly drive growth.

STRENGTH OF OUR BOARD

At Delfi, we have always had an active Board and continue to do so. The Board includes committed members participating in regular meetings throughout the year. With the Board's commitment to diversity, sustainability, and independence, it acts as a well-qualified sounding board for management to share and shape its business plans and strategic initiatives. Recent priorities at the Board have included corporate oversight, strategic direction, diversity in thought, sustainable value creation and effective risk management. The Board takes a long-term view of Delfi's core markets, and the objective is to focus on strategy and emerging risks.

Supporting the Board are six committees being the Audit Committee, the Remuneration Committee, the Nominating Committee, the Risk Management Committee, the Market, Sustainability and Strategy Committee and the Executive Committee. The committees are provided with the time to undertake a deeper dive into many important aspects of Delfi's business including, the composition of the Board itself, diversity, sales strategy, profitability, responsible business development, manufacturing, risk management and sustainable value creation for the Company in the long-term. During 2023, the committees met independently and with management to discuss strategies and key issues relevant to their respective areas and expertise, before their recommendations were then tabled to the Board for further discussion, debate, and approval.

CHANGES TO BOARD COMPOSITION

At this point, I would like to share with all of you changes to the composition of our Board of Directors to take place at the conclusion of our upcoming Annual General Meeting on 23 April 2024. These changes are part of the Company's continued plans to renew and refine the composition of our Board and ensure Delfi remains in compliance with the nine-year tenure limit for independent directors.

As part of this process, I will be stepping down as Chairman of the Board. Although I will relinquish my role as Chairman, I will remain as a member of the Board as a Non-Independent Non-Executive director. I remain fully committed to all of you as shareholders and to the future of Delfi. I look forward to continuing to make important contributions to the activities and deliberations of the Board and to the various committees on which I remain involved.

LETTER FROM OUR CHAIRMAN

> ***Revenue was positively impacted from the growth of both our Own Brands and Agency Brands segments.***

I am thrilled to endorse the Board's selection of Mr. Doreswamy Nandkishore ("Nandu") as my successor in the role of Chairman. Nandu will assume his position as Chairman of the Board at the conclusion of our AGM in April. Nandu has a wealth of experience and a proven track record of leadership during his tenure as a senior executive at Nestlé before his retirement, and during his time as a member of the Delfi Board since 2017. Nandu understands our business well. He will bring a fresh perspective and unwavering dedication to our organisation. His appointment heralds a promising era of innovation, collaboration, and sustained growth for our company.

Another important change to the Board is the upcoming retirement of Mr. Davinder Singh who has been a Director since 2001. Davinder has informed the Board that he will not seek re-election at the AGM in April. Since joining the Board, Davinder has provided important and insightful legal and commercial advice to the Board and management. I wish to thank Davinder for his contributions to the Board over the years and offer my best wishes for all his future endeavours.

For more details about the Board and on these changes, please refer to the pages 62 to 64 of this Annual Report.

REVISITING IMPORTANT MILESTONES ALONG THE JOURNEY

As I look back over my 22 years as Chairman of the Company, I want to highlight some important milestones. In the ever-evolving landscape of the business world, special milestones stand out as testament to an organisation's growth, resilience and promise for the future.

One of the most significant moments was our Initial Public Offering in November of 2004. Going public was more than just a financial move. It was a proclamation of the Company's confidence in its vision, the development of its iconic brands including *SilverQueen, Ceres,* and *Delfi*, the strength of its operations and the potential for its future innovation in the dynamic world of chocolate confectionery and cocoa ingredients. From its humble beginnings, the Company had grown into a recognised and trusted name in the chocolate and cocoa industry, with a strong outlook for the future. *SilverQueen* had become synonymous with the idea of real-chocolate bars in the minds of Indonesian consumers. With its IPO, the Company provided an opportunity for investors to become part of an exciting journey into the future of chocolate confectionery and cocoa. When the Company opened its doors to public investment, it invited individual and institutional investors to share in its success and contribute to its future trajectory.

Another exciting development was the expansion of the Company's cocoa ingredients business, which originated in Asia, into a global enterprise with presence in Europe, the Americas and Africa, as well. The expansion took Delfi to a prominent position in the global business of cocoa ingredients as we became the fourth largest cocoa grinder in the world, and the largest in Asia. This strategic move not only marked a significant milestone for Delfi, but also demonstrated a confidence in the demand for our cocoa ingredients on a global scale.

But tides turn, and in 2012 we saw an opportunity in the market where the value we had created in the ingredients business could be monetised and redeployed. As a result, we sold our cocoa ingredients business and thus were able to make a capital reduction of US$60.0 million to our shareholders after the sale and use the balance of the proceeds to provide funding for the consumer business. This helped fuel our growth over the past ten years. Participating in the sale of the cocoa ingredients division was also a proud moment for me professionally.

APPRECIATION

At this point, I would like to extend my sincere gratitude to my fellow Directors of the Board, the dedicated Delfi management team and every member of the Delfi family. Their commitment and hard work have been instrumental to the success we celebrate today as a company.

The Board would also like to thank the management team in delivering the Group's strong performance over the past years. Through the COVID years, during the ensuing recovery, and in today's challenging post-pandemic era, the journey has not been easy and has required the management team to navigate challenges and seize opportunities to retain our position as a leading chocolate confectionery company.

A special thank you also goes to our CEO John Chuang for his years of leadership and invaluable advice. His vision and entrepreneurship have played a crucial role in shaping Delfi's journey, and I wish him continued success at the helm of the Company.

As I step back from my role as Chairman, I am confident that Delfi is well-equipped to continue its journey of success. I am grateful for the privilege of leading this exceptional organisation as Chairman and for the support from each one of you.

Thank you for your trust and dedication.

Sincerely,

Pedro Mata-Bruckmann
Chairman
22 March 2024

LETTER FROM OUR CEO

With these capabilities in place and the successful execution of our growth strategies, we believe we are well positioned to elevate our service levels to our customers and thereby drive results to capture future growth opportunities.

Dear fellow shareholders,

2023 provided important opportunities and new challenges for our business. While we benefitted from healthy economic growth in our key markets, we faced an environment of higher ingredients prices, especially, record high cocoa prices, and a more competitive landscape in Indonesia. In addition, we faced additional uncertainty from global geopolitical threats, supply chain issues, commodity price volatility and increasing climate change concerns. The speed and diversity of these challenges, all coming at once, made 2023 a challenging year.

It was through these local pressures and unprecedented global challenges that we navigated our way to full-year revenue growth and sustained profitability, despite pressures on our growth and margins.

I attribute our positive performance in 2023 to two key drivers: the size and buoyant economies of the markets in which we operate, and the strength and resilience of our business model.

We benefited from strong economic growth in our two main markets, Indonesia and the Philippines, which are also the two largest chocolate confectionery markets in Southeast Asia. Both countries have growing urban populations with increasing disposable incomes as a larger portion of their populations migrate into the middle class. And both countries experienced healthy economic growth in 2023 at around 5.0%, and are expected to reach at least similar growth levels in 2024.

Despite the pressures on our business, the inherent strengths of our business model enabled us to defend our market share in an increasingly more competitive environment, especially in Indonesia. Our strong brands and pricing power helped mitigate the impact on our performance from rising ingredients prices.

We achieved revenue of US$538.2 million in 2023, an increase of 12.7% over 2022. The performance in 2023 marks the highest revenue achieved historically by our branded consumer business and was driven this year by sustained growth from both our Own Brands and our Agency Brands businesses.

For the year, despite the higher environment of input costs, especially cocoa ingredients, we achieved a Gross Profit of US$153.2 million (a Y-o-Y increase of 5.3%), with a Gross Profit Margin of 28.5%, down 200 basis points compared to 2022. The decrease in our margin was from the business decision to increase promotion costs to fend off higher competition in Indonesia, further strengthen the brand equity of our core brands, and support our branded products that we believe have the highest potential for future growth. We were able to partially offset the impact from the higher promotion costs with our forward cover strategy and other cost mitigating initiatives, combined with the pricing power of our top brands and growth of our Premium format category. These actions depressed short term profitability. However, in spite of this, the Group recorded PATMI of US$46.3 million, an increase of 5.4% compared to 2022.

In 2023, we also generated net cash from operating activities of US$25.2 million of which US$23.6 million was re-invested into our capital expenditure programme. Our capital expenditure was directed at increasing production capacity to meet market demand and in improving operational efficiency. At the end of the year, our balance sheet remained strong with a cash balance of US$59.4 million. This positions us to take advantage of any investment opportunities that may arise and at the same time provides a buffer from any uncertainties that lie ahead. We generated a Return on Equity of 18.1%, on par with last year.

We expect the challenging business environment to continue with uncertainties from geopolitical and economic threats persisting and the potential for more disruption in our supply chains. Moreover, the ongoing effects of climate change will remain a significant global challenge for everyone, as will be the anticipated breakdown of globalisation into regional economic blocs which will likely reshape market dynamics in the long-run. If cocoa prices were to continue rising at the rates seen in the past year, it could have a negative impact on long-term growth.

However, we have faced many of these challenges in the past through our long history in the chocolate confectionery business. While these threats will demand our continued attention and challenge us to be agile and responsive, the pricing power of our brands should enable us to pass through price increases when necessary and our in-depth experience managing changes in the commodities markets provides us with enough visibility to mitigate pressures from future ingredients price increases. Our strong brand portfolio, efficient manufacturing capabilities and strong distribution network will continue to support us to face further competition should it emerge. In summary, we are confident that Delfi is well prepared to rise to the challenge.

With these capabilities in place and the successful execution of our growth strategies, we believe we are well positioned to further elevate our service levels to our customers and thereby drive results to capture future growth opportunities.

I would like to take this opportunity to express my sincerest gratitude to Pedro Mata, who will be retiring as Chairman of our Board at this year's AGM. With his extensive industry knowledge and his invaluable insights and advice as Chairman, Pedro has been a reliable adviser to me personally as well as to the other Directors who have worked with him. Pedro will, however, remain on the Board as a Non-Executive Non-Independent Director. We are grateful that he will continue as a member of the Board contributing to the growth of our business.

Assuming the role of Chairman will be Nandu, who has been on the Board since 2017 after having spent many years in a number of senior positions at Nestlé. Since joining us, Nandu's extensive business acumen and knowledge of our industry has been of great benefit.

I would also like to thank Davinder Singh who has informed the Board that he will not seek re-election at the AGM this coming April. During his tenure of more than twenty years on the Board, Davinder has provided the Board with invaluable advice, both from legal and commercial perspectives, which has been very helpful to me as the CEO and to our fellow Board Members. Davinder will be missed by all of us in the Delfi family.

I would like to extend my appreciation to my fellow Directors for their professionalism and active participation in our Board discussions and decisions. I would also like to thank the dedicated Delfi management team and every member of the Delfi family for their commitment, hard work and resilience which have been the driving force behind our success. I should also like to thank our customers, suppliers, commercial partners and other stakeholders. Finally, I would like to extend a sincere thank you to all my fellow shareholders for your continued support.

John Chuang
Chief Executive Officer
22 March 2024

Empowering People

Our people are the key drivers of Delfi's growth journey, distinguished by their depth of experience and expertise, strong dedication to our consumers and customers, as well as a passion to grow our brands. Working with a common vision, they adeptly steer through change, striving together to confront new challenges with resilience and determination.

BOARD OF DIRECTORS

Mr Pedro Mata-Bruckmann ("Pedro"), 79

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)
- Remuneration Committee (Chairman)
- Audit 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 2021 to 31 December 2023)
- Starlux S.A.

Pedro has been Chairman of Delfi Limited and an Independent Director since 2001. He expressed his intention to step down as Chaiman and an Independent Director at the Annual General Meeting to be held on 23 April 2024. However, he will seek re-election to the Board as a Non-Executive Non-Independent Director.

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) that at the time 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. 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.

* In keeping with the requirements of the nine-year rule, Pedro will not seek re-election as an Independent Director at the conclusion of the Annual General Meeting on 23 April 2024. He will relinquish his role as Chairman of the Board of Delfi Limited as well as his roles as Chairman of the Nominating Committee and the Remuneration Committee and as a member of the Audit Committee. However, he will seek re-election to the Board at the AGM as a Non-Executive Non-Independent Director and if re-elected, it is intended that he will serve as a member of the Nominating Committee, and the Market, Sustainability and Strategy Committee.

Mr Davinder Singh ("Davinder"), 66

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
- Nominating Committee (Member)
- Remuneration Committee (Member)

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

Present Directorships
- Delfi Limited
- Davinder Singh Chambers LLC
- Singapore International Arbitration Centre
- Singapore International Mediation Centre
- Ramsgate Capital Pte Ltd

Past Directorships over the preceding three years (from 1 January 2021 to 31 December 2023)
- PSA International Pte Ltd

Davinder has been a Non-Executive Non-Independent Director since 2001. Davinder has expressed his intention to not seek re-election at the Annual General Meeting to be held on 23 April 2024.

Davinder 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.

* Davinder has informed the Board of his intention to not seek re-election to the Board at the upcoming AGM in April.

BOARD OF DIRECTORS

Mr Doreswamy Nandkishore ("Nandu"), 65

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)
- Audit Committee (Member)
- Nominating Committee (Member)
- Remuneration Committee (Member)
- Risk Management 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 2021 to 31 December 2023)
- Nil

Nandu has been a member of our Board since 2017. With effect from the conclusion of the Annual General Meeting on 23 April 2024, he will be appointed Chairman of the Board.

He 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.

* At the conclusion of the Annual General Meeting on 25 April 2023, Nandu was appointed 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 23 April 2024, it is intended that Nandu will be appointed as Chairman of the Board. He will retain his role as Chairman of the Market, Sustainability and Strategy Committee and will remain a member of the Audit Committee, the Nominating Committee, the Remuneration Committee, and the Risk Management Committee.

Mr John Chuang Tiong Choon ("John"), 75

Executive Director, Managing Director,
Group Chief Executive Officer
SINGAPOREAN

Date of First Appointment as Director
1 November 1989

Date of Last Re-Election
25 April 2023

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 Ltd
- 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 2021 to 31 December 2023)
- 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.

He has over 35 years of experience in the chocolate, confectionery, and cocoa industry. He started his career in 1974 in our predecessor businesses in Indonesia and Singapore. Then, 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"), 72

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

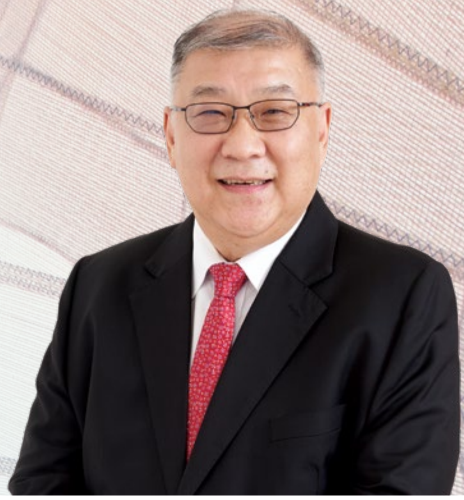
Present Directorships
- Delfi Limited
- Brands of Hudsons Sdn Bhd
- Ceres Sime Confectionery Sdn Bhd
- Delfi Marketing Sdn Bhd
- Delfi Singapore Pte Ltd
- Maplegold Assets Ltd
- Pavilion View Holdings Limited
- Ceres (International) Marketing Pte Ltd
- PT Nirwana Lestari
- PT Citra Tunggal Lestari
-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

Past Directorships over the preceding three years (from 1 January 2021 to 31 December 2023)
- 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"), 65

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
- Berlian Enterprises Limited
- 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 2021 to 31 December 2023)
- Nil

William is an Executive Director of Delfi Limited and a Business Development Director of the Group. He was appointed to our Board on 31 May 2001.

William 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"), 67

Independent Director*,
AUSTRALIAN

Date of First Appointment as Director
1 January 2023

Date of Last Re-Election
25 April 2023

Board Committee(s) Served on
- Audit Committee (Chairman)
- Risk Management Committee (Chairman)
- Nominating Committee (Member)
- Market, Sustainability, and Strategy 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
- Accredited Director, Singapore Institute of Directors

Present Directorships
- Delfi Limited
- RCD Fund Pty Ltd (acting as trustee for the 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 2021 to 31 December 2023)
- Nil

Graham was appointed as an Independent Director to our Board on 1 January 2023. Graham has 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.

Graham also served as a Council member for the Singapore Business Federation ("SBF") from 2012 to 2016. He 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.

Graham 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.

* When Graham joined the Board as an Independent Director on 1 January 2023, he was appointed a member of the Audit Committee. At the conclusion of the Annual General Meeting on 25 April 2023, he was appointed as Chairman of the Audit Committee and the Risk Management Committee, and as a member of the Nominating Committee and the Market, Sustainability and Strategy Committee. At the conclusion of the AGM on 23 April 2024, it is intended that he will also be appointed as a member of the Remuneration Committee.

Mr Lee Meng Tat ("Meng Tat"), 60

Independent Director*
SINGAPOREAN

Date of First Appointment as Director
1 June 2023

Date of Last Re-Election
NA

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

Educational & Professional Qualifications
- Bachelor of Engineering (Mechanical), National University of Singapore
- Master of Business Administration, Imperial College, London
- Advanced Management Programme (AMP), Harvard Business School
- Certificate in Corporate Governance ("IDP-C"), International Directors Programme, INSEAD
- Senior Accredited Director, Singapore Institute of Directors

Present Directorships
- Delfi Limited
- Vietnam Dairy Products Joint Stock Company (Vinamilk)
- Singapore Cancer Society (Chairman)

Past Directorships over the preceding three years (from 1 January 2021 to 31 December 2023)
- Fraser & Neave Holdings Bhd

Meng Tat was appointed as an Independent Director to our Board on 1 June 2023.

He has extensive experience in consumer-focused industries with 34 years in several fields including banking, tourism, and beverages. Meng Tat retired from the position of Chief Executive Officer, Non-Alcoholic Beverages ("NAB") of Fraser and Neave, Limited ("F&N") in January 2022. At F&N, he was responsible for overseeing and driving the growth strategies of the NAB business, which has operations and investments in Indonesia, Malaysia, Myanmar, Singapore, Thailand, and Vietnam.

Other positions that Meng Tat previously held include Chief Executive Officer of Wildlife Reserves Singapore and Chief Executive Officer of Heineken-APB (China).

Subsequent to joining the Board of Directors of Delfi, Meng Tat has served as a member of the Nominating Committee, the Remuneration Committee, the Risk Management Committee, and the Market, Sustainability and Strategy Committee.

* When Meng Tat joined the Board on 1 June 2023, he was appointed a member of the Nominating Committee, the Remuneration Committee, the Risk Management Committee, and the Market, Sustainability and Strategy Committee. With effect at the conclusion of the Annual General Meeting on 23 April 2024, it is intended that he will assume the roles of Chairman of the Nominating Committee, and Chairman of the Remuneration Committee. He will also be appointed as a member of the Audit Committee.

SENIOR MANAGEMENT

Richard Jeffrey Chung Ting Tshung ("Richard"), 59

Group Chief Financial Officer

Richard assumed the role of CFO effective 11 September 2020 and has over 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 almost twenty 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"), 55

Group Chief Operating Officer

Chay Kee was appointed as the Group's Chief Operating Officer in 2022. He 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)

Amos Moses Yang ("Amos"), 50

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"), 65

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. She also works closely with managers of the Group's other entities in Indonesia. She assists the Group's 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"), 69

President Director,
PT Nirwana Lestari

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

Before joining our Group in 1995, 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)

Innovating to Overcome Change

At Delfi we build on our strong culture of creativity to embrace change as an opportunity rather than a challenge. We meet change head-on to develop products to meet evolving consumer needs, improve manufacturing capabilities, adopt modern technologies, enhance our supply chain capabilities, and face new shifts in the markets.

BUSINESS PROFILE

BUILDING A LEADING BUSINESS ROOTED IN ENDURING TRADITIONS

Delfi proudly holds a heritage of over seventy years of providing consumers with delectable and uniquely tasting chocolate confectionery in Indonesia. Our unwavering dedication to quality treats spans generations. Throughout our journey in chocolate confectionery, we have cultivated a rich legacy founded on excellence. With a proven history, we consistently bring joy to consumers in Indonesia and across Southeast Asia with our outstanding chocolate creations. Our business philosophy centres on heritage brands, innovation, effective brand management, world-class manufacturing, extensive distribution, and a firm commitment to sustainable value creation. In today's ever-changing landscape, Delfi's ability to adapt and innovate is a cornerstone of our success, empowering our business to not only navigate faster-paced change, but also continue to meet consumer and stakeholder needs amidst the constant ebb and flow of today's dynamic world.

Establishing leading brands in Indonesia

Over all these years, we have continuously manufactured the main portion of our chocolate products in Indonesia, in facilities located first in Garut and then in Bandung, both located in West Java. Eventually, all our manufacturing in Indonesia was transferred to Bandung where we continue manufacturing today. In the mid-1950s we first created our heritage brands: initially *SilverQueen* and a little while later *Ceres*, both of which have resonated across generations and delighted Indonesian consumers for over seven decades. Our *SilverQueen* brand became the leading chocolate bar brand in the country with a strong customer loyalty built on high quality ingredients including real chocolate and distinctive tasting cashews. Over the years, the unique taste of *SilverQueen* chocolate became synonymous with real chocolate in the minds of Indonesian consumers resulting in a leading position in the country, a position that it holds to this day.

In the 1970s, we launched our chocolate biscuit brand, *Selamat*, to enter the growing biscuit segment in Indonesia. In the 1980s, we introduced our *Delfi* brand with its well-known Swiss skier logo, as a higher premium quality chocolate brand. Since its launch, we have expanded the *Delfi* brand into a core brand for high quality chocolate bars, dragées and wafers across Indonesia and then into other key markets across Southeast Asia. Developing these core brands, investing in them, and expanding them across new market segments over the years has helped us establish a strong presence across retail stores in Indonesia.

Since launching our *Delfi* brand, Indonesia has progressed significantly in many aspects and has experienced strong economic growth, substantially boosting our domestic business. As the country's population has grown, the economy developed, and industry modernised, we successfully developed brands that formed close bonds with millions of chocolate lovers across Indonesia becoming the country's leading chocolate confectionery company.

Once our core brands were well established during these early decades, we constantly developed and introduced new sub-brands and brand extensions for the Indonesian market. These include a wide range of chocolate products such as chocolate bars, chocolate breakfast products, chocolate rice, moulded chocolate, dragées, chocolate baking ingredients, chocolate spreads, enrobed wafers, chocolate biscuits and chocolate beverages. The expansion into these products supports and defends our current position as a market-share leader in Indonesia for chocolate confectionery.

Expanding outside Indonesia

Eventually, we leveraged our product manufacturing expertise and leading position in Indonesia to drive expansion outside the country, primarily in Southeast Asia. In 2006, as part of our regional expansion, we acquired the local Philippines chocolate confectionery business of Nestlé. The acquisition in the Philippines gave us an entry point into Southeast Asia's second largest chocolate market. It included the purchase of the chocolate manufacturing, sales, marketing, and distribution operations along with the much loved and well-established heritage brands in the country, *Goya*, and *Knick Knacks*. After the acquisition, we implemented a strategy to leverage our expertise and experience from Indonesia. We invested in and revitalised our new Philippine brands and developed new product categories. We also introduced additional high-quality products with new flavour profiles to appeal to local consumer tastes.

Through the years since the acquisition, we have remained focused on growing our business in the Philippines through the quality and taste of our well-established local chocolate bars and by introducing products from Indonesia into the Philippines. The products we currently offer in the Philippines provide local consumers with an improved value-for-money indulgence that strengthens brand loyalty and helps us take advantage of local market opportunities. Since first entering the Philippines market, we have remained true to our core principles, first developed in Indonesia, of delighting local consumers and building brand loyalty by delivering satisfying tastes, producing superior product quality, and creating novel experiences, all while upholding prudent financial practices and fostering greater teamwork.

Another aspect of our regional expansion was the strategic acquisition in 2018 of the exclusive and perpetual rights to the *Van Houten* brand for consumer chocolate and cocoa products in key markets across Asia and Oceania (including Australia and New Zealand). The addition of *Van Houten* to our portfolio of core brands enables us to develop a region-wide premium chocolate confectionery brand for chocolate lovers across Southeast Asia and other nearby markets. In the years before the acquisition, the *Van Houten* brand was well recognised in Asia as a premium European brand, made with quality ingredients that had been present in the region since the 1960's. It was, and still is, a well-recognised brand with a strong consumer awareness built up over many years in Asia. In addition, our acquisition of the brand fits well into our strategy of growing our overall business by acquiring brands to complement our Own Brands portfolio and support our expansion into other markets across Southeast Asia.

BUSINESS PROFILE

STRENGTH OF TODAY'S BUSINESS MODEL

Our business today comprises two geographic segments, our leading position in Indonesia, and a well-established presence in our Regional Markets across Southeast Asia, primarily in the Philippines, Malaysia, and Singapore. Within both Indonesia and our Regional Markets, we engage in two related, but separately managed, businesses: (i) Own Brands, the production, sale and distribution of our own branded products; and, (ii) Agency Brands, the sale and distribution of third party branded products for our partners which typically are well-known international brands.

Strong businesses in Indonesia and Regional Markets

In Indonesia, our leading business presence includes both Own Brands and Agency Brands activities. At our Bandung factory, we produce our own branded products and distribute them through our strong distribution network and well-established routes-to-market capabilities that stretch across the country. Our Agency Brands business in the country distributes complementary third-party branded products, also through our domestic distribution network.

Like our business in Indonesia, our Regional Markets segment also encompasses Own Brands and Agency Brands activities. The Own Brands business in Regional Markets encompasses our own products produced by our facility in the Philippines. It also includes products manufactured in Indonesia that are exported across Southeast Asia. Our Agency Brands business in our Regional Markets segment is conducted primarily through our distribution networks in Malaysia and the Philippines.

Own Brands and Agency Brands

As mentioned above, in both Indonesia and Regional Markets, we organize our overall business into our Own Brands and Agency Brands businesses. Our Own Brands business comprises almost entirely branded products produced by our facilities in Indonesia and the Philippines.

Both Indonesia and the Philippines share many favourable characteristics including growing economies, robust consumer demand and strong demographic factors (young population and a fast-growing middle class with increasing spending power) that support the growing chocolate confectionary category. In addition to having large populations, (for example, more than 270 million and 100 million respectively), they are also the 1st and 2nd largest chocolate markets in Southeast Asia, respectively. These characteristics and demographics help to boost the growth of our Own Brands in both markets. Moreover, these demographics are expected to continue driving consumption and revenue growth in both countries.

Our Own Brands and Agency Brands businesses are built on a solid foundation with demonstrated strengths and capabilities - from world-class manufacturing, to brand building, to routes-to-market, to product development - that have been developed and strengthened over decades. We continually hone and scale our core capabilities to help us better understand our markets, anticipate new consumer needs, strengthen our brands, and improve our offerings to our customers. Indonesia remains our largest market while the contributions from our Regional Markets are anchored by our growing presence mainly in the Philippines and Malaysia while adding to our revenue. We also export our products to more than 15 countries around the world.

Own Brands Strategy

The core strategy for our Own Brands business in all our markets is to continually develop 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 our products whenever they might want to consume chocolate confectionery products. By catering to different consumer tastes and local preferences, we develop products that help us retain customer loyalty, meet consumption trends, defend against competition, and grow our business.

In recent years, we have expanded our core strategy in Own Brands to include healthier alternative products that include more wholesome ingredients like yoghurt, green matcha tea, chia seeds, oats, nuts, and a variety of different fruits. Besides developing these new products with healthy ingredients, we have developed new versions of existing products by adding healthier levels of key ingredients like higher cocoa content whilst lowering sugar levels and dairy ingredients.

Our strategy to develop healthier alternative products also included the expansion in 2020 of our heritage *SilverQueen* brand with the launch of *SilverQueen Very Berry* and *SilverQueen Green Tea Matcha* bars, which contain healthier ingredients including fruits, yoghurt and matcha tea. We also launched *Van Houten Dark Milk*, which has more cocoa, less sugar and less dairy. Further development in this category included the introduction in 2022 of our *Van Houten Vegan* chocolate bars made with only plant-based ingredients, attractive to those consumers looking for chocolates with no animal-based ingredients. Also in 2022, we created and launched new healthy snacking bars under the new brand *7+*, that are made with a mix of 7 healthy ingredients, including rolled oats, chia seeds, brown flaxseeds and four different fruits. In 2023, we launched our new *Take-It Yoghurt Berry* product, the newest addition to our healthier product category that contains healthy yoghurt and fruits. We have a number of these new products in the healthier alternative category under development in our product pipeline and expect to introduce more into our key markets.

Another important aspect of our Own Brands business is the close collaboration that we continue with key partners to expand our range of products into adjacent categories. As part of this strategy, we have entered into several partnerships with world renowned organisations. For example, we continue partnering in a 50-50 joint venture, first established in 2016, with South Korea's Orion Corporation to develop, market and distribute a range of jointly branded confectionery products in Indonesia, including *Choco Pie*. We also continue working in the 60-40 joint venture partnership with Japan's Yuraku Confectionery Company Ltd. Our majority position in this joint venture combines our broad market knowledge and strong distribution network in Indonesia with Yuraku's manufacturing and product expertise to produce and market a range of chocolate snacks, such as *Big Thunder* and *Black Thunder*, that target young consumers under the combined *Delfi Yuraku* brand.

We also continue partnering with other major global brand companies by co-branding suitable products. For example, we are partnering with *Unilever*, for co-branded ice cream products in Indonesia. From time to time, we also work in partnership with entertainment companies such as *Disney* and *Universal* for tie-ins with specific movie launches.

BUSINESS PROFILE

For example, a few years ago, we started creating novelty products under our *Delfi Cha Cha* brand to tie-in with well-recognised characters and movie launches with *Disney* for *Frozen*, *Disney Princess*, and *Toy-Story*, and with *Universal* for *Jurassic World*. Recently, we launched a new tie-in with *Universal* for its *Minions* franchise. We expect to continue these types of partnerships in the future and anticipate exploring new partnerships with other global brands when it makes sense for our business.

Agency Brands Strategy

In parallel with our Own Brands business, we started our Agency Brands business in 1987 to distribute third party brands, initially in Indonesia and later in Malaysia and the Philippines. Over the years, our Agency Brands business has grown by leveraging our extensive distribution networks in each of these countries. For example, in 2003 we expanded our third-party distribution capabilities for our Agency Brands through the acquisition of a Malaysia-based distribution business. Also, since our acquisition of the Philippines business in 2006, we distribute third-party brand products in the country as part of our Agency Brands business.

Today, our Agency Brands business continues to complement our Own Brands business by reinforcing the existing commercial relationships that we have cultivated with our retail customers and by enhancing the level of dialogue with them. As a testament to our brand building expertise, together with a strong distribution network and routes-to-market capabilities, our Agency Brands business distributes well recognised third-party brands in Indonesia, Malaysia, and the Philippines to leverage our multi-layered distribution networks in these markets. This has helped us build our Agency Brands business to effectively engage with a growing number of well-known brand owners to successfully grow their products in the market. Many international brand companies regard us as a dependable trade partner and approach us directly as one of the few companies that could effectively distribute their products into Indonesia and our Regional Markets. Currently, our Agency Brands business represents over one hundred principal brands across the food and beverage, healthcare, snacking and breakfast foods sector across Southeast Asia.

STRONG DISTRIBUTION AND ROUTES-TO-MARKET

An essential part of our supply chain strategy is to ensure our Own Brands products in Indonesia and our Regional Markets are highly visible and readily available in as many points-of-sale as possible. We accomplish this by dedicating significant resources, investment, and attention to improving our distribution and routes-to-market capabilities to elevate service levels to our retail customers and continually increase the quality of our distribution execution. In Indonesia we focus our efforts on effectively managing multiple supply-chain channels, including the Modern Trade (mini-marts, supermarkets, and hypermarkets), Modern Trade Independents, a recently emerged segment and fast-growing component of the Modern Trade channel in the country, and Traditional Trade. This broadens our market reach to much of Indonesia and increasingly deepens our product penetration in our Regional Markets.

For example, over recent years, we implemented a direct shipment model to our major mini-mart customers across Java. Once these resources were in place, we began extending the model to our Modern Trade customers to areas outside Java. This helped raise the responsiveness and the 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. In addition, we increased the speed to market for our products, increased our level of product availability and ensured that our products continually maintain a significant shelf space presence in stores. The result was to place the correct product mix at all retail outlets to support high sales with our products commanding a significant share of shelf space in the Modern Trade. We also optimised the cost effectiveness of our supply chain operations by leveraging sales and operations planning processes to achieve better coordination and alignment between stakeholders. We will continue investing in our distribution capabilities, work more closely with our retail customers and distributors, improve efficiencies in our supply chain and increase overall coverage of retail outlets.

Our distribution network and routes-to-market capabilities support our combined efforts to serve our customers, not only in the Modern Trade channel, but also in Traditional Trade. Like Modern Trade, Traditional Trade supports an important element of our overall distribution strategy, complementing our Modern Trade capabilities. However, there are some aspects of Traditional Trade that differ. For example, the channel focuses more on value products that differ in formats, sizes, packaging designs, price points, and promotion strategy, to appeal to the different consumer segments that frequent the shops served by the Traditional Trade. Moreover, the size, scale and scope of the overall Traditional Trade channel requires a different approach to getting our products on those shelves. The more consolidated and efficient distribution used in Modern Trade is not necessarily applicable in the Traditional Trade channel. As such, we rely much more on third-party distributors, wholesalers and sub-wholesalers to help ensure our products reach the large number of Traditional Trade retailers. As part of the changes to our distribution platform described above, for Traditional Trade we focused on coverage in areas still underserved by Modern Trade. Going forward, we plan to strengthen our presence in Traditional Trade retail shops to drive more growth and improve efficiencies in the supply chain in order to extend our reach further across the archipelago through the Traditional Trade channel.

We make a strong commitment to product quality in our supply chain by ensuring that our third-party regional distributors and wholesalers follow proper Best Warehouse Practices (BWP). To help determine if our distributors follow BWP adequately, we have implemented a program to reinforce the proper handling, loading and unloading, distribution, and storage of our products after they have left our finished goods warehouses. We work closely with our distributor partners to ensure they uphold high-quality standards in their supply chain and remain in compliance with stringent food safety regulations. As part of the

BUSINESS PROFILE

program, we send Delfi experts to conduct on-site reviews of their warehouses that include confirming that storage conditions are appropriate, air conditioning is functioning properly and at the correct temperatures, our products are appropriately segregated from dangerous materials, and proper pest control management is followed. Our team flags any shortfalls or gaps and reports them back to management. We give ratings to our distributor partners and look to work closely with them to improve any inadequate results. The program helps reduce waste in our supply chain, enhance food safety and improve the quality of our products at the retail level to support consumer satisfaction.

With the rapid changes taking place in our key markets, the strength of our distribution networks and routes-to-market capabilities has become more critical for us to supply our retail customers with the products that consumers demand. To meet this challenge, we will continue to optimise our capabilities to enhance our distribution channels in response to today's evolving consumer products landscape.

EFFECTIVE SUPPLY CHAIN AND PROCUREMENT STRATEGY

Managing the risk and efficiency of our supply chain and procurement capabilities is an important part of our business. We manage the impact to our business from procurement and supply chain pressures through our forward cover strategy that helps us mitigate price fluctuations. The strategy provides us with sufficient visibility and enough flexibility to manoeuvre operations and adjust strategies to manage, uphold and sustain margins while supporting profitability and retaining customer demand. We have many levers available to pull that we could use to help mitigate rising input costs. Some include locking in prices with our suppliers for extended periods, enhancing production efficiency, introducing new flavour variants with less volatile ingredients costs, adjusting existing formulations, and changing packaging materials. These actions help to accommodate changes in input costs, while addressing competition in our key markets, reaching profit objectives, and maintaining customer loyalty.

Another important aspect of our business and critical part of our procurement strategy is the ability to source raw materials, especially ingredients and packaging materials, so we can continue supplying our customers with the products they need. Over the years, we have developed a strong track record of managing our global supply chain strategy and executing demand planning, procurement and sourcing, shipping, warehousing, and logistics management in a cost effective and sustainable manner. Currently, we are increasingly focusing on sustainability factors when procuring our raw materials and managing our supply chain. We aim to optimise the different components of the supply chain as part of our strategic focus on diversifying supply sources, containing costs, and sourcing sustainably to meet our input requirements. We focus on managing the impact from raw material costs, on enhancing internal processes through innovation and on exploring cost-effective solutions for packaging, replacements, or substitutions. Going forward, we look to optimise our supply

chain more sustainably, as sustainable sourcing becomes an increasingly more important part of our supply chain.

In today's world, uncertainty in the supply chain has become a more pronounced risk than in the past. At Delfi, we take steps to mitigate impacts that may occur from potential supply chain disruption. To meet the uncertainty, we have developed important strategies and rely on our years of experience in the sector to pro-actively manage disruptive events, if they were to occur.

LEVERAGING STRONG INNOVATION

Innovation is at the core of our operations and is essential if we are to remain a leading chocolate confectionery company in our key markets. In an industry marked by rapid changes and constantly evolving consumer preferences, we embrace constant innovation to launch new innovative products, and keep our business ahead of the competition which establishes our position as a trendsetter and industry leader in our key markets. It also enables us to meet rapid change in today's consumer product landscape by offering consumers products that not only taste great, but also are in line with current consumer preferences and produced in anticipation of future consumer trends.

As part of our innovation process, our product portfolio is carefully curated and optimised on a continuing basis. We regularly introduce exciting new and innovative formats, packaging designs, flavours, and flavour variants to refresh the product portfolio and enhance the appeal of our brands to emerging consumer preferences. 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 these items are carefully analysed and developed before a new product is included in our product portfolio and appears on retail shelves. Another part of our optimisation process is to continually determine which product lines to retire if they do not maintain a meaningful level of consumer demand.

Our focus on innovation helps grow our business, by supporting our ability to meet world-class expectations in product quality and ever-changing consumer preferences. Our R&D capabilities support product innovation by continually refreshing our product offerings, enhancing our brands, and attracting new customers while still retaining existing ones. Our innovation helps us respond more quickly to local tastes in all our key markets across the region, keeping us well connected with consumers and allowing us to maintain our brands at the top of consumers' minds.

Recently, we have leveraged our leading industry position in Indonesia to introduce innovative new products and develop new packaging designs that appeal to younger consumers. These new products complement our leading heritage chocolate confectionery brands. We constantly focus on our strategic products and through our development of innovative products, improve our ability to compete in the market by increasing product visibility and shelf space across all channels, especially in Modern Trade.

BUSINESS PROFILE

STRENGTHENING OUR MANUFACTURING

Today's food manufacturing landscape is undergoing a seismic shift across the globe, driven by the need to adapt to changing consumer preferences, broad technological changes, volatile raw material costs and an increasing focus on sustainability. The manufacturing process for chocolate confectionery is no exception, as it too is facing profound change. To meet this change, and remain competitive, we focus on improving our manufacturing methods in innovative ways to increase efficiency, ensure we maintain compliance with food safety regulations, reduce production costs, improve product quality, leverage technology, ensure consistency in taste, and meet increasing sustainability related commitments. We see this change as an opportunity to continually improve our world-class manufacturing capabilities.

As the leading chocolate manufacturing company in Indonesia, and with an expanding presence in key markets across Southeast Asia, it is important that we employ all of our production facilities to supply our customers with our entire range of products. We are able to do so because of our investment in our production facilities over the years in both Indonesia and the Philippines. We continually strengthen our production capabilities where needed and improve our ability to service customers to support our business growth across our markets. Over the years, we invested to expand production capacity, remove production bottlenecks, protect office staff and factory workers, improve process efficiencies, increase automation, implement an advanced SAP enterprise resource planning 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. For example, we invested in enhancing workplace safety by implementing a lock-out-tag-out system to protect our workers during the maintenance of potentially dangerous machinery, and we constantly invest in training our workers.

Starting in 2020, we slowed down our capital investments due to the uncertainty from the COVID epidemic. We prudently chose to reduce our investment in capital expenditure until we saw concrete evidence of demand growth post pandemic. In late 2021, with our markets recovering and then gathering steam into and through 2022, we began to increase our capex investment to meet clear signs of growth outpacing capacity. In 2023, the first full year after COVID operating restrictions were lifted in our key markets, we increased our capital expenditure investment in Indonesia to US$23.6 million. Our investment in 2023 remained prudent given the size of our overall business and was mainly focused on increasing production capacities to meet expected demand growth, improving efficiencies throughout our operations, further improving food safety capabilities, and enhancing our sustainability efforts.

The strength of our employees is another important advantage of our manufacturing capabilities. Employees at both our Indonesia and Philippines factories have the skillsets and intellectual know-how to produce the entire range of their respective portfolio of Own Brands products using an array of production techniques and technologies that Delfi has developed over the years. Our Indonesia factory is fully capable of manufacturing all our branded products including moulded chocolate, dragées, chocolate rice, dark milk chocolate bars, vegan chocolate, bars with yoghurt and white chocolate, enrobed wafers, biscuits, cereal bars, and baking condiments. All our production activities in both factories are supported by expert teams with the responsibility for manufacturing our products, ensuring world-class food safety compliance, and ensuring our products reach consumers in their respective markets.

Another important competitive advantage for us is the strategic location of our production facilities relative to their consumers in Indonesia and the Philippines, our two largest chocolate markets, and the two largest in Southeast Asia. Having our factories in close proximity to our respective consumer base ensures the freshness and high-quality standards of our products as they reach our customers, while giving us the ability to quickly respond to changes in consumption trends, consumer preferences and market conditions. The close proximity of the factories shortens our response time to changes in market dynamics enabling us to react more quickly as we gather essential information more quickly about pricing points, competitor activities, packaging sizes and volume adjustments.

As a world-class food manufacturer, we remain fully committed to ensuring the high-quality standards of our manufacturing process and the safety and quality of our products, as well as the well-being of our consumers. Our retail and trade customers are assured of the high standards of 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 in which 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, and our distribution facilities adhere to strict safety regulations. The table below shows, as of the date of this report, the certifications of our facilities that comply with certain 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*
- ISO 22000: 2018 (Food Safety Management System)*
- SMKPO (Food Safety Certificate from BPOM)***

Note:
*   pertains to our Indonesian production facility only
** PROPER means "Pollution Control, Evaluation and Rating"
*** pertains to our Jakarta distribution facility only

BUSINESS PROFILE

COMMITTED TO SUSTAINABLE VALUE CREATION

Today's chocolate confectionery industry is undergoing profound change with environmental consciousness and ethical practices at the forefront of consumer concerns. At Delfi, we firmly support the view that present-day sustainable development should not compromise the ability of future generations to meet their own needs. We aspire to embed sustainability into every aspect of our business by adopting appropriate energy policies, including reducing carbon emissions, responsibly using water, employing prescribed standards and practices in our supply chain, sustainably procuring agricultural products, creating a workplace for employee professional growth, safety, and well-being, as well as following world-class standards for consumer health and food safety policies.

Recently, we have completed several important initiatives to generate sustainable value in our operations. We continually review our Sustainability Policy, and most recently updated it in February 2024 to ensure that the actions, activities, and mindset of our people produce tangible results in our operations as they implement projects to improve sustainability. We also conducted our inaugural climate-risk assessment exercise, to qualitatively evaluate the potential financial impact on our operations in the short, medium, and long terms from transition risks, such as carbon pricing, or physical risks, like floods and heatwaves. In addition, we evaluated the resilience of the business and our strategic responses to address material risks from potential disruptions caused by worsening climate-related stressors worldwide.

In 2023, we continued our focus on reducing our usage of packaging materials including cardboard boxes, wrappers, plastic rolls, and plastic bags. We also implemented plans for the installation of solar panels on our building roof-tops, conversion to LED lights and implementation of harvesting rainwater to reduce water withdrawal. We committed to keeping our sustainability disclosures in line with Task Force on Climate-Related Financial Disclosures requirements, including starting to disclose our Scope 3 greenhouse gas (GHG) emissions. We also adjusted our environmental policy to ensure we better encourage our employees to identify innovations that integrate sustainability into their daily activities. We continue to develop initiatives to use more sustainable packaging for our products. We initiated programs to better foster collaboration with our supplier partners and to encourage reusing, recycling, and recovery of waste in operations when possible. We will continuously seek to refine our approach to climate-risk management to incorporate it into our overall risk management framework.

We have spent much time and effort in 2023 on quantifying our Scope 3 emissions, as it has emerged as a crucial step towards transparency and accountability for indirect GHG emissions. Our activities have included identifying, measuring, and managing GHG emissions on our environmental footprint. Our long-term plan includes considering how we could develop plans that could be implemented to reduce Scope 3 emissions, however, with the Scope 3 process in its early stages, it is difficult to identify specific commitments or targets at this time. Recognising

that a significant portion of our carbon footprint extends beyond our direct business operations and control, we seek to proactively engage our supply chain partners and stakeholders to explore further opportunities to decarbonise the supply chain and to reduce the impact on the climate. In summary, Delfi recognises the importance of Scope 3 emissions in our sustainability journey. As part of our commitment to environmental stewardship, we have actively worked to quantify, analyse, and disclose our Scope 3 emissions to stakeholders in our Sustainability Report.

With our commitment to sustainable value creation, we are on the right path forward on our sustainability journey and although we recognise there is still a way to go, we remain fully committed to staying on this path. For more information on our enhanced Sustainability Policy and its implementation, please refer to the summary excerpt of our 2023 Sustainability Report on pages 48 to 51 in this Annual Report, and the full 2023 Sustainability Report which will be posted on our company website in due course.

DEVELOPING THE NEXT GENERATION

In the dynamic landscape of today's workplace, one of the most important responsibilities of company leaders is not only to manage the present, but also to shape the future by nurturing and developing the next generation of talent. The modern workplace is characterised by constant change and companies remain successful when their leaders instil a culture of continuous learning for their employees. This involves creating opportunities to develop employee skills, encouraging employees in the pursuit of knowledge. At Delfi, we strive to support all employees to contribute to their fullest potential while having the independence and direction to carry out their professional responsibilities.

As a leading chocolate confectionery company operating across Southeast Asia, we recognise the region's diverse values, cultures, and demographics. We value the benefits of having a diverse workforce with different backgrounds, variety of knowledge, diversity in thought and different life experiences. Our diverse work force remains central to the success of our operations, sales efforts and customer engagement. Our people understand local customer behaviour and they uphold a strong culture of teamwork, diversity, and mutual respect and have been the key to our success over the years.

Taking care of our staff, customers and other stakeholders has always been a top priority at Delfi, especially during the peak of the COVID pandemic. We continue this commitment to employee and stakeholder safety even as government restrictions ease. We have retained the discipline from the precautions and policies developed as COVID emerged and through the years of the pandemic, to ensure the safety and well-being of our people, customers, and other stakeholders.

Leading and developing future talent is a strategic imperative for organisations aiming for sustained excellence. By adopting a vision to foster a culture of continuous learning, and embrace diversity and inclusion, our leaders are focused on further developing a workplace environment where future talent grows, contributing to the success of the organisation and shaping a brighter future for our workforce. As leaders, our commitment to developing the next generation of professionals is an investment in the longevity and prosperity of both the individuals and the Group as a whole.

Transforming Through Technology

At Delfi we maintain our digital and other technology capabilities to inform strategic decision making, identify market trends and enhance overall business intelligence. We strategically integrate and leverage technology, digital tools, systems and processes to enhance efficiency, innovation and competitiveness in today's rapidly changing business landscape.

OPERATING & FINANCIAL REVIEW

Richard Chung
Group Chief Financial Officer

OVERVIEW

We continued to achieve business growth in 2023 despite the global uncertainties brought on by the escalation in geopolitical tensions, the high inflationary environment, significant increase in global commodity prices and volatility in regional currencies. For the year, we achieved PATMI of US$46.3 million (Y-o-Y growth of 5.4%) with the following key highlights of our performance:

1. Consolidated net sales growth of 12.7% driven by performance of both our Own Brands (Y-o-Y increase of 9.9%) and Agency Brands (Y-o-Y increase of 16.7%);

2. Contribution in constant currency would be consolidated net sales increased 16.2%;

3. Gross profit margin for 2023 of 28.5%, lower by 200 basis points compared to 2022, as evidenced from the 2H 2023 GPM of 27.3%. The decrease in our GPM over 2023 can be attributed to the higher promotional spending in the year as a result of increased competition and a strategic increase in investments in order to further strengthen our core brands (especially *SilverQueen*) as well as investing on building the products which we believe have the opportunity for the strongest growth; and

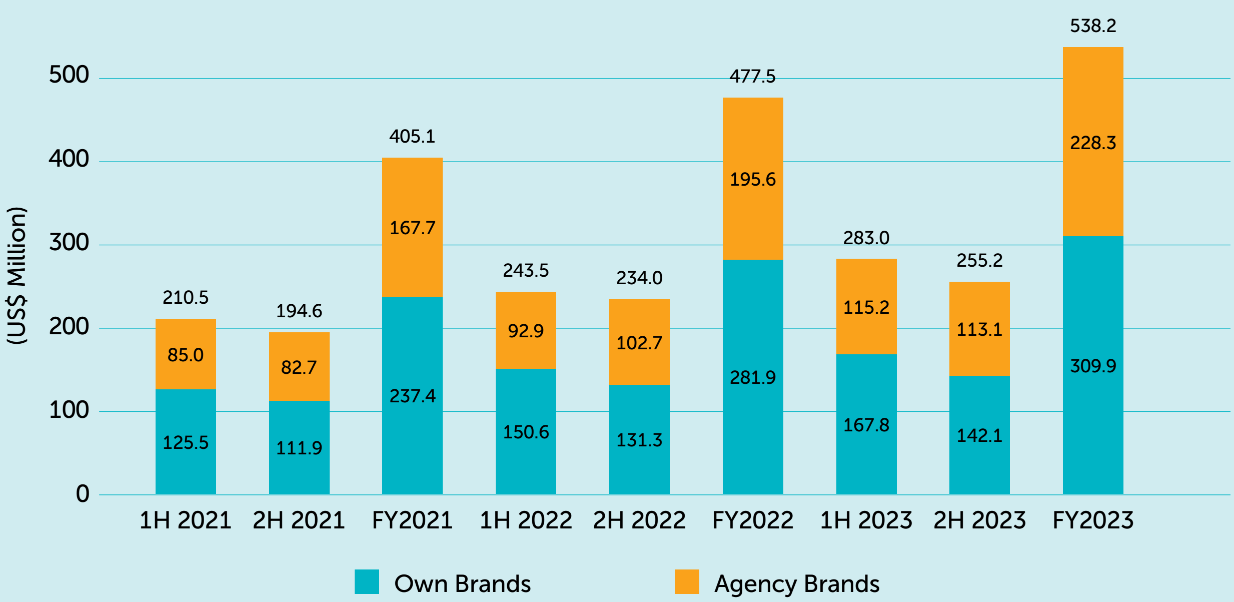
4. For the year, our Group achieved EBITDA of US$74.5 million on the back of the higher sales achieved and continued tight control of our operating expenses.

KEY FINANCIAL HIGHLIGHTS

(In US$ million)	FY2023	FY2022	Change Y-o-Y	Change Y-o-Y Constant Exch Rates*
Indonesia	353.1	317.5	11.2%	14.6%
Regional Markets	185.1	160.0	15.6%	19.3%
Total Revenue	**538.2**	**477.5**	**12.7%**	**16.2%**
Gross Profit Margin (%)	28.5%	30.5%	(2.0% pt)	(2.0% pt)
EBITDA	**74.5**	**74.0**	**0.7%**	**4.2%**
EBITDA Margin (%)	**13.8%**	**15.5%**	**(1.7% pt)**	**(1.7% pt)**
PATMI	**46.3**	**43.9**	**5.4%**	**9.3%**

Notes
* For comparative purposes only - This shows the effect of using the respective exchange rates of the regional currencies in 2022 in translating the 2023 results.

OWN BRANDS & AGENCY BRANDS REVENUE PERFORMANCE (HALF YEAR AND FULL YEAR)

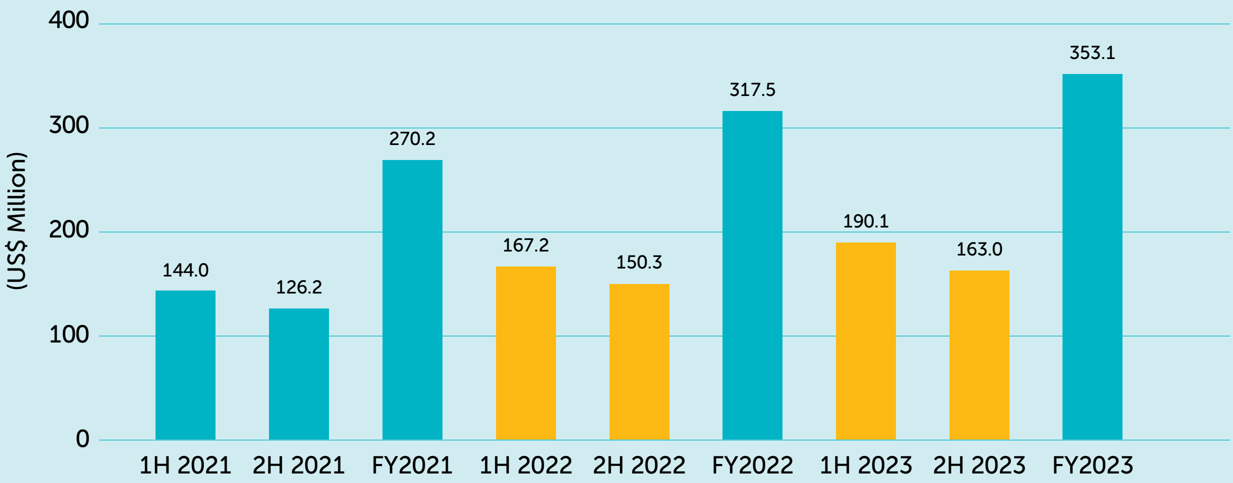


Note: The half yearly sales performance may vary depending on timing of holiday festivities.

For 2023, the Group generated net cash flow from operating activities of US$25.2 million, a Y-o-Y increase of US$17.5 million, which was mainly utilised to finance our capital expenditure programme for the year. At 31 December 2023, our cash balance was US$59.4 million.

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

Net sales from our business in Indonesia was US$353.1 million, achieving a Y-o-Y increase of 11.2% (or in constant currency terms, higher by 14.6%). The growth was driven primarily by broad based growth from Own Brands portfolio, especially our Premium brands *SilverQueen, Delfi Premium, Van Houten* and *Take-It.*

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 the packaging of our brands, introducing innovative products and extending further into the snacking segment. These strategic initiatives are expected to further grow our product sales and help us optimise our distribution networks and channels for both the Modern and Traditional Trades.

Our Agency Brands in 2023 achieved net sales of US$105.1 million, an increase of 15.4% compared to 2022, driven primarily by the growth in the snacks and consumer categories.

The Regional Markets

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

REVIEW OF PROFITABILITY

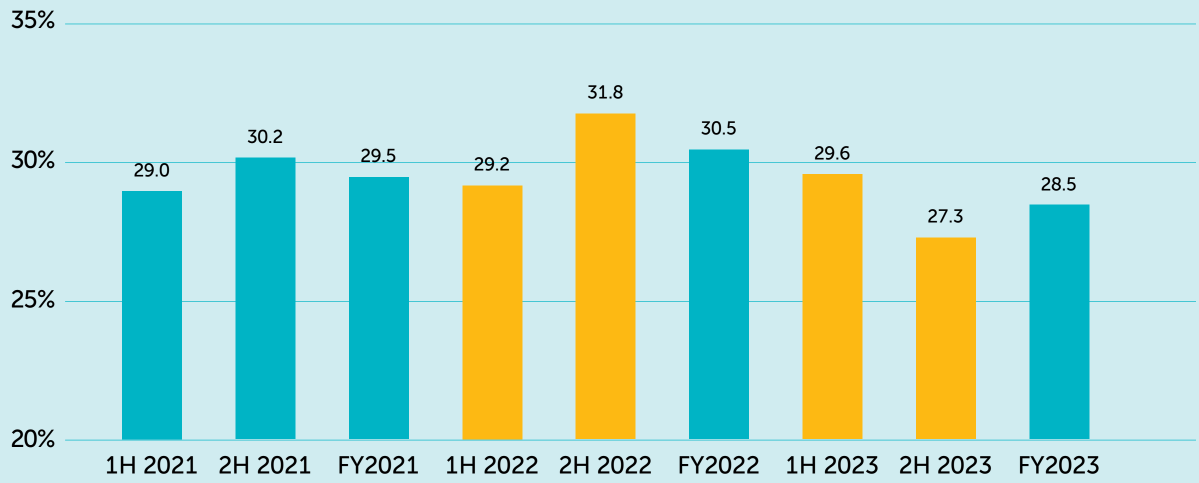
We achieved a Gross Profit Margin of 28.5% for 2023, a decrease of 200 basis points when compared with the 2022 equivalent period. As mentioned previously, this decline can be attributed to higher marketing expenses, partly to counter increased competition, and to fund more brand building initiatives. The higher spend was partially offset by strong growth in our Premium and Value format categories, higher sales volume achieved for the year, and effective initiatives that were previously implemented to mitigate the impact of rising input costs.

For the year, Selling and Distribution expenses increased by 13.0% Y-o-Y although as a percentage of net sales at 11.8%, this was comparable to 2022. The increase was primarily driven by wage inflation and higher distribution costs.

The Group's EBITDA margin was 13.8%, supported by focused management of Selling and Distribution expenses, along with Administrative costs, consistent with the same figure for 2022.

For 2023, the Group's effective tax rate was 29.3%, lower by 111 basis points compared to 2022.

GROSS PROFIT MARGIN (HALF YEAR AND FULL YEAR)



Note: It should be highlighted that margins achieved may vary depending on composition of sales mix, both within Own Brands and Agency Brands.

CASH FLOW AND CAPITAL EXPENDITURE

Our business model continues to produce high quality cash flows from our operations. Our operating cash flow provides the primary source of cash to fund the Group's operating needs and capital expenditure. During the year, our Group generated operating cash flow before working capital changes of US$74.5 million on the back of the higher profitability achieved for the year.

The higher operating cash flow generated was channelled into funding the Group's working capital requirements for the year. Our working capital requirements were higher by US$22.7 million compared to 2022 on the back of tight control of our inventories although trade and other receivables increased on the back of the strong sales growth generated.

The net cash from our operating activities of US$25.2 million was utilised mainly to fund our Group's 2023 capital expenditure of US$23.6 million. Our capital expenditure comprised investment in production equipment in anticipation of continued market growth and for a parcel of land in Indonesia to meet our long-term operational needs. This level of capital expenditure is higher compared to the previous two years as during that period we had deliberately curtailed our capital expenditure to include only the most essential items in light of the uncertainties created by the COVID-19 pandemic. Our current capital expenditure programme will be constantly monitored and evaluated against changes in market conditions, which could result in us prudently deferring investments to a later period, if required.

BALANCE SHEET

As at 31 December 2023, the Group's Cash and cash equivalents were US$59.4 million after the US$23.6 million of capital expenditure (including advances of purchase of property, plant and equipment) and dividend payments of US$29.1 million during the year. The cash balance is lower by US$17.8 million compared to the previous year end but is sufficient to support the Group's foreseeable near-term business and investment needs.

For the year under review, total assets were higher by US$25.9 million reflecting mainly the increase in our property, plant and equipment and trade receivables. For the year, we continued to manage our collections tightly with our average receivable days, which was 54 days, similar to the previous year. Our shareholders' equity increased by US$20.0 million to US$266.2 million.

As at 31 December 2023, the Group's property, plant and equipment was US$97.8 million, which is higher compared to the end 2022 balance by US$16.3 million on the back of the higher 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.

OPERATING & FINANCIAL REVIEW

UPDATE ON CLAIMS ASSOCIATED WITH THE DISPOSAL OF DELFI CACAU BRASIL LTDA.

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

As previously announced, the Company was notified of a total of 7 claims associated with the disposal. As at 31 December 2023, the Company's total exposure in respect of these claims (after indexation) in Brazil is BRL 97,164,223 (equivalent to US$20.1 million based on the end-December 2023 exchange rate).

The Company, while reserving its rights in relation to the Notifications, has requested Barry Callebaut to defend these claims and the cases are proceeding through the Administrative and Judicial processes in Brazil. The Board and management believe there are grounds to resist these claims and the Company will keep the shareholders updated as to material developments.

In assessing the relevant potential liabilities, management has considered, among other factors the legal environment in Brazil, and assessed that the amounts recognised in respect of these claims are adequate as at 31 December 2023. As management considers that the disclosure of further details of these claims could be expected to prejudice seriously the Group's position in relation to the claims, further information has not been disclosed in the Group's financial statements.

OUTLOOK

The beginning of 2024 brings with it increasing global uncertainties from heightened geopolitical tensions and escalating macroeconomic challenges. The repercussions of prolonged geopolitical tensions, elevated interest rates, ongoing strain on specific supply chains, soaring commodity prices, especially in cocoa reaching historic levels, could potentially dampen consumer confidence in our key markets during 2024 and moderate our profit growth.

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

- Remaining focused on growing our core brands and further driving growth in our Premium and Value format categories. Product innovation remains a key part of this strategy in order to provide us with a competitive edge and to create excitement at the shelf space;

- Continuing to implement our strategy to mitigate higher input costs through pro-active price adjustments and other initiatives we have utilized in the past, the launch of new high margined products and cost containment initiatives;

- Continuing to strengthen our distribution and manufacturing capabilities and focusing on raising productivity and efficiency targets; and

- Continue to tightly manage our operating costs, collections and working capital levels. Although we expect to have higher working capital requirements to support future business growth, we will remain vigilant and tightly manage appropriate levels of receivables, inventories, and payables.

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

Growing Sustainably

Delfi takes seriously the increasing effects of climate change by continuing to act in a manner that is environmentally, socially and economically responsible over the long term. This involves a sustainable growth strategy to not only minimise negative change to the climate, but also create value for present and future generations while maintaining a positive impact on society and the planet.

NURTURING OUR COMMITMENT TO SUSTAINABLE VALUE CREATION

As a leading chocolate confectionery brand in Southeast Asia, Delfi Limited is dedicated to creating long-term value for all our stakeholders, including our investors, consumers, employees and the wider community. Sustainability is a vital facet of our strategic planning, with our Board regularly evaluating our performance of the material matters on which our sustainability efforts are focussed. The Board is supported by Delfi's Market, Sustainability and Strategy Committee ("MSSC") to manage, enhance and advance our sustainability initiatives surrounding these crucial issues.

In addition to these efforts, we have established a comprehensive Sustainability Policy that embodies our commitment to Sustainable Value Creation. The specific components of this policy underscore Delfi's responsibility towards sustainability, aiming not only to meet our obligations but also to contribute to a healthier and more sustainable future for all our Stakeholders.

Materiality Reassessment:
In 2023, Delfi performed a reassessment of our sustainability material matters to refine and enhance our focus in key sustainability areas. The Board has reviewed and addressed the refreshed material matters which play a pivotal role in steering our decision-making processes, thereby shaping the direction of our future ambitions. Additionally, we have identified two matters of ongoing importance, categorised as such due to their foundational roles underpinning all aspects of Delfi's operations.

Following this reassessment, we re-evaluated our Four Pillars of Sustainable Value Creation, encompassing Environmental, Social, Governance and Economic themes and assigned each matter to its corresponding Pillar. This revised framework provides a structured approach to optimising the value we provide to the community while mitigating potential negative impacts. The diagram below provides a summary of our revised value creation pillars:

	ENVIRONMENTAL	SOCIAL	GOVERNANCE
Material Matters	1. Climate Change 2. Energy Management 3. Water Management 4. Waste Management 5. Packaging Management 6. Supply Chain Management	7. Occupational Health and Safety 8. Employment Practices 9. Product Labelling and Product Quality & Safety	10. Business Ethics and Compliance

	ECONOMIC
Matters of Ongoing Importance	1. Innovation 2. Sustainable Value Creation

Outlined below are the primary sustainability initiatives we implemented in 2023, which evidence our dedication to responsible business conduct and sustainability across all our entities. More information on our detailed approach and commitment towards sustainability will be contained in our upcoming "Sustainability Report 2023".

Enhancing Climate Risk Assessment and Understanding our Emissions:
The year 2023 has broken climate records, resulting in significant impacts. Based on the data analysed, 2023 was the warmest year on record, with temperatures at approximately 1.40 degrees Celsius above the pre-industrial 1850-1900 baseline. Furthermore, extreme weather events have already affected approximately 85% of the global population, indicating an alarming surge in the frequency and intensity of natural disasters in recent years. As the predicted climate tipping point draws near, there is an urgent need for the world to heighten efforts to mitigate and adapt to climate change and limit global warming. This ultimately requires accelerating decarbonisation efforts within this decade.

In this regard, in 2023 we quantified our Scope 3 greenhouse gas ("GHG") emissions as a necessary first step to taking action to reduce them. This reaffirms our commitment to understanding and managing the impact of our activities on the climate and maintains transparency in our reporting of GHG emissions.

Enhancement of Climate Related Disclosures	Embarking on our Scope 3 Inventory
• Analysed the quantitative impacts of our climate risks and opportunities. • Conducted a gap analysis of Delfi's disclosures and further aligned them with the recommendations of the Task Force on Climate-related Financial Disclosures.	• Embarked on a Scope 3 inventory exercise across all our operations and identified Scope 3 categories that are relevant to Delfi. • Incorporated the results of the Scope 3 inventory into Delfi's benchmarking exercise, target setting and decarbonisation roadmap.

Supply Chain Assessment:
Supply chain activities are estimated to account for approximately 50% to 70% of an organisation's operating costs, encompassing material sourcing, manufacturing, warehousing and transportation. Our initial assessment of our Scope 3 emissions indicates that our supply chain is responsible for over 90% of our GHG emissions. Considering both environmental and economic factors, it becomes a strategic imperative for organisations to properly manage their supply chains.

The supply chain constitutes a significant part of our operations. Delfi's commitments to enhancing supply chain management directly impacts the environment, communities and operating margins. In 2023, we conducted a detailed assessment of our supply chain to identify inherent GHG emissions, which will be instrumental in strengthening our focus on responsible sourcing and discovering opportunities to integrate sustainability throughout our Sustainable Value Creation business philosophy. Moving forward, we plan to perform a more in-depth analysis of our residual risks and develop a strategic roadmap to mitigate these risks in the coming years.

NURTURING OUR COMMITMENT TO SUSTAINABLE VALUE CREATION

Other Material Matters:

Beyond our aforementioned highlights, Delfi has consistently made significant advancements in our other key focus areas. We have undertaken comprehensive measures to drive progress across our material matters, each playing a critical role in shaping our sustainability journey:

Responsible Consumption:

ENERGY MANAGEMENT:

We recognise that we must do our part to minimise energy use and the resulting emissions within our operations. Effective energy usage is crucial in managing both our environmental impacts and operational expenses. In 2023, we embarked on a "Flash Steam Recovery Project" to reduce energy consumption at our manufacturing facility in Indonesia. The initiative has effectively reduced Delfi's yearly energy consumption and corresponding emissions by 366 tCO2e representing approximately 1% of our energy emissions. While the decrease in emissions so far is not significant, it is expected that our efforts will yield further reductions in the future. These efforts encompass initiatives such as the installation of solar panels at our manufacturing site in Indonesia and the implementation of Phase 2 Flash Steam Recovery Project.

WASTE MANAGEMENT:

We recognise that proper waste management is essential to preserving the environment and the health and well-being of the surrounding community. Our waste management practices ensure that we avoid contamination of the air, water and soil in the areas where we operate. At our manufacturing sites, we also continually strive to limit waste produced. In 2023, 91.6% of the total waste generated was reused, recycled and disposed through other recovery methods, with only the remaining 8.4% sent to incinerators and landfills.

WATER MANAGEMENT:

As food production heavily relies on water for operations, Delfi is dedicated to reducing our impact on local water sources and contributing to sustainable water management practices. We have successfully decreased our water discharge intensity on a revenue basis by 17.8% through our efforts. One of our key initiatives in 2023 involved the "Ceres Rainwater Harvesting" programme which enabled us to collect 365 m3 of rainwater to be repurposed for cleaning, gardening and other use. We plan to install three additional collection pipes in 2024, potentially reducing our water withdrawal by as much as 631 m^3/year.

PACKAGING MANAGEMENT:

In response to growing concerns about the environmental impact of single-use plastics, especially in food manufacturing companies, we have continued to advance our sustainable packaging initiatives. At Delfi's Indonesian manufacturing plant, we have implemented a four-pillar strategy – Reduce, Reuse, Substitute and Eliminate – to manage the use of non-renewable packaging materials in our operations. As a result, we have been able to effectively reduce waste by approximately 6.4 tonnes through the utilisation of reusable containers.

Caring for People:

EMPLOYMENT PRACTICES:
Prioritising employee well-being and professional development is essential for creating sustainable organisations and ensuring stable business performance and growth. Consistent with our commitment to responsible human resource practices and fostering diverse and safe working environments, we place a strong emphasis on employee mental health and well-being, provide grievance mechanisms and offer employee benefits. In 2023, we have kept our turnover of permanent employees at the steady low of 13%.

OCCUPATIONAL HEALTH AND SAFETY:
At Delfi, we incorporate occupational health and safety into every facet of our operations, instituting stringent procedures to reduce unsafe practices and proactively deploying preventive measures. Our practices undergo regular reviews to learn from past incidents and ensure that high health and safety standards are upheld. Consequently, we have been able to maintain zero work-related fatalities and non-occupational illness in our workforce, while also reducing the number of work-related injuries.

PRODUCT LABELLING AND PRODUCT QUALITY & SAFETY:
We prioritise food safety within our manufacturing and distribution operations, adhering to the highest local and international standards to deliver safe and high-quality products to our consumers. In 2023, there were zero incidents of material non-compliance with consumer health and safety laws, product information and labelling or marketing communication requirements.

Governance:

BUSINESS ETHICS AND COMPLIANCE:
We hold ourselves to the highest ethical standards and integrity. Good business ethics are vital to our success. These values are enforced by our corporate governance standards and code of conduct. We also maintain a whistleblowing channel to encourage the reporting of unethical or inappropriate behaviour without fear of reprisal, ensuring the fair treatment of all stakeholders.

MATTERS OF ONGOING IMPORTANCE:
Beyond the 10 material matters identified, two additional matters, Innovation and Sustainable Value Creation, were identified as matters of ongoing importance. These matters are foundational elements underlying all aspects of Delfi's business operations. Innovative solutions to enhance product offerings and optimise processes are examined throughout our operations and across material matters. These initiatives are implemented to reduce resource consumption and tackle supply chain reform.

Robust economic performance enables us to create sustainable value, benefiting our shareholders and making a substantial contribution to societal development, including stimulating job growth and driving economic expansion. We ensure that our employees are compensated fairly in line with the laws and regulations of the countries we operate in. We are also committed to fulfilling all social and payroll-related tax contributions required in adherence to local tax regulations. At a corporate level, we meet our fiscal responsibilities by ensuring proper payment of all mandated tax contributions arising from our operations, encompassing corporate income tax and other applicable business taxes.

CORPORATE INFORMATION

CORPORATE INFORMATION

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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

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Malaysia

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United Overseas Bank Limited
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Banco De Oro
BDO Corporate Center
7899 Makati Avenue
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Philippines

Registrar and Share Transfer Office
Boardroom Corporate &
Advisory Services Pte Ltd
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Indonesia

Malaysia

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Malaysia

The Philippines

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Marikina City
1809 Philippines

Financial Calendar	
Annual General Meeting	23 April 2024
Announcement of Half Year Results	August 2024

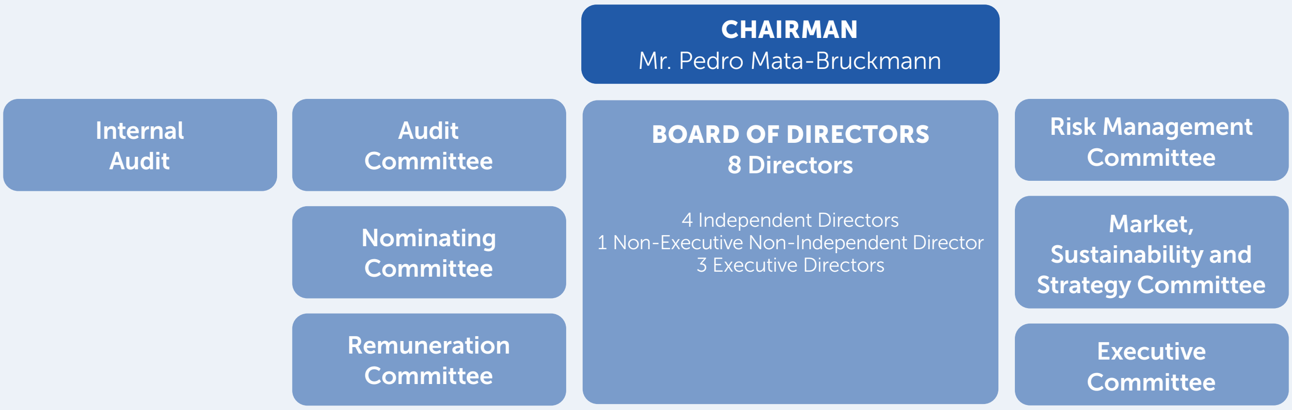
FINANCIAL REPORTS & STATEMENTS

CORPORATE GOVERNANCE REPORT

Delfi Limited's[1] core values are grounded in integrity, excellence, and commitment.

These values guide us as we seek to enhance the Group's development, performance, and growth. To achieve this, we seek to ensure that our business practices remain aligned with our core values. This means embedding good corporate governance coupled with an emphasis on sustainability, as integral parts of our ethos, people, business, systems, processes, and operations. To this end, Delfi has a set of well-defined policies and procedures in place to enhance corporate performance and accountability and protect the interests of our stakeholders.

The graphic below depicts Delfi's Governance Framework during 2023.



The terms of reference that define our Board and Board Committees, coupled with our Human Resource & Administration Manual, our Prescribed Standards[2] and our Corporate Culture Statement and Code of Conduct ("Code of Conduct"), document and elaborate on Delfi's core values and corporate culture as the central foundation of our modus operandi. We believe that this focus on our core values has been instrumental in delivering our achievements to date and will underpin our continuing focus on creating sustainable value.

We pride ourselves on having a unique corporate culture that is 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 service.
(b) A positive mind-set capable of motivating others.
(c) Sensitivity to others.
(d) Respect for the individual.
(e) Frugality.

The Board and management of Delfi Limited firmly believe that a genuine commitment to good corporate governance is essential to the sustainability of the Group's businesses and performance, and Directors and management must at all times act objectively in the best interests of the Company. 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") as issued under the purview of the Monetary Authority of Singapore and the SGX. The format of our report below reflects the Principles laid out in the Code and the Practice Guidance issued on 11 January 2023 that complements the Code in line with Rule 710 of the Listing Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST").

1 All references to Delfi, Delfi Limited, the Company or the Group refer to Delfi Limited and its subsidiaries
2 Refers to Delfi's internal document entitled Prescribed Standards, Requirements & Practices for the Environment, Social & Working Conditions – Management of Resources, Products, Materials & Services

In terms of Corporate Governance and compliance with the Code, we remain fully 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 are any instances where we feel we may be in only partial compliance we explain why our position remains appropriate in the circumstances and how our practices are consistent with the aims and philosophy of the relevant principles of the Code.

The following table may help guide the reader as to where they can find further details on specific topics within the overall framework of the Code:

Principle	Includes
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 Company. See page 60	• Leading, Managing and Supervising • Independent Judgement • Delegation by the Board - Board Committees • Composition of Board and Board Committees • Key Board Processes • Adequate and Timely Information • Board Approvals • Sustainability
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. See page 68	• Director Independence • Board Diversity • Director Meetings Without Management
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. See page 70	• Separation of Chairman and CEO • Division of Responsibilities Between Chairman and CEO
Principle 4 – Board Membership: The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board. See page 70	• Establishment of Nominating Committee • Role and Responsibility of the Nominating Committee • Composition of Nominating Committee • Nominating Committee Terms of Reference • Disclosure of Selection Process • Continuous Review of Director Independence
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. See page 72	• Board Approval of Objective Performance • Board Evaluation Process and Performance Criteria • Limitation on Directorships • Awareness of Director Duties and Obligations

CORPORATE GOVERNANCE REPORT

Principle	Includes
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. See page 74	• Establishment of Remuneration Committee • Composition of Remuneration Committee • Remuneration Committee Terms of Reference • Aspects of Remuneration • Engagement of Remuneration Consultants • Company's Philosophy on Culture and Talent • Performance Based Compensation • Non-Executive Director Fees • Executive Director and Key Management Remuneration
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. See page 76	• Disclosure of Remuneration Criteria • Substantial Shareholders and Immediate Family Members • Good Faith Disclosure

Principle	Includes
III. ACCOUNTABILITY, RISK AND AUDIT	
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. See page 76	• Determination of Risk • Assurance from CEO and CFO • Establishment of Risk Management Committee • Composition of Risk Management Committee • Risk Management Committee Terms of Reference • Risk Management Practice • Business Continuity Risk • Whistle Blower Protection Mechanism
Principle 10 – Audit Committee: The Board has an Audit Committee which discharges its duties objectively. See page 79	• Establishment of Audit Committee • Composition of Audit Committee • Duties of Audit Committee • Audit Committee Terms of Reference • Key Audit Matters • Interested Person Transactions • Engagement with External and Internal Auditors • Sustainability Reporting

Principle	Includes
IV. SHAREHOLDER RIGHTS AND ENGAGEMENT	
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 its performance, position, and prospects. See page 83	• Responsibility to Shareholders • Appropriate Disclosure of Material Information • Dividends
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. See page 84	• Avenues of Communication • Annual General Meeting • Publishing of Minutes of Annual General Meeting

CORPORATE GOVERNANCE REPORT

Our corporate governance practices are given below with specific references to the Code.

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 Company.

Leading, Managing and Supervising

The Board of Directors of Delfi (the "Board") comprises a well-balanced and diverse mix of entrepreneurs, professionals, and corporate experts, who act objectively in the best interests of the Company and hold management accountable for performance. As a group, the Directors provide a diverse range of skills, knowledge, and experience. Furthermore, 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").

As at the date of this Corporate Governance Report, the Board comprises:

Chairman
Mr. Pedro Mata-Bruckmann ("Pedro"), who is an Independent Director.

Executive Directors[3]
Mr. Chuang Tiong Choon ("John") who is the CEO and MD;
Mr. Joseph Chuang Tiong Liep ("Joseph");
Mr. William Chuang Tiong Kie ("William");

Non-Executive Non-Independent Director
Mr. Davinder Singh ("Davinder")[4]

Independent Directors
Mr. Doreswamy Nandkishore ("Nandu") ;
Mr. Graham Nicholas Lee ("Graham");
Mr. Lee Meng Tat ("Meng Tat");

Profiles of the above listed Directors are found on pages 16 to 23 of this Annual Report.

Throughout 2023, Davinder served on the Delfi Board as a Non-Executive Non-Independent member and as a member of the Nominating Committee and Remuneration Committee. Davinder has informed the Board of his intention that he will not seek re-election from the Board pursuant to Regulation 104 of the Company's Constitution at the forthcoming Annual General Meeting to be held on 23 April 2024 ("AGM").

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 Group and all shareholders.

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

(i) setting corporate strategy and direction;
(ii) ensuring that there is effective entrepreneurial leadership and management; and,
(iii) providing oversight of the operations and governance of the Group.

The Board's focus on the key areas mentioned above encompasses a diverse range of issues including profitability, financing, corporate planning, financial reporting, 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 Group 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 financial results at the end of each quarter and for the half and full financial year at its regular Board meetings. As part of this process, the Board reviews the financial and human resources of Delfi and assesses (i) whether changes to these are needed; and (ii) whether the proposed strategy can be realistically executed with existing or planned increased resources.

3 All of whom are non-independent
4 For the financial year ended 31 December 2023, Davinder was 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 the Code and Davinder Singh Chambers LLC, which provided services to Delfi (Practice Guidance 2). Notwithstanding that, the Board was confident that Davinder was able to exercise strong independent judgment in the best interests of the Company and all its shareholders. The Board has been unanimous and remained steadfast in its view that he maintained a high standard of conduct, care and duty and observed the ethical standards of his profession and was conscious of the need to disclose any conflict of interests arising from any other engagements.

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

Independent Judgement

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 current 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 ("NC") policies and procedures, each Director has the option of accepting or rejecting another Director's declaration regarding his independence. The Board accepts a director's declaration of independence only if the Board is of the unanimous opinion that a director is indeed independent.

During the evaluation in FY 2023, the confirmations of independence, which had been signed by the respective Independent Directors were tabled. The NC resolved that the following Non-Executive Directors of the Company were considered independent Directors for FY2023.

i. Pedro;
ii. Nandu;
iii. Graham; and
iv. Meng Tat

The Board has considered and deliberated on its own composition and is conscious that this is an on-going process. 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 of strong character, capable of sound independent judgment and capable of contributing to the strategy and direction of the Group, individually and collectively.

In conjunction with the continual review of the composition of the Board to meet the evolving aspects of the Company's business and to remain in compliance with existing and newly released regulations and guidelines, Pedro has notified the Company that he will relinquish his role as Chairman of the Board and Independent Director at the conclusion of the Company's AGM. He will also step down as Chairman of the Nominating Committee and the Remuneration Committee and as a member of the Audit Committee and the Risk Management Committee.

Pedro will, however, remain on the Board upon his re-election at the AGM. He will be redesignated as a Non-Executive Non-Independent[5] Director and remain as a member of the Nominating Committee, and the Market, Sustainability and Strategy Committee at the conclusion of the AGM.

Please see page 65 of this report for more details regarding the changes to take place to the composition of the Board and Board Committees at the conclusion of the AGM on 23 April 2024.

Further information regarding Director independence can be found in the sections "Director Independence" of Principle 2 on page 68 and "Continuous Review of Director Independence" of Principle 4 on page 72.

Delegation by the Board - Board Committees

The Board has delegated specific responsibilities to certain committees namely:

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

Save for the EC, all Board Committees are chaired by Independent Directors.

Board Committees or sub-committees may be formed from time to time to address specific areas as and when a need arises. Leadership of the Board Committees is based on the notion of fair distribution of responsibilities and to draw on the relevant experiences of the Directors.

5 Pedro will be deemed a Non-Independent Director due to the application of the nine-year rule regarding refreshing the Board.

CORPORATE GOVERNANCE REPORT

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

(I) Work with the Board, CEO, and management to oversee the priorities and objectives set out in their respective terms of reference for the Group's business' development, risk management, sustainability, and growth; and

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

The section below summarises the important aspects of each Board Committee's composition:

Audit Committee (AC)
- Shall comprise at least three Directors
- All members of AC shall be Non-Executive Directors
- Majority shall be Independent Directors
- Chairman of the AC must be an Independent Director
- Chairman of the AC shall not be Chairman of the Board
- At least two members of the AC, including the Chairman of the AC, have recent and relevant accounting / related financial management expertise / experience

Nominating Committee (NC)
- Shall comprise at least three Directors
- Majority shall be Independent Directors
- Chairman of the NC must be an Independent Director

Remuneration Committee (RC)
- Shall comprise at least three Non-Executive Directors
- Majority shall be Independent Directors
- Chairman of the RC must be an Independent Director

Risk Management Committee (RMC)
- Shall comprise at least three Directors
- Shall comprise a combination of Non-Executive and Executive Directors
- Majority shall be Non-Executive Directors
- Chairman of the RMC must be an Independent Director

Market, Sustainability and Strategy Committee (MSSC)
- Shall comprise at least three Directors
- At least half shall be Independent Directors

Executive Committee (EC)
- Shall comprise at least three Executive Directors
- Board shall have power to appoint and remove any Executive Director to be a member of the EC

Each Board Committee has a Terms of Reference ("ToR") which sets out the duties and responsibilities that have been delegated to it by the Board. Such ToRs may be varied from time to time.

The Board Committees may draw upon the expertise of management and, where necessary, work with external advisors and professional consultants on the Company's expense.

The Board accepts that while these Board 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 table below summarises the structure of the Board Committees as of the date of this report and their key objectives.

Board Committee	Structure	Key Objective
Audit Committee	Chairman **Graham Lee**[6] • 3 Independent Directors	Focus on financial reporting, financial-related risks, risk management and internal controls relating to financial reporting and financial risks, overseeing the internal review of the Group's Sustainability Report[7] and the internal and external audits and overseeing the Group's whistleblower arrangements, thereby enhance the standard of the Company's corporate governance.
Nominating Committee	Chairman **Pedro Mata-Bruckmann** • 4 Independent Directors • 2 Non-Independent Directors	Ensure the building of a strong and independent Board which is able to exercise objective judgment on the affairs of the Company independently. Ensure a formal and transparent process for the appointment of new directors and 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.
Remuneration Committee	Chairman **Pedro Mata-Bruckmann**[6] • 3 Independent Directors • 1 Non-independent Director	Employ a formal and transparent procedure for developing policies on Director and executive remuneration and for fixing the remuneration packages of individual Directors and key executives. Ensure through its review, that the level and structure of remuneration for Directors and key executives is appropriate and proportionate to the sustained performance and value creation of the Company, considering the strategic objectives of the Company.
Risk Management Committee	Chairman **Graham Lee**[6] • 4 Independent Directors • 1 Non-Independent Director	Assist the Board in fulfilling its responsibility for determining the type and level of business risks the Company undertakes, on an integrated basis, to achieve its business strategy. Responsible for directing the governance of risk, and for ensuring management maintains a sound system of risk management and internal controls.
Market, Sustainability and Strategy Committee	Chairman **Doreswamy Nandkishore** • 4 Independent Directors • 2 Non-Independent Directors	Assist the Board in fulfilling its priorities and responsibilities relating to creating sustainable value, developing market strategies, and advancing market development. It also helps to foster ideas for sustainable growth. Responsible for the Group's Sustainability Report, understanding the application and use of market knowledge, and market development initiatives.
Executive Committee	Chairman **John Chuang** • 3 Non-Independent Directors	Enable the Board to delegate some of its own powers and functions regarding the governing of the affairs of the Company to the Executive Committee to ensure a smooth operating environment and to facilitate decision-making processes within such limits as determined by the Board.

The members of the Board Committees may resolve matters by resolutions in writing and a copy which signed by a majority of the Board Committee's members shall be as valid and effectual as if it had been passed at a duly convened and held meeting of the Board Committee. Such resolutions in writing may consist of several documents each signed by one or more of the Board Committees members in counterparts.

Note: All those shown in this table as Chairman are serving in their role at the date of this report.
6 Name of the Board member who became Chairman as of the conclusion of the AGM on 25 April 2023.
7 The AC's responsibilities regarding sustainability reporting arise from a delegation by the MSSC which has overall responsibility for the Group's Sustainability Report.

CORPORATE GOVERNANCE REPORT

Composition of Board and Board Committees

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

	Board	AC	NC	RC	RMC	MSSC	EC
Pedro Mata-Bruckmann[1]	Chairman & ID	Member	Chairman	Chairman	Member	Member	NA
John Chuang	CEO, MD & ED	NA	Member	NA	Member	Member	Chairman
Chuang Tiong Liep	ED	NA	NA	NA	NA	Member	Member
Chuang Tiong Kie	ED	NA	NA	NA	NA	NA	Member
Davinder Singh	NE-NID	NA	Member	Member	NA	NA	NA
Doreswamy Nandkishore[2]	ID	Member	Member	Member	Member	Chairman	NA
Graham Lee[3]	ID	Chairman	Member	NA	Chairman	Member	NA
Lee Meng Tat[4]	ID	NA	Member	Member	Member	Member	NA

Notes:
ID – Independent Director
CEO – Chief Executive Officer
MD – Managing Director
ED – Executive Director
NE-NID – Non-Executive Non-Independent Director
There are no Alternative Directors
NA – Not Applicable
1 Appointed as Chairman of the Remuneration Committee at the conclusion of the AGM on 25 April 2023
2 Appointed as a member of the Audit Committee and the Risk Management Committee at the conclusion of the AGM on 25 April 2023
3 Appointed as an Independent Director and a member of the Audit Committee on 1 January 2023; subsequently appointed as Chairman of the Audit Committee and the Risk Management Committee and a member of the Nominating Committee, and the Market, Sustainability and Strategy Committee at the conclusion of the AGM on 25 April 2023
4 Appointed as an Independent Director and a member of the Nominating Committee, the Remuneration Committee, the Risk Management Committee and the Market, Sustainability and Strategy Committees on 1 June 2023.

As of 1 January 2023, Mr. Mike Dean ("Mike") and Mr. Koh Poh Tiong ("Poh Tiong") were members of the Board with their respective roles on specific committees. Mike and Poh Tiong both retired as Directors of the Company at the AGM held on 25 April 2023.

The table below sets out the committee assignments of Mike and Poh Tiong from 1 January 2023 until the time of their retirement:

	Board	AC	NC	RC	RMC	MSSC
Mike Dean	ID	Chairman	Member	NA	Chairman	NA
Koh Poh Tiong	ID	Member	Member	Chairman	Member	Member

Mr Davinder Singh has indicated to the Board of his intention to retire from the Board pursuant to Regulation 104 of the Company's Constitution, at the forthcoming AGM. His Board Committee appointments are disclosed in the full table above.

In view of the new requirements that impose a hard tenure limit for Independent Directors, Mr Pedro Mata-Bruckmann will be considered as non-independent upon the conclusion of the forthcoming AGM and he will be stepping down as the Chairman of the Board upon the conclusion of the AGM.

With the retirement of Davinder from the Board, the following changes will be made to the composition of the Board and Board Committees: -

1. Mr. Doreswamy Nandkishore will be appointed as Chairman of the Board;
2. Mr. Graham Nicholas Lee will be appointed as a member of the Remuneration Committee;
3. Mr. Lee Meng Tat will be appointed as Chairman of the Nominating Committee and the Remuneration Committee, and appointed as a member of the Audit Committee; and
4. Mr. Pedro Mata-Bruckmann will be redesignated as a Non-Executive Non-Independent Director and will be a member of the Nominating Committee and the Market, Sustainability and Strategy Committee. He will also step down as a member of the Audit Committee and the Risk Management Committee.

Following the retirement of Davinder as Non-Executive Non-Independent Director of the Company at the AGM and the above mentioned appointment of Chairman and members of the Board Committees, the composition of the Board and Board Committees, with effect from the conclusion of the AGM, will be as follows:

	Board	AC	NC	RC	RMC	MSSC	EC
Doreswamy Nandkishore[1]	Chairman & ID	Member	Member	Member	Member	Chairman	NA
John Chuang	CEO, MD & ED	NA	Member	NA	Member	Member	Chairman
Chuang Tiong Liep	ED	NA	NA	NA	NA	Member	Member
Chuang Tiong Kie	ED	NA	NA	NA	NA	NA	Member
Pedro Mata-Bruckmann[2]	NE-NID	NA	Member	NA	NA	Member	NA
Graham Lee[3]	ID	Chairman	Member	Member	Chairman	Member	NA
Lee Meng Tat[4]	ID	Member	Chairman	Chairman	Member	Member	NA

Notes:
ID – Independent Director
CEO – Chief Executive Officer
MD – Managing Director
ED – Executive Director
NE-NID – Non-Executive Non-Independent Director
NA – Not Applicable
1 Will be appointed as Chairman of the Board at the conclusion of the Annual General Meeting on 23 April 2024
2 Will step down as Chairman of the Board and Chairman of the Nominating Committee and the Remuneration Committee as well as a member of the Audit Committee and the Risk Management Committee at the conclusion of the Annual General Meeting on 23 April 2024. Will remain on the Board as a Non-Executive Non-Independent Director and will be a member of the Nominating Committee and the Market, Sustainability and Strategy Committee.
3 Will become a member of the Remuneration Commitee at the conclusion of the Annual General Meeting on 23 April 2024
4 Will be appointed Chairman of the Nominating Committee and the Remuneration Committee and a member of the Audit Committee at the conclusion of the Annual General Meeting on 23 April 2024

CORPORATE GOVERNANCE REPORT

The attendance at the Board and Board Committee meetings during 2023 is given in the table below:

	Board		AC		NC		RC		RMC		MSSC	
	Attend	Held	Attend	Held	Attend	Held	Attend	Held	Attend	Held	Attend	Held
Pedro Mata-Bruckmann[1]	3	4	4	6	1	1	2	2	2	2	2	3
John Chuang	4	4	NA	NA	1	1	NA	NA	2	2	3	3
Joseph Chuang	4	4	NA	NA	NA	NA	NA	NA	NA	NA	3	3
William Chuang	4	4	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Davinder Singh	3	4	NA	NA	1	1	2	2	NA	NA	NA	NA
Doreswamy Nandkishore[2]	4	4	3	3	1	1	2	2	2	2	3	3
Graham Lee[3]	4	4	6	6	NA	NA	NA	NA	2	2	1	1
Lee Meng Tat[4]	2	2	NA	NA	NA	NA	NA	NA	1	1	1	1
Mike Dean[5]	1	1	3	3	1	1	NA	NA	NA	NA	NA	NA
Koh Poh Tiong[5]	1	1	3	3	1	1	2	2	NA	NA	2	2

Notes:
ID – Independent Director
CEO – Chief Executive Officer
MD – Managing Director
ED – Executive Director
NE-NID – Non-Executive Non-Independent Director
There are no Alternative Directors
NA – Not Applicable
1 Appointed as Chairman of the Remuneration Committee at the conclusion of the AGM on 25 April 2023
2 Appointed as a member of the Audit Committee and the Risk Management Committee at the conclusion of the AGM on 25 April 2023
3 Appointed as an Independent Director and a member of the Audit Committee on 1 January 2023; subsequently appointed as Chairman of the Audit Committee and the Risk Management Committee and a member of the Nominating Committee, and the Market, Sustainability and Strategy Committee at the conclusion of the AGM on 25 April 2023
4 Appointed as an Independent Director and a member of the Nominating Committee, the Remuneration Committee, the Risk Management Committee and the Market, Sustainability and Strategy Committee on 1 June 2023.
5 Retired from the Board at the conclusion of the AGM on 25 April 2023

Key Board Processes

The Company conducts regular Board meetings enabling the Board to provide direction, guidance, and advice to management. Board meetings may 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 Company Constitution and Directors who are not able to be physically present, can 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, Board Committee, and management meetings.

Management provides the Directors with complete, adequate, and timely information prior to meetings. 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 Annual Report, the Financial Statements, the Sustainability Report 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 Board 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. 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 "New Director Programme"). The New Director Programme is conducted by the CEO and his key executives. The programme allows a new Director to become acquainted with key executives and management, to help pave the way for Board interaction and direct access to management.

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 could include in-house talks by invited speakers, online courses, 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 Rule 210(5)(a) of the Listing Manual of the SGX-ST, which is consistent with the Code, 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.

The Company has clearly communicated to the Directors the Company's expectations on what it expects from them and specifically their roles, duties, obligations and responsibilites.

Graham who was appointed as an Independent Director on 1 January 2023 and Meng Tat, who was appointed as an Independent Director on 1 June 2023, have both undergone the New Director Programme and Mandatory Training described above.

Adequate and Timely Information

The Board has full and free access to management, the Company Secretary 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 Board Committee meetings.

To give Directors enough time to prepare for Board and Board 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 seven days in advance.

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 analysts' commentaries. The Directors have the names and contact details of the key executives and senior members of the Company's management to facilitate direct and swift access to management.

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 Board Committee meetings and helps oversee compliance as well as follow up on matters arising from Board and Board Committee meetings.

Board Approvals

The Board has delegated certain of the day to day operating and governance decision making of the Group's operations to an Executive Committee ("EC"). The EC is comprised of the three Executive Directors, one of whom is the CEO, who have day-to-day operating responsibilities with the Group. It makes strategic and operational decisions on a day-to-day and regular basis, based on the reports, information, updates, and data presented by management on a daily and timely basis.

CORPORATE GOVERNANCE REPORT

The EC was established to facilitate an efficient decision-making process within limits as determined by the Board. These limits are set out in prescribed written guidelines which include an EC ToR and the Company's Constitution.

The EC escalates and involves the Chairman and the Board in updates and/or discussion and deliberation on all key matters, and as and when there is a need to escalate a matter for urgent attention, deliberation and decision. The EC works closely with management and is instrumental in rallying management and staff into action, as they guide and direct the Company and the Group. No member of the EC participates in any deliberation or decision if he is directly/indirectly interested in the matter in question.

The Board has reserved certain decision-making powers for itself including matters such as:

(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.

Sustainability

At Delfi, we are committed to championing our global strategic mission to create sustainable value through our program of Sustainable Value Creation ("Sustainable Value Creation"), through which we seek to achieve the following: (i) act in the interest of our stakeholders; and (ii) care for the environment.

In addition, as a Singapore Listed Company the Board is required, *inter alia*, to make sure Delfi provides an annual Sustainability Report which conforms to the disclosure requirements specified by the SGX while, just as importantly, conveying the message of the Environmental, Social and Governance ("ESG") efforts of the Group. The actions we take in this area are an important aspect of our Sustainable Value Creation. A synopsis of our Sustainable Value Creation journey is included in the four-page excerpt from our 2023 Sustainability Report that can be found on pages 50 to 53 of this Annual Report.

Our 7th Sustainability Report will be published shortly.

All Directors who were serving in 2023 have attended the SGX-mandated sustainability and ESG training as prescribed by the SGX-ST.

Delfi has long championed the need for sustainability and in 2017 established the Board level Market, Sustainability and Strategy Committee ("MSSC") which has, as part of its terms of reference, oversight responsibility for the sustainability actions of the Group. While ensuring the Group meets its reporting obligations in the form of the annual Sustainability Report is a key area of the MSSC's responsibility, more importantly the Committee works with management on oversight of the actions taken by the Group to ensure our activities are based on supporting our desire to strive to create long term value for all of our stakeholders and to build a business that positively impacts people, planet and performance.

The composition of the MSSC during 2023 is set out in the section "Composition of the Board and Board Committees" under Principle 1 on page 64 above.

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.

Director Independence

The criterion for a director's independence is based on the definition set out in the Code and in the Guidance on the Code of Corporate Governance for listed companies ("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 (i) independent from management and business relationships with the Company, and (ii) independent from any substantial shareholder[8]. Based on this definition, at least one-third of the Delfi Board is considered independent, which is in line with the

8 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.

principles of the Code. The Board places great emphasis on ensuring that each one of our Independent Directors is truly independent, in substance and not just form. See further details on this under this Principle 2 and in Principle 4 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 sound and realistically achievable. In parallel with this, potential conflicts of interest, in respect of the majority shareholder and management, are identified and appropriately managed.

The non-executive Directors have been specifically assembled to ensure that collectively they not only have an in-depth, diverse 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 52% of the Company's shares.

As a result, the non-executive Directors are well able to professionally challenge management and all substantial shareholders to ensure that any potential conflicts of interest are identified and appropriately managed. 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 Group's policy on Director Independence is set out in the section "Independent Judgement" under Principle 1 above on page 61 and the section "Director Independence" of Principle 2 on page 68. Further, the NC's role in ensuring that this policy is properly applied is set out in Principle 4 below in the section "Continuous Review of Director Independence" on page 72.

Board Diversity

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

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 (the "Diversity Policy"). An important aspect of Delfi's Diversity Policy is to have a balanced and diverse Board as 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 constantly changing market conditions (both positive and negative), 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 is responsible for implementing the Diversity Policy and further details on its work can be found under Principle 4 on page 70. The NC and the Board constantly review the Diversity Policy and may expand it in the future, in a reasonable time, and/or as soon as practicable when talented people step forward and agree to join the Delfi Limited Board.

In reviewing the Board composition, the NC will consider whether there is adequate diversity amongst the Board members so as to achieve the objectives of 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 as well as other required attributes of Directors such as independence, integrity, views, 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 and sound financial standing. Collectively, the 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 policy on diversity is an evolving commitment with the Board continually considering amendments 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.

Director Meetings 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.

CORPORATE GOVERNANCE REPORT

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.

Separation of Chairman and CEO

Pedro is the Chairman of the Board. The Chairman and the CEO are separate persons. There is a clear separation of his role and responsibilities as Chairman and those of John, the CEO, to ensure an appropriate balance of authority, increased accountability, and greater capacity of the Board for independent decision making. The Chairman of the Board is a non-executive appointment and is separate from the office of the CEO. The Chairman is an Independent Director. The Chairman acts independently in the best interests of the Company and its shareholders.

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

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

Division of Responsibilities Between Chairman and CEO

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 within the Board, open constructive debate, eliciting the contribution of Directors, encouraging constructive relations between Board and management and effective communication with shareholders.

Meanwhile, the CEO is responsible for implementing the Group's strategies and policies, and for conducting the Group's business and, through management, responsible for the day-to-day operations of the Company. The Chairman and the CEO are not related.

As the Chairman, Pedro is an Independent Director whose role is distinct and separate from the CEO. Therefore, consistent with the Code, there is no need for a lead independent director.

The paragraphs included above in this section that describe the separation of roles of the role of the Chairman of the Board and the CEO of the Company, are based on the operation of the Board during the Chairmanship of Pedro. With Pedro stepping down from the role of Chairman, and the Chairmanship of the Board being taken on by Nandu, with effect from the conclusion of the AGM, the Board is confident that the effective separation of the Chairman role from that of the CEO will continue.

Principle 4 - Board Membership:
The Board has a formal and transparent process for the appointment and reappointment of Directors, taking into account the need for progressive renewal of the Board.

Establishment of Nominating Committee

The Board establishes a NC to make recommendations to the Board on relevant matters relating to:

(a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;
(b) the process and criteria for evaluation of the performance of the Board, its Board Committees and directors;
(c) the review of training and professional development programmes for the Board and its directors; and,
(d) the appointment and re-appointment of directors.

The NC oversees the nomination of Directors for election or re-election.

Role and Responsibility of the Nominating Committee

The NC seeks to balance Board renewal, which brings in fresh insights, with maintenance of knowledge and experience of the Group's operations. The NC strives to ensure that the Board and its Board 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 below.

Delfi adopts a comprehensive and detailed process in the selection of new Directors and key management personnel. 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. Candidates may also be sourced 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.

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 at every AGM and submit themselves for re-election by the shareholders. Directors who have served for more than 9 years will not be considered as Independent Directors.

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. These assessments will also include a review of 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.

Composition of Nominating Committee

The composition of the NC during 2023 is set out in the section "Composition of the Board and Board Committees" under Principle 1 on page 64 above.

Nominating Committee Terms of Reference

The NC operates under a written terms of reference (the "NC ToR").

A summary of the NC ToR is as follows:

1. To review the structure, size and composition of the Board and Board Committees.
2. To establish the criteria and desirable attributes of new appointees to the Board and to make recommendations to the Board on all Board appointments.
3. To review succession plans for Directors, in particular the appointment and/or replacement of the Chairman, CEO, and key management personnel.
4. 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.
5. 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.
6. To assess each Director's contribution and performance and this may involve the following matters:
   - Attendance;
   - Preparedness;
   - Participation; and
   - Candour.
7. To recommend to the Board objective performance criteria for the purpose of evaluating the Board's performance as a whole, each Board 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.
8. To evaluate the Board's performance as a whole.
9. 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
10. To review the training and professional development programmes for the Board and its directors.

Disclosure of Selection Process

The Company describes below the criteria used to identify and evaluate potential new directors. It also describes the process for the selection, appointment, and re-appointment of directors to the Board. There is also a description of how the skills, experience and diversity for the Company's Non-Executive Directors meets the needs of the company.

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 their 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
- to ensure their appointment is in full compliance with the requirements of the Board and its Board Committees and applicable regulations.

CORPORATE GOVERNANCE REPORT

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 Board Committee meetings, as and when these arise; and (g) financial soundness.

Our current Board consists of a balance of executive and non-executive Directors who table a solid balance of commercial, and financial competencies and skillsets. Of the non-executive directors, Pedro, who chairs the Board, has extensive experience across the businesses in which Delfi operates. Nandu brings with him extensive industry and commercial knowledge both from a global perspective and from in-depth experience of Asian markets, especially those in which Delfi operates. Meng Tat, who joined the Board on 1 June 2023, has extensive management and commercial experience from senior levels in consumer-focused industries with major companies in banking, tourism and beverages across Asia. Graham Lee has had a forty-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. Davinder provides significant legal expertise spanning many different areas of law and jurisdictions. Further details on all the Directors' backgrounds and experience are provided in the Board of Directors section commencing on page 16 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 Davinder, and the redesignation of Pedro to a Non-Executive Non-Independent Director at the forthcoming AGM, the then Board will comprise a balance of executive and non-executive Directors who comprise a solid balance of commercial, and financial competencies and skillsets. Further, the NC and the Board agree that these individuals will continue to 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 and Group effectively.

Continuous Review of Director 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 required ethical standards and independence. All our non-executive Directors are conscious of the need to disclose any conflicts of interest 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 in this 2023 Annual Report on pages 16 to 23.

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.

The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman and each individual Director to the Board.

The NC is responsible for undertaking a formal annual assessment of the Board. To this end it applies objective performance criteria when it assesses the performance and contributions of individual Directors, the Board Committees, and the Board as a whole. This process has been endorsed by the Board as an effective means of self-assessment and evaluation.

Board Approval of Objective Performance

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.

Board Evaluation Process and 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. Talent management
3. Corporate governance oversight
4. Reviewing and advising on risk management
5. Succession planning
6. Monitoring key aspects of the Group's performance including budgets and actual performance, IPTs, RPs etc.
7. Authorisation in corporate actions
8. Board and management compensation
9. Fiscal control
10. Evaluating internal controls
11. Board's response to urgent matters/issues
12. Communication between Directors and management
13. Attendance at Board meetings and Board Committee meetings

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

Delfi's management are not involved in the performance assessment, which is 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 her 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, MSSC, RMC and EC 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 Board 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 Board 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 Board deliberations.

Limitation on Directorships

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

There is no magic in the self-imposed limitation of six 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 six other active directorships could possibly impose some constraint on the ability of the individual to adequately meet his obligations as a director.

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, and their Board Committee assignments, and an evaluation of their individual performance.

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 Group. The performance of the 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.

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Awareness of Director Duties and Obligations

The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the Company. The company discloses in its Annual Report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his duties.

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 their duties as a Director of the Company.

There are no alternate Directors on the Board.

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.

Establishment of Remuneration Committee

The RC was established and given the responsibility, and has implemented a formal and transparent procedure, for developing policies on the remuneration of Directors and key management personnel, and for fixing the remuneration packages of individual Directors and key management personnel.

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.

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.

Composition of Remuneration Committee

The composition of the RC during 2023 is set out in the section "Composition of the Board and Board Committees" under Principle 1 on page 64 above.

Remuneration Committee Terms of Reference

The RC operates under a written terms of reference (the "RC ToR").

A summary of the RC ToR is as follows:

1. Oversee the development of talent, expertise, and leadership in the Company;
2. 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;
3. 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;
4. 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;
5. Ensure that the contractual terms and any termination payments are fair to the individual and the Company;
6. 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
7. Ensure that the remuneration of non-executive directors is appropriate to the level of contribution, considering factors such as effort, time spent and responsibilities.

Aspects of Remuneration

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.

Engagement of Remuneration Consultants

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. From time to time, the Company may employ the use of external consultants to advise management and the RC on human resource and remuneration matters. 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, John, 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. John 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.

Company's Philosophy on Culture and Talent

The Company's Human Resource & Administration 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) are assessed as being capable of superior performance and having 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 performance and the individual performance of staff. 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 who have demonstrated 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 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 Group (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, reducing the need to "claw back" compensation in the future. Therefore, claw back provisions are not typically in employment contracts as they 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.

The Company does not operate a share option scheme.

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Non-Executive Director 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 180 of this report. 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 Board Committee they are a member 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 and Key Management 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 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.

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.

The Group is transparent in its policies of remuneration and remains compliant with its disclosure requirements. In its Annual Report, the policy, and criteria for setting remuneration, as well as disclosing the names, amounts and breakdowns of remuneration of each Director, the Group's CEO, at least the top five key management personnel, substantial shareholders of the company, and those who are immediate family members. These amounts are disclosed in accordance with the requirements of the Code and are listed below.

Disclosure of Remuneration Criteria

In line with the Code, the Company discloses in its Annual Report the policy and criteria for setting remuneration, as well as the names and breakdowns for remuneration of:

I. each individual director and the CEO; and

II. at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel.

A breakdown (in percentage terms) showing the level and mix of each key management personnel's (including the top five key management personnel) and Executive Director's remuneration paid and payable for 2023 is set out in this Annual Report on pages 179 to 180.

Substantial Shareholders and Immediate Family Members

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 181 of our Annual Report.

Good Faith Disclosure

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 Principle 8 of the Code, 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.

III. ACCOUNTABILITY, RISK AND AUDIT

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.

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

Determination of Risk

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 Group's risk management program and as such proposes to the Board medium and long-term strategic plans with appropriate risk 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 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 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; and,
d. will satisfy itself that management is operating within the framework of the approved strategies and risk tolerance levels.

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

Tier 1 Risks which are of high strategic and operational importance to Delfi and "top-of-mind" for the Board and management. These risks warrant closer attention with additional mitigating controls to be implemented where practically possible.

Tier 2 Risks which require close monitoring and periodic review to ensure that impact or likelihood of risks do not increase in severity and that the effectiveness of existing controls does not deteriorate.

Tier 3 Risks which are rated with a lower residual score and are managed within day-to-day activities. Periodic review is still required to ensure that impact or likelihood of risks do not increase in severity and that the effectiveness of existing controls does not deteriorate.

Assurance from CEO and CFO

In discharging this responsibility, the Board continually monitors the threat and impact of risks to the Group's business and in parallel, assesses the Group'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 in accordance with the Companies Act 1967 of Singapore ("Singapore Companies Act") and Singapore Financial Reporting Standards (International); 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.

Establishment of Risk Management Committee

The RMC was established under a written term of reference, to assist the Board in its supervision of risk management, policies, and initiatives.

Composition of Risk Management Committee

The composition of the RMC during 2023 is set out in the section "Composition of the Board and Board Committees" under Principle 1 on page 64 above.

Risk Management Committee Terms of Reference

The RMC operates under a written terms of reference (the "RMC ToR").

A summary of the RMC ToR is as follows:

1. Board responsibility for governance of risk
2. Ensuring management maintain a system of risk management and internal controls
3. Supporting the Board to safeguard interests of Company and shareholders
4. Developing and monitoring processes for Board and management to properly carry on responsibilities for managing risk
5. Determine which risks and risk management procedures be brought to Board's attention for review
6. Audit Committee to remain responsible for system of internal controls for financial, operational and compliance risks

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Risk Management Practice

The RMC works closely with management in fostering a culture of risk awareness and consciousness, throughout the Group. The RMC reviews the Delfi risk management practice 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. 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.

A full enterprise-wide risk management review was commenced in 2023, facilitated by external consultants and involved consultation by those consultants with key management and with all members of the Board. The outcome of this review will be reported to the Board in 2024 and the identified risks will be factored into the Group's risk management program.

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 solely to a committee. Rather, during the course of the year management presents each risk and the associated risk management to the full Board so that all 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 in accordance with the RMC ToR.

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 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 department ensures that the financial institutions holding our deposits and investments retain strong credit ratings and are subject to proper oversight by their respective national banking authorities. Our deposits are held across 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 completely 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 Board 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 identification, as well as management systems and framework were adequate and effective as at 31 December 2023 to address the various risks that the Group considers relevant and material to its business operations.

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 evaluated to ensure that they are effective.

Business Continuity Risk

Delfi has documented a written a comprehensive Business Continuity Plan ("BCP") to address potential external threats and risks to the company and to help implement prevention and quick recovery measures. This plan ensures the safeguarding of personnel and assets, enabling the business to continue functioning in the event of an external crisis.

During the onset of the COVID-19 pandemic in early 2020, the BCP played an important role in Delfi's response to this unprecedented challenge. Adhering to guidelines from relevant authorities across its key markets and in alignment with BCP protocols, the Delfi Board and management recognized the gravity of the pandemic and the imperative to adapt operations accordingly. Moreover, the Board and management created the Group Emergency Management Committee ("GEMC") which was established as part of the framework of the BCP in response to the pandemic. The GEMC focused on the safety, health, and well-being of employees, partners, and customers and helped direct the Company to swiftly adjust various facets of its business and operations to navigate the challenges posed by the pandemic.

The GEMC, initially formed to address pandemic risks, continues to operate in the post-COVID era, under the framework of the BCP and prepared to convene, strategise, and provide leadership in the face of any forthcoming external threats or emergencies.

Whistle Blower Protection Mechanism

Shortly after its listing in 2004, Delfi implemented a Corporate Culture Statement and Code of Conduct which provides a framework for ethical decision-making and good conduct. The Code of Conduct 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 of Conduct.

The Company's whistle blowing mechanism and policy was established by the Board and is an integral part of our Code of Conduct and is included in our Human Resources and Administration Manual ("HR 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 Code of Conduct and our HR Manual further provides that if physical harm is threatened, or payment made, or asked for to avoid imminent physical harm, it 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 Head of Internal Controls to investigate whistleblowing reports and surface findings to the AC which is responsible for overseeing and monitoring whistleblowing.

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

Establishment of Audit Committee

The AC is a standing committee established by resolution of the Board in accordance with Section 201B of the Singapore Companies Act. In compliance with Principle 10 of the Code, the Board has established an AC which is mandated to discharge its duties objectively, to ensure the integrity of the financial reports issued by the Company 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 Singapore Companies Act, the Listing Manual of the SGX-ST, and the Code.

Composition of Audit Committee

The composition of the AC during 2023 is set out in the section "Composition of the Board and Board Committees" under Principle 1 on page 64 above.

The AC Chairman and all the members of the AC are Independent Directors. 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 a partner of EY or PwC.

Graham, the Chairman of the AC, commenced in this role as of the completion of the AGM on 25 April 2023. Graham had a forty-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 and is eminently qualified to serve as the Company's AC Chairman. Pedro, a member for the entire year 2023, has more than 50 years' experience in the global cocoa and chocolate industry. Nandu, a member since the completion of the AGM on 25 April 2023, has over 40 years of global senior executive experience in leadership roles across a diverse set of environments in

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both emerging and developed global markets including as an executive board member of Nestlé S.A. The Board believes that together they represent a committee well placed to meet the responsibilities of an AC.

Duties of Audit Committee

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, overseeing the internal review of the Group's Sustainability Report[9] and the internal and external audits and overseeing the Group's whistle blowing arrangements 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.

Additionally, the AC has oversight responsibilities in the following areas:

- Compliance with financial related legal, regulatory and company policies.
- Fraud risk management.
- Interested Person Transactions and Related Party Transactions.

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 a channel of communication between the Board and the EA and IA.

Audit Committee Terms of Reference

The AC operates under a written terms of reference (the "AC ToR").

The AC has developed its ToR and practises in the light of the guidance provided in the "Guidebook for Audit Committees in Singapore"[10] and the "Audit Committee Guide"[11] and has satisfied itself that the present AC ToR and practices reflect the best practices espoused by the guidelines.

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

The AC ToR 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 ToR, which is based on the Singapore Institute of Director's template Terms of Reference for an Audit Committee[12] where a company also has a risk management committee, was adopted on 25 February 2020.

The present AC ToR covers such matters as:

Financial Reporting and Judgements
The AC shall review 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.

Internal Controls
The AC shall review and report to the Board on the adequacy and effectiveness of the Group'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).

Internal Audit
The AC shall review the adequacy, effectiveness, independence, scope, and results of the Group's internal audit function. The AC is expected to participate in the appointment, replacement, or dismissal, evaluation, and compensation of the IA.

External Audit
The AC shall review the scope and results of the 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.

Statutory Duties
The AC shall ensure that the Group complies with the requisite laws and regulations in all jurisdictions in which the Group operates as they relate to finance and the finance function.

Fraud Prevention
The AC shall ensure that the Group has programmes and policies in place to identify and prevent fraud.

9 The AC's responsibilities regarding sustainability reporting arise from a delegation by the MSSC which has overall responsibility for the Group's Sustainability Report.
10 Issued by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Limited.
11 Issued by Singapore Institute of Directors
12 Issued by Singapore Institute of Directors

Whistle Blowing

The AC should oversee the establishment and operation of the whistle blowing mechanism and process in the Group.

During 2023, 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.

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

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

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 Key Audit Matters ("KAMs") identified by PwC during the audit of the annual Financial Statements. KAMs are matters which, in the judgement of PwC were of most significance in their audit of the Group's Financial Statements for a financial year. 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 finalising the audited Financial Statements for the year ended 31 December 2023, the AC reviewed the following matters which PwC considered to be a "KAM".

1. Claims associated with the disposal of Delfi Cacau Brasil Ltda Refer to Notes 3(i) and 32(b) to the Financial Statements.
2. Assessment of impairment of brands and license Refer to Notes 3(ii), 20 and 21 to the Financial Statements.

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 2023, 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 25 April 2023, 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 2023 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 183 of this annual report.

Engagement with External and Internal Auditors

<u>1. External Auditor and Audit Plan</u>

PwC has been the Company's external auditors since 2003. The audit partner for the year ended 31 December 2023 was Mr. Chua Chin San, who took over the assignment during 2019, and 2023 was the last year of Mr Chua's five-year rotation. Accordingly, PwC have nominated Ms Theresa Sim to succeed Mr Chua as the audit engagement partner. The suitability of Ms Sim for this role has been reviewed by management and the AC.

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.

<u>2. External Auditors' Independence</u>

The AC is satisfied that PwC is independent from the Company, its directors, and management, and is able to fulfil its professional responsibilities and duties in an objective manner, free from any undue influence or conflicts of interest. PwC has conducted its own assessment of independence and had advised the AC in writing that based on that assessment it is not aware of any relationship or other matter between PwC Singapore or any other PwC network member firm with the Group that in their professional judgement could reasonably be thought to bear on their independence as the EA. Delfi has documented a Non-Assurance Services Concurrence Policy that governs the nature and value of non-assurance services that PwC Singapore or any member firm of the PwC network can provide to any entity within the Delfi Limited Group or any controlling entity of Delfi. The objective of this policy is to ensure that the provision of any such services does not impair the independence of the EA with regard to the Group.

CORPORATE GOVERNANCE REPORT

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

4. External Audit Fees
The fees paid to the EA are disclosed in page 181. There were also non-audit services provided by the EA and the non-audit fees are disclosed in page 183.

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 external 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.

5. Meeting IA and EA without presence of Management
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.

6. 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 Group and for the Group'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 Group.

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 Group'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 Group'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 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 Group. 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 Singapore Standards for the Professional Practice of Internal Auditing, as set by The Institute of Internal Auditors Singapore ("IIA"), 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. 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 led by a Head of Internal Controls, to complement and co-ordinate the work undertaken by EY.

The AC is satisfied that EY is independent from the Company, its directors, and management, 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 2023 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 completely 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 economic or political instability inside any country in which Delfi operates.

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 to be 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, mitigate, 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 2024.

Sustainability Reporting

The Group issues an annual Sustainability Report which outlines its efforts in the Environmental, Social and Governance ("ESG") areas. Responsibility for the issue of the Sustainability Report rests with the MSSC. The MSSC has delegated to the AC responsibility for oversight of the conduct of a review of the process in relation to sustainability reporting (the "Internal Review"). The Internal Review is intended to provide assurance that the contents of the Sustainability Report meet the requirements set by SGX and that the disclosures in that report are materially accurate. Oversight of the Internal Review has become a key part of the AC's responsibilities since the first such review was undertaken on the 2022 Sustainability Report.

IV. SHAREHOLDER RIGHTS AND ENGAGEMENT

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 have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of the its performance, position, and prospects.

CORPORATE GOVERNANCE REPORT

Responsibility to Shareholders

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 Group'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 in, and the 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 *in absentia* voting at general meetings of shareholders, the Company has decided against implementing voting *in absentia*, other than via proxy, by mail, email, or facsimile, until all relevant issues on security and integrity on such mode of communication are satisfactorily resolved.

Appropriate Disclosure of Material Information

The Company makes timely and relevant disclosures of material information to the SGX-ST, and these filings are also then posted on the Group'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 on pages 84 to 85.

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 Group's website. In addition, the Company makes available to the public an update after the first and third quarters of the year. Moreover, regular communication with shareholders enhances the Group's transparency. We also hold briefing sessions with the investment community when financial results are announced on a half-year and full-year basis.

The Company's Investor Relations and Corporate Communications Department meet 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 endeavour to respond to 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 Group's website at https://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 Group 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.

Dividends

The Group's dividend practice is integral to Delfi's investment story. The Board seeks to distribute what it considers to be an appropriate portion of the Group's profit each year taking into account numerous factors including 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 provide shareholders with a return on their investment in the Group.

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.

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

Avenues of Communication

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.

To provide ample time for the shareholders to review and in compliance with the applicable laws and regulations, each year the notice of AGM, together with the Annual Report, 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.

Annual General Meeting

In view of the coronavirus disease 2019 ("COVID-19") situation, the AGM of the Company held in respect of FY2022 ("AGM 2022") was convened and held for shareholders by electronic means in accordance with regulations that existed at that time.

However, with the withdrawal of the temporary regulations that existed in relation to COVID-19, Delfi's Annual General Meeting in respect of FY2023 ("AGM 2023") to be held 23 April 2024, will be held in a wholly physical format. The arrangements relating to attendance and voting at the AGM 2023, appointment of proxies, submission of questions in advance of the AGM 2023, addressing of substantial and relevant questions at the AGM 2023 and access to documents, will be set out in Delfi's Notice of AGM dated 8 April 2024. The Notice of the AGM, and the Proxy Form in respect of AGM 2023 will be sent to shareholders by mail prior to the date of the AGM 2023 within the prescribed statutory period. The Company will provide all shareholders printed copies of the 2023 Annual Report via post. All these documents will also 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.

Publishing of Minutes of Annual General Meeting

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 issued by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore, and Singapore Exchange Regulation.

22 March 2024

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2023 and the balance sheet of the Company as at 31 December 2023.

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 96 to 163 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 2023 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
Davinder Singh
Doreswamy Nandkishore
Graham Nicholas Lee
Lee Meng Tat (Appointed on 1 June 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' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 31.12.2023	At 1.1.2023 or date of appointment, if later	At 31.12.2023	At 1.1.2023 or date of appointment, if later
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	**–**	–
Davinder Singh	**100,000**	100,000	**–**	–
Doreswamy Nandkishore	**22,000**	22,000	**–**	–
Graham Nicholas Lee[1]	**–**	–	**–**	–
Lee Meng Tat[2]	**–**	–	**–**	–
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
Aerodrome International Limited*				
(Ordinary shares of US$1 each)				
Chuang Tiong Choon	**–**	–	**10**	10

1 Appointed with effect from 1 January 2023

2 Appointed with effect from 1 June 2023

* 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.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

(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) The directors' interests in the shares of the Company as at 21 January 2024 were the same as those as at 31 December 2023 for all the directors.

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.

AUDIT COMMITTEE

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

Graham Nicholas Lee (Chairman)
Pedro Mata-Bruckmann
Doreswamy Nandkishore

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 include focusing on financial reporting, financial-related risks and risk management and internal controls pertaining to financial reporting and financial risks. This includes overseeing both the internal audit function of the Group and the appointment and work of the external auditors. The AC also has oversight of the Group's whistle-blowing arrangements. Furthermore, the AC has oversight responsibilities in ensuring compliance with financial-related legal, regulatory and company policies, managing fraud risks and monitoring Interested Person Transactions and Related Party Transactions.

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 2023, 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 91 and 92 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 2023

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DELFI LIMITED

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 2023 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 2023;
- 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 2023;
- 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 material accounting policy information.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DELFI LIMITED

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 2023. 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 32(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 seven 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 2023 amounted to **BRL97.2 million (US$20.1 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 32(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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DELFI LIMITED

Key Audit Matter	How our audit addressed the Key Audit Matter
Assessment of impairment of brands and licence *Refer to Notes 3(ii), 20 and 21 to the financial statements.* The Group has brands and a licence with indefinite useful lives, with a total carrying value of **US$17.7 million** as at 31 December 2023. 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 2023.	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 2023 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 the 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), 20 and 21) made in relation to the 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DELFI LIMITED

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
- Nurturing Our Commitment to 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DELFI LIMITED

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.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DELFI LIMITED

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 2024

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		The Group	
	Note	**2023**	2022
		US$'000	US$'000
Revenue	4	**538,153**	477,493 [1]
Cost of sales		**(384,909)**	(331,982) [1]
Gross profit		**153,244**	145,511
Other operating income	4	**4,691**	3,911
Selling and distribution costs		**(63,420)**	(56,110) [1]
Administrative expenses		**(26,527)**	(27,773)
Finance costs	6	**(1,217)**	(630)
Other operating expenses		**(1,070)**	(1,709)
Share of results of associated company and joint ventures	15	**(312)**	(156)
Profit before income tax		**65,389**	63,044
Income tax expense	8(a)	**(19,134)**	(19,149)
Total profit		**46,255**	43,895
Profit attributable to:			
Equity holders of the Company		**46,255**	43,895
Earnings per ordinary share [2] **(expressed in US cents per share)**			
Basic and Diluted	9	**7.57**	7.18

Note:

[1] Reclassification has been made between selling and distribution costs, revenue and cost of sales for the financial year ended 31 December 2022 as disclosed in Note 38.

[2] Diluted earnings per share for financial years 2023 and 2022 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 2023

	The Group	
	2023	2022
	US$'000	US$'000
Profit for the year	**46,255**	43,895
Other comprehensive income/(loss):		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation reserve		
– Currency translation differences arising from consolidation	**2,900**	(17,574)
Items that will not be reclassified subsequently to profit or loss:		
Defined pension benefits obligation		
– Remeasurements of defined pension benefits obligation (Note 26(b))	**(95)**	(125)
– Tax on remeasurements (Note 8(b))	**25**	(109)
	(70)	(234)
Other comprehensive income/(loss), net of tax	**2,830**	(17,808)
Total comprehensive income for the year	**49,085**	26,087
Total comprehensive income attributable to:		
Equity holders of the Company	**49,085**	26,087

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

BALANCE SHEETS

AS AT 31 DECEMBER 2023

	Note	The Group		The Company	
		2023	2022	**2023**	2022
		US$'000	US$'000	**US$'000**	US$'000
ASSETS					
Current assets					
Cash and bank deposits	10	**59,377**	77,135	**51,893**	58,392
Trade receivables	11	**88,847**	71,154	**1,400**	2,195
Loan to joint venture	16	**60**	60	**60**	60
Inventories	12	**115,893**	115,451	**48**	–
Rights to returned goods	4(a)	**1,460**	2,206	**–**	–
Income tax recoverable	8(a)	**8,313**	5,354	**–**	–
Other current assets	13	**20,947**	14,667	**1,344**	1,114
		294,897	286,027	**54,745**	61,761
Non-current assets					
Investments in subsidiaries	14	**–**	–	**40,919**	40,919
Investments in associated company and joint ventures	15	**2,251**	2,523	**4,560**	4,560
Loan to associated company	16	**836**	827	**–**	–
Financial asset, at FVPL	17	**500**	–	**500**	–
Property, plant and equipment	18	**97,756**	81,460	**1,472**	1,855
Intangible assets	20	**18,248**	18,181	**17,535**	17,678
Deferred income tax assets	8(b)	**4,144**	3,643	**340**	–
Income tax recoverable	8(a)	**1,676**	1,660	**–**	–
Other non-current assets	22	**636**	768	**5**	–
		126,047	109,062	**65,331**	65,012
Total assets		**420,944**	395,089	**120,076**	126,773
LIABILITIES					
Current liabilities					
Trade payables	23	**45,125**	49,701	**1,590**	1,856
Refund liabilities	4(a)	**7,535**	7,236	**–**	–
Other payables	24	**48,987**	54,734	**3,621**	4,569
Current income tax liabilities		**2,406**	5,435	**–**	–
Borrowings	25	**32,735**	19,009	**–**	–
		136,788	136,115	**5,211**	6,425
Non-current liabilities					
Other payables	24	**4,928**	880	**528**	845
Deferred income tax liabilities	8(b)	**1,860**	1,753	**–**	–
Provisions for other liabilities and charges	26(a)	**11,148**	10,146	**–**	–
		17,936	12,779	**528**	845
Total liabilities		**154,724**	148,894	**5,739**	7,270
NET ASSETS		**266,220**	246,195	**114,337**	119,503
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	27	**95,936**	95,936	**95,936**	95,936
Foreign currency translation reserve	28(a)	**(24,903)**	(27,803)	**–**	–
Other reserves	28(b)	**1,540**	2,264	**–**	–
Retained earnings	29	**193,647**	175,798	**18,401**	23,567
TOTAL EQUITY		**266,220**	246,195	**114,337**	119,503

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Share capital US$'000	Foreign currency translation reserve US$'000	General reserve US$'000	Defined pension benefits obligation US$'000	Retained earnings US$'000	Total equity US$'000
The Group							
Balance at 1 January 2023		**95,936**	**(27,803)**	**2,505**	**(241)**	**175,798**	**246,195**
Profit for the year		–	–	–	–	46,255	46,255
Other comprehensive income/ (loss) for the year		–	2,900	–	(70)	–	2,830
Total comprehensive income/ (loss) for the year		**–**	**2,900**	**–**	**(70)**	**46,255**	**49,085**
Transfer to general reserve		–	–	(654)	–	654	–
Final and special dividend relating to 2022 paid	30	–	–	–	–	(16,623)	(16,623)
Interim dividend relating to 2023 paid	30	–	–	–	–	(12,437)	(12,437)
Total transactions with owners, recognised directly in equity		**–**	**–**	**(654)**	**–**	**(28,406)**	**(29,060)**
Balance at 31 December 2023		**95,936**	**(24,903)**	**1,851**	**(311)**	**193,647**	**266,220**
Balance at 1 January 2022		**95,936**	**(10,229)**	**2,505**	**(7)**	**151,099**	**239,304**
Profit for the year		–	–	–	–	43,895	43,895
Other comprehensive loss for the year		–	(17,574)	–	(234)	–	(17,808)
Total comprehensive (loss)/ income for the year		**–**	**(17,574)**	**–**	**(234)**	**43,895**	**26,087**
Final and special dividend relating to 2021 paid	30	–	–	–	–	(9,534)	(9,534)
Interim dividend relating to 2022 paid	30	–	–	–	–	(9,662)	(9,662)
Total transactions with owners, recognised directly in equity		**–**	**–**	**–**	**–**	**(19,196)**	**(19,196)**
Balance at 31 December 2022		**95,936**	**(27,803)**	**2,505**	**(241)**	**175,798**	**246,195**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 US$'000	2022 US$'000
Cash flows from operating activities			
Total profit		**46,255**	43,895
Adjustments:			
Income tax expense		**19,134**	19,149
Depreciation and amortisation		**10,976**	11,790
Property, plant and equipment written off		**–**	50
Gain on disposal of property, plant and equipment		**(229)**	(320)
Interest income		**(3,125)**	(1,498)
Interest expense		**1,217**	630
Fair value gain on derivatives		**–**	(23)
Share of results of associated company and joint ventures		**312**	156
Operating cash flow before working capital changes		**74,540**	73,829
Changes in working capital			
Inventories		**(442)**	(50,614)
Trade and other receivables		**(16,568)**	(5,370)
Rights to returned goods		**746**	(77)
Trade and other payables		**(10,850)**	4,759
Refund liabilities		**299**	792
Cash generated from operations		**47,725**	23,319
Interest received		**3,125**	1,498
Income tax paid, net of tax refund received		**(25,625)**	(17,074)
Net cash provided by operating activities		**25,225**	7,743
Cash flows from investing activities			
Purchases of property, plant and equipment		**(16,305)**	(3,086)
Advances for purchase of property, plant and equipment		**(7,289)**	(689)
Purchases of intangible assets		**(145)**	(167)
Purchase of financial asset, at FVPL		**(500)**	–
Proceeds from disposal of property, plant and equipment		**269**	333
Net cash used in investing activities		**(23,970)**	(3,609)
Cash flows from financing activities			
Prepayment of leases		**(1,309)**	–
Proceeds from trade finance		**8,241**	7,167
Proceeds from bank loans		**7,135**	1,069
Repayment of bank loans		**(4,679)**	–
Repayment of lease liabilities		**(1,769)**	(1,530)
Interest paid		**(1,217)**	(630)
Dividends paid to equity holders of the Company		**(29,060)**	(19,196)
Net cash used in financing activities		**(22,658)**	(13,120)
Net decrease in cash and cash equivalents		**(21,403)**	(8,986)
Cash and cash equivalents			
Beginning of financial year		**76,051**	86,238
Effects of currency translation on cash and cash equivalents		**662**	(1,201)
End of financial year	10	**55,310**	76,051

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Reconciliation of liabilities arising from financing activities

				Non-cash changes			
	2022 US$'000	Proceeds US$'000	Principal and interest payment US$'000	Additions US$'000	Interest expense US$'000	Foreign exchange movement US$'000	2023 US$'000
Bank loans	4,633	7,135	(5,165)	–	486	46	**7,135**
Trade finance	13,292	8,241	(563)	–	563	–	**21,533**
Lease liabilities	2,169	–	(1,937)	7,898	168	(67)	**8,231**
	20,094	**15,376**	**(7,665)**	**7,898**	**1,217**	**(21)**	**36,899**

				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
	12,347	8,236	(2,160)	1,472	630	(431)	20,094

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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. MATERIAL ACCOUNTING POLICY INFORMATION

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 2023

On 1 January 2023, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The 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 2023:

- SFRS(I) 17 Insurance contracts
- Amendment to SFRS(I)1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies
- Amendment to SFRS(I) 1-8 Definition of Accounting Estimates
- Amendment to SFRS(I) 1-12 Deferred Tax related to Assets and Liabilities arising from Single Transaction
- Amendment to SFRS(I) 1-12 International Tax Reform – Pillar Two Module Rules

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.2 Group accounting (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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (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 measured 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 Currency translation (continued)

(b) Transactions and balances (continued)

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.

2.4 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Revenue and other operating income recognition (continued)

(a) Sale of goods (continued)

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.

2.5 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

2.8 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

(a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.9 Financial assets (continued)

(a) Classification and measurement (continued)

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, deposits, loans to associated company and joint venture, loans to subsidiaries, listed and unlisted debt securities.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- 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. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains and losses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

- FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains and losses".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.9 Financial assets (continued)

(b) Impairment

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

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets 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.

2.11 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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 only 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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 subsidiaries, joint ventures and associates 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (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

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".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.20 Leases (continued)

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.

- 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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").

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

(i) Claims associated with the disposal of Delfi Cacau Brasil Ltda (continued)

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 2023, the seven notified claims were as follows:

(a) 2 claims totalling Brazilian Real ("BRL") 38,507,954 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 BRL961,088 for unpaid import tax arising from the import of a bean roaster;

(c) 3 claims totalling BRL57,303,977 for the restitution of taxes and import duties arising from the import of cocoa beans;

(d) 1 claim totalling BRL391,204 for allegedly incorrect or overstatement of credits due arising from tax assessments from prior years;

As at 31 December 2023, the Company's total exposure in respect of notified tax and labour claims in Brazil has increased to BRL97,164,000 (2022: BRL93,017,000) primarily due to indexation. In USD terms, the Company's total exposure as at 31 December 2023 was US$20,072,000 (2022: US$17,829,000).

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.

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 2023. 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 2023, the carrying amounts of brands and licence with indefinite useful lives were US$17,720,000 (2022: US$17,422,000).

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 21). 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

(ii) Estimated impairment of brands and licence (continued)

If management's estimated royalty rate of the brands and licence at 31 December 2023 was lowered by 1% (2022: 1%), the recoverable amounts of the brands and licence would be reduced by US$7,924,000 (2022: US$7,244,000) and the Group would have recognised an impairment charge of US$1,148,000 (2022: US$983,000) on two (2022: two) of the brands. For these brands, decreases in royalty rate by 0.23% and 0.75% respectively (2022: 0.07% and 0.26%) would result in their recoverable amounts to be equal to its carrying amounts.

If management's estimated pre-tax discount rate of the brands and licence at 31 December 2023 was increased by 1% (2022: 1%), the recoverable amounts of these brands and licence would be reduced by US$3,286,000 (2022: US$3,187,000) and the Group would have recognised an impairment charge of US$13,000 (2022: US$201,000) on one (2022: two) of its brands. In 2023, increases in the pre-tax discount rate by 0.9% would result in the recoverable amount of the brand to be equal to its carrying amount. In 2022, an increase in the pre-tax discount rate by 0.31% and 0.50% respectively, would have resulted in the recoverable amounts of the two brands to be equal to their carrying amounts.

If management's estimated long-term growth rate of the brands and licence at 31 December 2023 was lowered by 1% (2022: 1%), the recoverable amounts of these brands and licence would be reduced by US$2,646,000 (2022: US$2,529,000) and the Group would not recognise any impairment charge (2022: US$131,000 on two of the brands). In 2022, decrease in the long-term growth rate by 0.39% and 0.62% respectively, would result in the recoverable amount of the two brands to be equal to their carrying amount.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER OPERATING INCOME

(a) Revenue from contracts with customers

	The Group	
	2023	2022
	US$'000	US$'000
Sale of goods	**538,153**	477,493

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 36(b).

<u>Rights to returned goods and refund liabilities</u>

	The Group	
	2023	2022
	US$'000	US$'000
Rights to returned goods	**1,460**	2,206
Refund liabilities	**(7,535)**	(7,236)

The Group has assessed its rights to returned goods for impairment separately from the refund liability (Note 2.4(a)).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER OPERATING INCOME (continued)

(b) Other operating income

	The Group	
	2023	2022
	US$'000	US$'000
Other operating income:		
– Interest income	**3,125**	1,498
– Royalty income	**230**	221
– Gain on disposal of property, plant and equipment	**229**	320
– Foreign exchange gain - net	**–**	471
– Service fee	**147**	140
– Miscellaneous income	**960**	1,261
Total other operating income	**4,691**	3,911

5. EMPLOYEE COMPENSATION

	The Group	
	2023	2022
	US$'000	US$'000
Wages and salaries	**47,364**	48,405
Employer's contribution to defined contribution plans	**1,554**	1,338
Defined benefit plans (Note 26(b))	**2,297**	1,616
	51,215	51,359
Less: Government grant	**(16)**	(33)
	51,199	51,326

6. FINANCE COSTS

	The Group	
	2023	2022
	US$'000	US$'000
Interest expense:		
– Bank loans and overdrafts	**486**	251
– Trade finance	**563**	256
– Lease liabilities	**168**	123
	1,217	630

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. EXPENSES BY NATURE

The following items have been included in arriving at profit before tax:

	The Group	
	2023	2022
	US$'000	US$'000
Marketing expense	**4,830**	5,297
Amortisation of intangible assets (Note 20(d))	**416**	1,433
Cost of inventories recognised as an expense	**333,457**	288,288
Depreciation of property, plant and equipment (Note 18)	**10,560**	10,357
Employee compensation (Note 5)	**51,199**	51,326
Inventories written off	**1,974**	1,157
Allowance made for inventory obsolescence	**3,628**	2,888
Impairment loss/(writeback) on trade receivables (Note 34(b)(i))	**204**	(44)
Logistics and insurance	**15,214**	12,428
Professional fees	**3,057**	2,285
Rental expense	**500**	585
Travelling expenses	**2,200**	1,487

8. INCOME TAXES

(a) Income tax expense

	The Group	
	2023	2022
	US$'000	US$'000
Tax expense attributable to profit is made up of:		
Profit for the financial year:		
Current income tax		
– Foreign	**15,094**	16,560
– Withholding taxes	**3,609**	3,524
Deferred income tax (Note 8(b))	**(432)**	(1,024)
	18,271	19,060
Under provision in prior financial years:		
– Current income tax	**863**	89
Total income tax expense	**19,134**	19,149

The income tax recoverable of the Group amounting to US$9,989,000 (2022: US$7,014,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8. INCOME TAXES (continued)

(a) Income tax expense (continued)

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	
	2023	2022
	US$'000	US$'000
Profit before tax	**65,389**	63,044
Share of results of associated company and joint ventures, net of tax	**312**	156
Profit before tax and share of results of associated company and joint ventures	**65,701**	63,200
Tax calculated at a tax rate of 17% (2022: 17%)	**11,169**	10,744
Effects of:		
– Different tax rates in other countries	**3,377**	3,495
– Income not subject to tax	**(283)**	(193)
– Expenses not deductible for tax purposes	**807**	723
– Withholding taxes	**3,609**	3,524
– Deferred tax assets not recognised	**133**	820
– Utilisation of previously unrecognised tax losses and capital allowances	**(541)**	(53)
– Under provision in prior financial years	**863**	89
Tax charge	**19,134**	19,149

(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		The Company	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Deferred income tax assets	**(4,144)**	(3,643)	**(340)**	–
Deferred income tax liabilities	**1,860**	1,753	**–**	–
Net deferred tax assets	**(2,284)**	(1,890)	**(340)**	–

The movement in deferred income tax account is as follows:

	The Group		The Company	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Beginning of financial year	**(1,890)**	(1,040)	**–**	–
Tax (credited)/charged to:				
- Profit or loss	**(432)**	(1,024)	**(340)**	–
- Other comprehensive income[1]	**(25)**	109	**–**	–
Currency translation differences	**63**	65	**–**	–
End of financial year	**(2,284)**	(1,890)	**(340)**	–

Note:

[1] This relates to tax charge on remeasurements of defined pension benefits obligation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8. INCOME TAXES (continued)

(b) Deferred income taxes (continued)

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$7,285,000 (2022: US$7,324,000) and unrecognised tax losses of US$102,830,000 (2022: US$105,164,000) 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$5,871,000 (2022: US$5,840,000) and tax losses of US$86,800,000 (2022: US$89,570,000) 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$2,423,000 (2022: US$2,528,000) incurred by a subsidiary which will expire in 2028.

Deferred income tax liabilities of the Group of US$24,184,000 (2022: US$21,962,000) 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$242,092,000 (2022: US$220,184,000) at the balance sheet date.

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
2023	
Beginning of financial year	**3,237**
Charged to profit or loss	**233**
Currency translation differences	**59**
End of financial year	**3,529**
2022	
Beginning of financial year	3,971
Credited to profit or loss	(422)
Currency translation differences	(312)
End of financial year	3,237

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8. INCOME TAXES (continued)

(b) Deferred income taxes (continued)

The Group (continued)

Deferred income tax assets

	Provisions US$'000	Other deductible temporary differences US$'000	Total US$'000
2023			
Beginning of financial year	**(5,124)**	**(3)**	**(5,127)**
(Credited)/Charged to:			
– Profit or loss	**(296)**	**(369)**	**(665)**
– Other comprehensive income[1]	**(25)**	**–**	**(25)**
Currency translation differences	**5**	**(1)**	**4**
End of financial year	**(5,440)**	**(373)**	**(5,813)**
2022			
Beginning of financial year	(4,993)	(18)	(5,011)
(Credited)/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)

Note:
(1) This relates to tax charge on remeasurements of defined pension benefits obligation.

The Company

Deferred income tax assets

	Tax losses US$'000
2023	
Beginning of financial year	**–**
Credited to:	
– Profit or loss	**(340)**
End of financial year	**(340)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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	
	2023	2022
Net profit attributable to equity holders of the Company (US$'000)	**46,255**	43,895
Weighted average number of ordinary shares ('000)	**611,157**	611,157
Basic earnings per share (US cents)	**7.57**	7.18

(b) Diluted earnings per share

Diluted earnings per share for financial years 2023 and 2022 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	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Cash at bank and on hand	**12,377**	18,893	**4,893**	2,392
Short-term bank deposits	**47,000**	58,242	**47,000**	56,000
	59,377	77,135	**51,893**	58,392

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

	The Group	
	2023	2022
	US$'000	US$'000
Cash and bank deposits (as above)	**59,377**	77,135
Less: Bank overdrafts (Note 25)	**(4,067)**	(1,084)
Cash and cash equivalents per consolidated statement of cash flows	**55,310**	76,051

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

11. TRADE RECEIVABLES

	The Group		The Company	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Trade receivables from contracts with customers				
– Non-related parties	**90,381**	72,553	**419**	143
– Subsidiaries	**–**	–	**981**	2,052
– Joint venture	**112**	48	**–**	–
– Related parties	**5**	–	**–**	–
	90,498	72,601	**1,400**	2,195
Less: Allowance for impairment of receivables - non-related parties	**(1,651)**	(1,447)	**–**	–
	88,847	71,154	**1,400**	2,195

12. INVENTORIES

	The Group		The Company	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Raw materials	**21,155**	19,623	**–**	–
Work-in-progress	**1,699**	1,424	**–**	–
Finished goods	**87,188**	86,766	**48**	–
Packaging materials and others	**5,851**	7,638	**–**	–
	115,893	115,451	**48**	–

13. OTHER CURRENT ASSETS

	The Group		The Company	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Other receivables				
– Non-related parties	**7,931**	8,882	**736**	714
– Subsidiaries (non-trade)	**–**	–	**367**	214
– Associated companies (non-trade)	**152**	147	**–**	–
– Joint ventures (non-trade)	**329**	259	**61**	35
– Related parties (non-trade)	**–**	6	**–**	–
	8,412	9,294	**1,164**	963
Deposits	**11,043**	4,093	**21**	25
Prepayments	**1,492**	1,280	**159**	126
	20,947	14,667	**1,344**	1,114

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 is an outstanding loan of US$485,000 from one of the disengaged distributors in Indonesia (2022: US$1,090,000).

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.

(c) Included in deposits are advances for the purchase of property, plant and equipment of US$7,289,000 (2022: US$689,000).

The carrying amounts of these current assets approximate their fair values.

14. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2023	2022
	US$'000	US$'000
Equity investments, at cost		
Beginning and end of financial year	**47,364**	47,364
Accumulated impairment		
Beginning and end of financial year	**6,445**	6,445
End of financial year	**40,919**	40,919

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 2023 %	2022 %
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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

14. INVESTMENTS IN SUBSIDIARIES (continued)

Name of subsidiary/ Country of incorporation	Principal activities	Country of business	Equity holding 2023 %	2022 %
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 2023 US$'000	The Group 2022 US$'000	The Company 2023 US$'000	The Company 2022 US$'000
Investments in associated company (Note (a))	**–**	–	**–**	–
Investments in joint ventures (Note (b))	**2,251**	2,523	**4,560**	4,560
	2,251	2,523	**4,560**	4,560

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

15. INVESTMENTS IN ASSOCIATED COMPANY AND JOINT VENTURES (continued)

(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 2023 %	2022 %
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 2022 and 2023. In 2023, the Group did not recognise its share of loss of US$1,000 (2022: share of loss of US$178,000) 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$274,000 as at 31 December 2023 (2022: US$273,000).

(b) Investments in joint ventures

The details of the joint ventures are as follows:

Name of company	Principal activities	Country of incorporation	Equity holding 2023 %	2022 %
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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

15. INVESTMENTS IN ASSOCIATED COMPANY AND JOINT VENTURES (continued)

(b) Investments in joint ventures (continued)

(i) 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 loss of US$54,000 (2022: share of profits of US$54,000) for its share of Delfi-Orion's results for the financial year ended 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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	
	2023	2022
	US$'000	US$'000
Current assets	**770**	714
Includes:		
– Cash and cash equivalents	**472**	412
Current liabilities	**(451)**	(294)
Includes:		
– Financial liabilities (excluding trade payables)	**328**	(233)
Non-current assets	**2,696**	2,923
Non-current liabilities	**(377)**	(340)
Net Assets	**2,638**	3,003

Summarised statement of comprehensive income

	Delfi Yuraku	
	2023	2022
	US$'000	US$'000
Revenue	**707**	724
Interest income	**2**	2
Expenses		
Includes:		
– Depreciation	**(290)**	(301)
– Interest expense	**(6)**	(3)
Loss from operations	**(444)**	(215)
Income tax credit/(expense)	**14**	(135)
Post-tax loss and total comprehensive loss	**(430)**	(350)
Dividends received from joint venture	**–**	–

The Group recognised a share of loss of US$258,000 (2022: US$210,000) for its share of Delfi Yuraku's results for the financial year ended 31 December 2023.

The information above reflects the amounts presented in the financial statements of the joint venture (and not the Group's share of those amounts).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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	
	2023	2022
	US$'000	US$'000
Net assets	**2,638**	3,003
Group's equity interest	**60%**	60%
Group's share of net assets and carrying value	**1,583**	1,802
Add:		
Carrying value of individually immaterial joint ventures	**668**	721
Carrying value of Group's interest in joint ventures	**2,251**	2,523

16. LOANS TO ASSOCIATED COMPANY AND JOINT VENTURE

	The Group		The Company	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Loan to associated company	**836**	827	**–**	–
Loan to joint venture	**60**	60	**60**	60
	896	887	**60**	60
Current				
Loan to joint venture	**60**	60	**60**	60
Non-current				
Loan to associated company	**836**	827	**–**	–

The loan to an associated company is unsecured and not expected to be repaid within the next 12 months. The loan bears interest at 7.00% (2022: 6.09%) per annum.

The loan to joint venture amounted to US$60,000 (2022: US$60,000). The loan bears interest at 6.39% (2022: 5.47%) per annum and is repayable on demand.

The carrying amounts approximate their fair values.

17. FINANCIAL ASSET, AT FVPL

	The Group		The Company	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Beginning of financial year	**–**	–	**–**	–
Additions	**500**	–	**500**	–
End of financial year	**500**	–	**500**	–
Non-current				
Non-listed debt instruments:				
Convertible Promissory Note	**500**	–	**500**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

18. 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							
2023							
Cost							
Beginning of financial year	3,337	52,860	95,934	2,746	15,514	19,520	189,911
Currency translation differences	68	674	1,866	34	161	271	3,074
Additions	–	8,987	44	596	1,359	14,526	25,512
Disposals	–	–	(153)	(391)	(447)	–	(991)
Reclassification	–	229	3,355	–	168	(3,752)	–
End of financial year	3,405	62,750	101,046	2,985	16,755	30,565	217,506
Accumulated depreciation and impairment losses							
Beginning of financial year	1,537	25,391	64,611	2,379	14,533	–	108,451
Currency translation differences	10	237	1,238	39	166	–	1,690
Disposals	–	–	(114)	(391)	(446)	–	(951)
Depreciation charge (Note 7)	114	4,331	5,084	215	816	–	10,560
End of financial year	1,661	29,959	70,819	2,242	15,069	–	119,750
Net book value							
End of financial year	**1,744**	**32,791**	**30,227**	**743**	**1,686**	**30,565**	**97,756**
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	–	(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	–	(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**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

18. PROPERTY, PLANT AND EQUIPMENT (continued)

	Buildings and improvements US$'000	Motor vehicles US$'000	Office equipment US$'000	Total US$'000
The Company				
2023				
Cost				
Beginning of financial year	1,574	776	1,929	4,279
Additions	6	298	25	329
Disposals	–	(170)	(15)	(185)
End of financial year	1,580	904	1,939	4,423
Accumulated depreciation				
Beginning of financial year	221	391	1,812	2,424
Disposals	–	(170)	(15)	(185)
Depreciation charge	525	151	36	712
End of financial year	746	372	1,833	2,951
Net book value				
End of financial year	**834**	**532**	**106**	**1,472**
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**

(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 19(a).

(b) Bank borrowings are secured on property, plant and equipment and buildings of the Group with carrying value of US$3,625,000 (2022: US$4,070,000) (Note 25(a)).

(c) The Group recorded net gain of US$229,000 (2022: US$320,000) from the disposal of the property, plant and equipment during the financial year ended 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

19. 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 warehouse equipment, 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	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Leasehold land	**1,744**	1,800	**–**	–
Buildings	**8,559**	1,832	**657**	1,071
Motor vehicles	**369**	294	**321**	230
Office equipment	**272**	–	**–**	–
	10,944	3,926	**978**	1,301

(b) Depreciation charge during the year

	The Group	
	2023	2022
	US$'000	US$'000
Leasehold land	**114**	118
Buildings	**1,930**	1,442
Motor vehicles	**102**	85
Office equipment	**14**	–
	2,160	1,645

(c) Interest expense

	The Group	
	2023	2022
	US$'000	US$'000
Interest expense on lease liabilities	**168**	123

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

19. 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	
	2023	2022
	US$'000	US$'000
Lease expense:		
– short-term leases	**231**	280
– low-value leases	**269**	305
	500	585

(e) **Total cash outflow for all the leases in 2023 was US$3,746,000 (2022: US$2,238,000).**

(f) **Addition of ROU assets during the financial year 2023 was US$9,207,000 (2022: US$1,514,000).**

20. INTANGIBLE ASSETS

	The Group		The Company	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Brands and licence (Note (a))	**17,720**	17,422	**17,351**	17,351
Patents and trademarks (Note (b))	**326**	309	**–**	–
Computer software licences (Note (c))	**202**	450	**184**	327
	18,248	18,181	**17,535**	17,678

(a) Brands and licence

	The Group		The Company	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Net book value				
Beginning of financial year	**17,422**	17,460	**17,351**	17,351
Currency translation difference	**298**	(38)	**–**	–
End of financial year	**17,720**	17,422	**17,351**	17,351
End of financial year				
Cost	**18,105**	17,807	**17,616**	17,616
Accumulated amortisation and impairment loss	**(385)**	(385)	**(265)**	(265)
Net book value	**17,720**	17,422	**17,351**	17,351

Brands and a 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 trademarks, which are renewed indefinitely without involvement of significant cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

20. INTANGIBLE ASSETS (continued)

(b) Patents and trademarks

	The Group		The Company	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Net book value				
Beginning of financial year	**309**	274	**–**	–
Additions	**142**	163	**–**	–
Currency translation difference	**30**	(2)	**–**	–
Amortisation	**(155)**	(126)	**–**	–
End of financial year	**326**	309	**–**	–
End of financial year				
Cost	**2,939**	2,536	**–**	–
Accumulated amortisation	**(2,613)**	(2,227)	**–**	–
Net book value	**326**	309	**–**	–

(c) Computer software licences

	The Group		The Company	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Net book value				
Beginning of financial year	**450**	1,810	**327**	512
Additions	**3**	4	**–**	–
Currency translation difference	**10**	(57)	**–**	–
Amortisation	**(261)**	(1,307)	**(143)**	(185)
End of financial year	**202**	450	**184**	327
End of financial year				
Cost	**6,503**	6,458	**1,101**	1,101
Accumulated amortisation	**(6,301)**	(6,008)	**(917)**	(774)
Net book value	**202**	450	**184**	327

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

	The Group	
	2023	2022
	US$'000	US$'000
Patents and trademarks	**155**	126
Computer software licences	**261**	1,307
Total (Note 7)	**416**	1,433

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

21. IMPAIRMENT TESTS

The carrying values of brands and a licence that are regarded as having indefinite useful lives are as follows:

	The Group		The Company	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Carrying value of brands and licence	**17,720**	17,422	**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:

	2023	2022
	%	%
Royalty rates	**2.1 to 7.0**	2.1 to 7.0
Growth rate (1)	**2.5 to 6.4**	2.5 to 6.0
Discount rates (2)	**9.2 to 14.9**	9.0 to 15.5

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 2023 and 31 December 2022 (Note 3).

22. OTHER NON-CURRENT ASSETS

	The Group		The Company	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Prepayments	**159**	321	**–**	–
Guarantee deposits	**30**	30	**–**	–
Others	**447**	417	**5**	–
	636	768	**5**	–

The carrying amounts of the non-current financial assets approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

23. TRADE PAYABLES

	The Group		The Company	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Trade payables				
– Non-related parties	**40,894**	47,516	**471**	681
– Subsidiaries	**–**	–	**1,119**	1,175
– Joint venture	**765**	370	**–**	–
– Related parties	**3,466**	1,815	**–**	–
	45,125	49,701	**1,590**	1,856

Related parties represent corporations in which certain directors have controlling interests.

24. OTHER PAYABLES

	The Group		The Company	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Current				
Other payables				
– Non-related parties	**14,997**	18,904	**389**	227
– Subsidiaries (non-trade)	**–**	–	**204**	329
– Joint venture (non-trade)	**23**	22	**–**	–
	15,020	18,926	**593**	556
Accrued operating expenses	**30,664**	34,519	**2,524**	3,534
Lease liabilities	**3,303**	1,289	**504**	479
	48,987	54,734	**3,621**	4,569
Non-current				
Lease liabilities	**4,928**	880	**528**	845

Other non-trade payables due to subsidiaries and joint venture are unsecured, interest free and repayable upon demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

25. BORROWINGS

	The Group	
	2023	2022
	US$'000	US$'000
Current		
Secured		
Bank loans	**–**	4,633
Trade finance	**21,533**	13,292
	21,533	17,925
Unsecured		
Bank overdrafts	**4,067**	1,084
Bank loans	**7,135**	–
	11,202	1,084
Total borrowings (current)	**32,735**	19,009
Total borrowings	**32,735**	19,009

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	
	2023	2022
	US$'000	US$'000
6 months or less	**28,749**	19,009
6 to 12 months	**3,986**	–
	32,735	19,009

(a) Security granted

Bank borrowings of one of the subsidiaries are secured over its property, plant and equipment (Note 18(b)).

(b) Carrying amounts and fair value

The carrying amounts of borrowings approximate their fair value as the borrowings bear interest at variable rates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

26. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

(a) Non-current

	The Group	
	2023	2022
	US$'000	US$'000
Employee post-employment defined benefit obligation	**11,901**	10,038
Less: Current portion	**(859)**	–
	11,042	10,038
Others	**106**	108
	11,148	10,146

(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	
	2023	2022
	US$'000	US$'000
Present value of unfunded obligation	**12,999**	11,823
Fair value of plan assets	**(1,098)**	(1,785)
	11,901	10,038

The movement in the defined benefit obligation recognised in the balance sheet is as follows:

	The Group	
	2023	2022
	US$'000	US$'000
Beginning of financial year	**10,038**	10,484
Total charges/(credits), included in employee benefits expenses (Note 5)	**2,297**	1,616
Benefits paid	**(706)**	(1,096)
Actuarial losses recognised in other comprehensive income	**95**	125
Currency translation differences	**177**	(1,091)
End of financial year	**11,901**	10,038

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

26. 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	
	2023	2022
	US$'000	US$'000
Beginning of financial year	**1,785**	2,074
Employer's contribution during the year	**161**	783
Benefits payment from plan assets	**(965)**	(930)
Interest income from plan assets	**105**	142
Return on plan assets excluding interest income	**(33)**	(97)
Currency translation differences	**45**	(187)
Fair value of plan assets	**1,098**	1,785

The amounts recognised in profit or loss are as follows:

	The Group	
	2023	2022
	US$'000	US$'000
Current service cost	**1,313**	943
Interest cost	**850**	818
	2,163	1,761
Interest income on plan asset	**(105)**	(142)
Actuarial loss/(gain) recognised during the year	**31**	(26)
Excess benefit paid	**208**	23
Total charges, included in employee benefits expenses (Note 5)	**2,297**	1,616

The amounts recognised in other comprehensive income are as follows:

	The Group	
	2023	2022
	US$'000	US$'000
Remeasurements of defined benefit obligation:		
– Loss/(gain) from change in demographic assumptions	**136**	(384)
– (Gain)/loss from change in financial assumptions	**(41)**	509
	95	125

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

26. PROVISIONS FOR OTHER LIABILITIES AND CHARGES (continued)

(b) Employee post-employment defined benefit obligation (continued)

The significant actuarial assumptions used were as follows:

	The Group	
	2023	2022
	%	%
Discount rates (per annum)	**6.0 to 6.7**	7.0 to 7.4
Future salary increase (per annum)	**4.0 to 7.0**	3.5 to 7.0

	Increase/(decrease) in defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2023	2022	**2023**	2022	**2023**	2022
	%	%	**US$'000**	US$'000	**US$'000**	US$'000
Discount rate	**0.5**	0.5	**(475)**	(261)	**540**	680
Future salary increases	**0.5**	0.5	**511**	656	**(458)**	(247)

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.

27. SHARE CAPITAL

	The Group and the Company	
	Issued share capital	
	Number of shares '000	Share capital US$'000
2023		
Beginning and end of financial year	**611,157**	**95,936**
2022		
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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. RESERVES

(a) Foreign currency translation reserve

	The Group	
	2023	2022
	US$'000	US$'000
Beginning of financial year:	**(27,803)**	(10,229)
Net currency translation differences of financial statements of foreign subsidiaries, associated companies and joint ventures	**2,900**	(17,574)
	2,900	(17,574)
End of financial year	**(24,903)**	(27,803)

(b) Other reserves

Other reserves comprise general reserve (Note 29(a)) and defined pension benefits obligations (Note 26).

29. 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	
	2023	2022
	US$'000	US$'000
Beginning of financial year	**23,567**	20,790
Profit for the year	**23,894**	21,973
Dividends paid (Note 30)	**(29,060)**	(19,196)
End of financial year	**18,401**	23,567

Movement in retained earnings for the Group is shown in the Consolidated Statement of Changes in Equity.

30. DIVIDENDS

	The Group	
	2023	2022
	US$'000	US$'000
Declared and paid during the year		
Final dividend for 2022: 2.00 US cents or 2.64 Singapore cents per share (2021: 1.08 US cents or 1.44 Singapore cents per share)	**12,223**	6,600
Special dividend for 2022: 0.72 US cents or 0.95 US cents (2021: 0.48 US cents or 0.64 Singapore cents per share)	**4,400**	2,934
Interim dividend for 2023: 2.06 US cents or 2.73 Singapore cents (2022: 1.58 US cents or 2.18 Singapore cents) per share	**12,437**	9,662
	29,060	19,196

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. DIVIDENDS (continued)

At the forthcoming Annual General Meeting on 23 April 2024, a final dividend of 1.74 US cents or 2.33 Singapore cents per share and a special dividend of 0.52 US cents or 0.69 Singapore cents per share amounting to a total of US$13,847,000 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 2024.

31. 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.

32. 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	
	2023	2022
	US$'000	US$'000
Corporate guarantees		
– Subsidiaries	**21,697**	13,376

(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.

33. 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	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Expenditure for property, plant and equipment				
– Approved and contracted for	**357**	19	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. 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 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. 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 2023							
Financial assets	62,283	83,512	26,694	1,009	103	20,628	194,229
Financial liabilities	(15,165)	(72,867)	(39,218)	(6,859)	(1,932)	(22,918)	(158,959)
Net financial assets/ (liabilities)	**47,118**	**10,645**	**(12,524)**	**(5,850)**	**(1,829)**	**(2,290)**	**35,270**
Adjust: Net financial (assets)/liabilities denominated in functional currency	(49,083)	(10,372)	12,363	1,946	–	1	(45,145)
Currency exposure of financial (liabilities)/assets net of those denominated in the respective entities' functional currencies	(1,965)	273	(161)	(3,904)	(1,829)	(2,289)	(9,875)
Firm commitments in foreign currencies	(38,725)	–	(283)	(85)	(19,480)	(238)	(58,811)
Derivative financial instruments							
Foreign exchange forwards*	3,738	–	–	–	183	–	3,921
Currency Exposure	**(36,952)**	**273**	**(444)**	**(3,989)**	**(21,126)**	**(2,527)**	**(64,765)**
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 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)**

* The carrying values of the derivative financial instruments are not significant as at 31 December 2023 and 2022, and not separately disclosed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. 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 2023						
Financial assets	54,081	380	–	–	11	54,472
Financial liabilities	(1,407)	(3,574)	(37)	(36)	(660)	(5,714)
Net financial assets/(liabilities)	**52,674**	**(3,194)**	**(37)**	**(36)**	**(649)**	**48,758**
Adjust: Net financial assets denominated in functional currency	(52,674)	–	–	–	–	(52,674)
Currency exposure of financial (liabilities)/assets net of those denominated in functional currency	–	(3,194)	(37)	(36)	(649)	(3,916)
Firm commitments in foreign currencies	–	124	(205)	(32)	–	(113)
Currency exposure	**–**	**(3,070)**	**(242)**	**(68)**	**(649)**	**(4,029)**
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)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. 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	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
SGD against USD				
– strengthened 5% (2022: 5%)	**(191)**	(259)	**(133)**	(180)
– weakened 5% (2022: 5%)	**191**	259	**133**	180
IDR against USD				
– strengthened 5% (2022: 5%)	**(36)**	62	**–**	–
– weakened 5% (2022: 5%)	**36**	(62)	**–**	–
MYR against USD				
– strengthened 5% (2022: 5%)	**119**	(79)	**2**	(4)
– weakened 5% (2022: 5%)	**(119)**	79	**(2)**	4
EUR against USD				
– strengthened 5% (2022: 5%)	**(5)**	–*	**(1)**	–*
– weakened 5% (2022: 5%)	**5**	–*	**1**	–*

* *Less than US$500*

As at 31 December 2023, the total notional amounts of the Group's foreign exchange forwards are US$3,921,000 (2022: US$2,640,000).

(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 2023 and 2022 is considered insignificant. Consequently, no sensitivity analysis is prepared by the Group and Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. 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	
	2023	2022
	US$'000	US$'000
Corporate guarantees		
– Subsidiaries	**21,697**	13,376

Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. 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	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
By geographical areas				
Indonesia	**59,947**	38,879	**716**	490
Singapore	**519**	339	**207**	28
Philippines	**6,450**	5,859	**259**	1,250
Thailand	**335**	213	**212**	115
Malaysia	**21,576**	25,813	**6**	312
Other countries in Asia	**20**	51	**–**	–
	88,847	71,154	**1,400**	2,195
By types of customers				
Subsidiaries	**–**	–	**981**	2,052
Related parties, associated companies and joint venture	**117**	48	**–**	–
Non-related parties:				
– Retail chains	**40,127**	43,659	**–**	–
– Wholesalers and distributors	**40,728**	20,278	**419**	143
– Others	**7,875**	7,169	**–**	–
	88,847	71,154	**1,400**	2,195

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. 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 2023 and 31 December 2022 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 2023:					
Trade receivables	**64,819**	**20,507**	**3,258**	**225**	**1,689**
Less: Specific allowance	**–**	**–**	**–**	**–**	**(1,403)**
	64,819	**20,507**	**3,258**	**225**	**286**
Expected loss rate	**0.28%**	**0.27%**	**0.34%**	**0.0%**	**0.0%**
Loss allowance *	**181**	**56**	**11**	**–**	**–**
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**	**–**

* Excludes trade receivables which were individually determined to be impaired.

The movements in allowance for impairment in relation to trade receivables are as follows:

	2023 US$'000	2022 US$'000
Beginning of financial year	**1,447**	1,680
Increase/(decrease) in loss allowance recognised in profit or loss during the year	**204**	(44)
Receivables written off as uncollectible	**(4)**	(54)
Currency translation difference	**4**	(135)
End of financial year	**1,651**	1,447

Cash and bank deposits, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. 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 2023					
Trade and other payables	**98,186**	**157**	**–**	**–**	**98,343**
Lease liabilities	**3,584**	**3,487**	**1,549**	**59**	**8,679**
Other liabilities	**–**	**–**	**–**	**106**	**106**
Borrowings	**32,735**	**–**	**–**	**–**	**32,735**
	134,505	**3,644**	**1,549**	**165**	**139,863**
At 31 December 2022					
Trade and other payables	110,368	–	–	–	110,368
Lease liabilities	1,352	504	345	49	2,250
Other liabilities	–	–	–	108	108
Borrowings	19,394	–	–	–	19,394
	131,114	504	345	157	132,120
The Company					
At 31 December 2023					
Trade and other payables	**4,707**	**–**	**–**	**–**	**4,707**
Lease liabilities	**534**	**293**	**213**	**59**	**1,099**
Financial guarantee contracts	**21,697**	**–**	**–**	**–**	**21,697**
	26,938	**293**	**213**	**59**	**27,503**
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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. 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 2023					
Gross-settled foreign exchange forwards					
– Payments	**(3,955)**	**–**	**–**	**–**	**(3,955)**
– Receipts	**3,883**	**–**	**–**	**–**	**3,883**
	(72)	**–**	**–**	**–**	**(72)**
At 31 December 2022					
Gross-settled foreign exchange forwards					
- Payments	(2,665)	–	–	–	(2,665)
- Receipts	2,630	–	–	–	2,630
	(35)	–	–	–	(35)

(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 2022 and 2023.

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% (2022: 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 2023, the Group is in a net cash position of US$26,642,000 (2022: net cash position of US$58,126,000).

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% (2022: 100%).

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2023 and 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. 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); and

(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 and The Company				
At 31 December 2023				
Asset				
Financial asset, at FVPL				
Convertible Promissory Note	–	–	**500**	**500**

The Company did not hold any financial instruments that are subjected to fair value measurements as at 31 December 2022.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group has only one financial instrument that is measured at fair value through profit or loss classified as Level 3.

The following table presents the valuation techniques and key inputs used to determine the fair values that are categorised under Level 3 of the fair value measurement hierarchy.

Description	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Financial asset, at FVPL	Discounted cash flows: The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate	Discount rate	20.0%	The estimated fair value would increase/ (decrease) if discount rate was lower/ (higher)

(f) Financial instruments by category

The carrying amounts of the different categories of financial instruments are as follows:

	The Group		The Company	
	2023 **US$'000**	2022 US$'000	**2023** **US$'000**	2022 US$'000
Financial assets, at amortised cost	**167,966**	160,197	**54,467**	61,582
Financial asset, at FVPL	**500**	–	**500**	–
Financial liabilities at amortised cost	**130,085**	123,017	**5,715**	7,249

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

35. 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	
	2023	2022
	US$'000	US$'000
Revenue:		
Sales to joint venture	**371**	346
Sales to related parties	**38**	25
Interest income from associated company/joint venture	**65**	37
Service income from associated company/joint ventures	**265**	251
Expenditure:		
Purchases from joint ventures	**4,588**	3,747
Purchases from related parties	**15,713**	15,597
Rental payable to associated company	**85**	83
Directors' fees	**456**	475
Others:		
Remaining lease payable to related party	**1,323**	–

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

Outstanding balances at 31 December 2023, 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 and 23.

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	The Group	
	2023	2022
	US$'000	US$'000
Salaries and other short-term employee benefits	**7,111**	6,467
Post-employment benefits - contribution to CPF	**60**	54
	7,171	6,521

Included above is total compensation to directors of the Company amounting to US$4,860,000 (2022: US$3,973,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. 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 2023 is as follows:

	Indonesia US$'000	Regional Markets US$'000	Total US$'000
Sales:			
– Total segment sales	370,413	185,073	555,486
– Inter-segment sales	(17,333)	–	(17,333)
Sales to external parties	**353,080**	**185,073**	**538,153**
EBITDA	68,474	5,983	74,457
Interest income			3,125
Finance costs			(1,217)
Share of results of associated company and joint ventures			(312)
Income tax expense			(19,134)
Other segment information			
Depreciation and amortisation	(8,029)	(2,947)	(10,976)
Capital expenditure on property, plant and equipment	18,508	7,004	25,512
Sales are analysed as:			
– Own Brands	248,023	61,806	309,829
– Agency Brands	105,057	123,267	228,324
	353,080	**185,073**	**538,153**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. SEGMENT INFORMATION (continued)

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	160,064	493,928
– Inter-segment sales	(16,418)	(17)	(16,435)
Sales to external parties	**317,446**	**160,047**	**477,493**
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	55,423	281,849
– Agency Brands	91,020	104,624	195,644
	317,446	**160,047**	**477,493**

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. SEGMENT INFORMATION (continued)

(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	
	2023	2022
	US$'000	US$'000
EBITDA	**74,457**	73,966
Interest expense (Note 6)	**(1,217)**	(630)
Interest income (Note 4)	**3,125**	1,498
Depreciation of property, plant and equipment (Note 18)	**(10,560)**	(10,357)
Amortisation of intangible assets (Note 20(d))	**(416)**	(1,433)
Profit before tax	**65,389**	63,044

(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	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Indonesia	**353,080**	317,446	**86,649**	74,234
Regional Markets:				
– Philippines	**54,853**	47,806	**7,906**	7,537
– Malaysia	**121,463**	104,609	**5,054**	1,427
– Singapore	**2,035**	1,693	**22,147**	22,084
– Other countries	**6,722**	5,939	**147**	137
	538,153	477,493	**121,903**	105,419

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. 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 2024 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 2024)

Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024)

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).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-7 Statement of Cash Flows and SFRS(I) 7 Financial Statements: Disclosures: Supplier finance arrangements (effective for annual periods beginning on or after 1 January 2024)

The amendments clarify the characteristics of supplier finance arrangements ("SFA") and introduce new disclosures of such arrangements. The objective of the new disclosures is to provide information about supplier finance arrangements that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk.

There is a transitional relief of not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances.

The amendments will be effective for annual periods beginning on or after 1 January 2024. Early adoption is permitted.

The Group does not expect any significant impact arising from applying these amendments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (continued)

Amendments to SFRS(I) 16 Leases: Lease liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024)

The narrow-scope amendments to SFRS(I) 16 explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

The Group does not expect any significant impact arising from applying these amendments.

38. COMPARATIVES

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

	As previously reported US$'000	Reclassification US$'000	As reclassified US$'000
Revenue	482,972	(5,479)	477,493
Cost of sales	(334,659)	2,677	(331,982)
Selling and distribution costs	(58,912)	2,802	(56,110)

The reclassification has no impact to the Balance Sheets of the Group and of the Company as at 1 January 2022 and 31 December 2022, and the Consolidated Statement of Cash Flows for the financial year ended 31 December 2022. The total profit of the Group for the financial year ended 31 December 2022 is also not modified arising from the reclassification.

39. 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 2024.

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 at Singapore Marriott Tang Plaza Hotel, 320 Orchard Rd, Singapore 238865 in the Legacy Room, on Level 2, on 23 April 2024 at 10:00 a.m.

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)

DEFINITION

In this appendix (***Appendix***), the following definitions apply throughout unless otherwise stated:

AGM	:	The annual general meeting of the Company to be convened on 23 April 2024, notice of which is set out in the Annual Report 2023 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 Graham Nicholas Lee (Chairman), Mr Pedro Mata-Bruckmann; and Mr Doreswamy Nandkishore.
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 11 March 2024;
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;

APPENDIX (SHAREHOLDERS' MANDATE)

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.

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 25 April 2023 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 23 April 2024, 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.

2.2 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.

APPENDIX (SHAREHOLDERS' MANDATE)

2. THE RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS (continued)

2.2 Scope of Interested Person Transactions (continued)

(a) Transactions with PT Tri Keeson Utama (continued)

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 2023 up to the Latest Practicable Date are as set out below:

	For the period from 1 January 2023 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.

(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 2023 up to the Latest Practicable Date are as set out below:

	For the period from 1 January 2023 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.

APPENDIX (SHAREHOLDERS' MANDATE)

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)

(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 2023 to the Latest Practicable Date are set out below:

	For the period from 1 January 2023 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.

(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 2023 up to the Latest Practicable Date are set out below:

	For the period from 1 January 2023 up to the Latest Practicable Date
Aggregate revenue received from PT Freyabadi Indotama (US$'000)	202

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.

APPENDIX (SHAREHOLDERS' MANDATE)

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 (continued)

(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 2023 up to the Latest Practicable Date are as set out below:

	For the period from 1 January 2023 up to the Latest Practicable Date
Aggregate purchases from PT Freyabadi Indotama (US$'000)	15,713

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.

(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 2023 up to the Latest Practicable Date are as set out below:

	For the period from 1 January 2023 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.

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)

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.

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.

APPENDIX (SHAREHOLDERS' MANDATE)

2. THE RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS (continued)

2.4 Review Procedures for Interested Person Transactions

(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.

(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.

APPENDIX (SHAREHOLDERS' MANDATE)

2. THE RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS (continued)

2.4 Review Procedures for Interested Person Transactions (continued)

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*)	36,571,310	5.984	–	–
Steven T. Romick	–	–	36,571,310[11]	5.984
J. Richard Atwood	–	–	36,571,310[12]	5.984
FPA GP, Inc. (*FGI*)	–	–	36,571,310[13]	5.984
Directors				
Pedro Mata-Bruckmann	–	–	177,000[14]	0.03
John Chuang	220,800	0.036	319,860,500[2]	52.34
Joseph Chuang	270,800	0.044	310,511,000[7]	50.81
William Chuang	630,800	0.10	–	–
Davinder Singh	100,000	0.016	–	–
Doreswamy Nandkishore	22,000	0.0036	–	–
Graham Nicholas Lee	–	–	–	–

APPENDIX (SHAREHOLDERS' MANDATE)

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS (continued)

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 JAT and JHT.
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.
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.

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 10 being the Ordinary Resolution relating to the proposed renewal of the Shareholders' Mandate at the forthcoming AGM.

APPENDIX (SHAREHOLDERS' MANDATE)

6. ANNUAL GENERAL MEETING

The AGM, notice of which is set out in the Annual Report 2023 of the Company, will be held at Singapore Marriott Tang Plaza Hotel, 320 Orchard Rd, Singapore 238865 in the Legacy Room, on Level 2, on 23 April 2024 at 10:00 a.m., 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. Boardroom Corporate & Advisory Services Pte Ltd at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 , 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 2022 and 2023 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.

ANNEXURE

GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE LISTING MANUAL

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 2023

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
Boardroom Corporate & Advisory Services Pte Ltd
1 Harbourfront Avenue
Keppel Bay Tower, #14-07
Singapore 098632

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.

DISCLOSURE UNDER SGX-ST LISTING MANUAL REQUIREMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 2022 and 2023 are as follows:

	2023			
	Basic Salary (%)	Variable or Bonuses (%)	Benefits in Kind (%)	Total (%)
S$3,500,000 to S$3,749,999				
– Chuang Tiong Choon	**33**	**62**	**5**	**100**
S$1,000,000 to S$1,499,999				
– Chuang Tiong Liep	**49**	**45**	**6**	**100**
– Chuang Tiong Kie	**41**	**50**	**9**	**100**

	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

DISCLOSURE UNDER SGX-ST LISTING MANUAL REQUIREMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 2022 and 2023 are as follows:

	FY2023 S$	FY2022 S$	Fee (%)	Total (%)
Pedro Mata-Bruckmann	**207, 035**	198,964	100	100
Anthony Michael Dean (1)	**50,300**	159,188	100	100
Davinder Singh	**71,454**	73,463	100	100
Koh Poh Tiong (1)	**37,927**	119,842	100	100
Doreswamy Nandkishore	**109,846**	100,895	100	100
Graham Nicholas Lee (2)	**132,140**			
Lee Meng Tat (3)	**–**	–		
Total	**608,702**	652, 352		

(1) Anthony Michael Dean and Koh Poh Tiong retired from the Company with effect from 25 April 2023

(2) Graham Nicholas Lee joined the Company with effect from 1 January 2023.

(3) Lee Meng Tat joined the Company with effect from 1 June 2023

(d) (ii) Executive Officers' remuneration

2023

	Basic Salary (%)	Variable or Bonuses (%)	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**
Tan Chay Kee	**67**	**22**	**11**		**100**
S$250,000 to S$499,999					
Ferry Haryanto	**76**	**19**	**5**	**–**	**100**

2022

	Basic Salary (%)	Variable or Bonuses (%)	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

(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.

* The total remuneration paid to the top five key officers was US$2,251,000 (2022:US$2,285,000)

DISCLOSURE UNDER SGX-ST LISTING MANUAL REQUIREMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

DISCLOSURE UNDER SGX-ST LISTING MANUAL REQUIREMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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
		25,867	Registration in Progress	For future expansion
	Unit CBD-WL-1 Kelurahan Salembaran Jati, Salembaran Jaya & Dadap, Kecamatan Kosambi, Kabupaten Tangerang	2,827	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	10 years from January 2019	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

DISCLOSURE UNDER SGX-ST LISTING MANUAL REQUIREMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 2023, the total IPT of US$15.92 million (2022: US$15.62 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) 2023 US$'000	[1] Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 2023 US$'000
PT Freyabadi Indotama		
– Sales of goods	–	**202**
– Purchase of products	–	**15,713**
	–	**15,915**

Note:

(1) Includes transactions that are individually less than S$100,000 in value

(f) Auditors' fees

	The Group	
	2023 US$'000	2022 US$'000
Auditor's remuneration paid/payable to:		
– Auditor of the Company	**269**	228
– Other auditors*	**206**	196
Other fees paid/payable to:		
– Auditor of the Company	**39**	29
– Other auditors*	**–**	1
	514	454

* Includes the network of member firms of PricewaterhouseCoopers International Limited (PwCIL)

DISCLOSURE UNDER SGX-ST LISTING MANUAL REQUIREMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 11 MARCH 2024

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	17	1.27	223	0.00
100 – 1,000	181	13.50	118,090	0.02
1,001 – 10,000	662	49.37	3,728,381	0.61
10,001 – 1,000,000	460	34.30	30,839,615	5.05
1,000,001 and above	21	1.56	576,470,691	94.32
	1,341	100.00	611,157,000	100.00

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%
1	Raffles Nominees (Pte) Limited	338,091,710	55.32
2	Citibank Nominees Singapore Pte Ltd	108,227,765	17.71
3	DBS Nominees (Private) Limited	53,389,791	8.74
4	HSBC (Singapore) Nominees Pte Ltd	26,117,943	4.27
5	ABN Amro Clearing Bank N.V.	15,797,700	2.58
6	Mckeeson Investments Pte Ltd	6,000,000	0.98
7	Phillip Securities Pte Ltd	3,982,819	0.65
8	DBSN Services Pte Ltd	3,295,263	0.54
9	OCBC Securities Private Limited	2,362,801	0.39
10	Morgan Stanley Asia (Singapore) Securities Pte Ltd	2,302,199	0.38
11	BPSS Nominees Singapore (Pte.) Ltd.	2,151,300	0.35
12	Ong Wai Meng	2,016,600	0.33
13	United Overseas Bank Nominees Pte Ltd	1,920,700	0.31
14	DBS Vickers Securities (Singapore) Pte Ltd.	1,649,500	0.27
15	UOB Kay Hian Pte Ltd	1,572,400	0.26
16	CGS-CIMB Securities (Singapore) Pte Ltd	1,435,400	0.23
17	Chuang Mying Hwa @ Mying Mying	1,410,000	0.23
18	Alex Theodor Hefner Golke	1,338,000	0.22
19	Ronie Tan Choo Seng	1,335,000	0.22
20	IFAST Financial Pte Ltd	1,054,500	0.17
		575,461,391	94.15

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company, approximately 40.6% 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 11 MARCH 2024

SUBSTANTIAL SHAREHOLDERS

(as recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
Name	Number of Shares	%	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)***	36,571,310	5.984	–	–
Steven T. Romick	–	–	36,571,310[11]	5.984
J. Richard Atwood	–	–	36,571,310[12]	5.984
FPA GP, Inc. ***(FGI)***	–	–	36,571,310[13]	5.984

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 JAT and JHT.
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 at Singapore Marriott Tang Plaza Hotel, 320 Orchard Rd, Singapore 238865 in the Legacy Room, on Level 2, on Tuesday, 23 April 2024 at 10:00 a.m., 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 2023, together with the auditors' report thereon. **(Resolution 1)**

2. To declare a final dividend of 2.33 Singapore cents and special dividend of 0.69 Singapore cents per ordinary share for the financial year ended 31 December 2023. **(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 Pedro Mata-Bruckmann (Regulation 104) **(Resolution 3)**

   (b) Mr Lee Meng Tat (Regulation 108) **(Resolution 4)**

   (*See explanatory note*)

4. To note the retirement of Mr Davinder Singh as a Non-Executive and Non-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 positions as a member of the Nominating Committee and the Remuneration Committee.

5. To approve Directors' fees in arrears of US$37,263 payable by the Company for the financial year ended 31 December 2023. **(Resolution 5)**
   (*See explanatory note*)

6. To approve Directors' fees of US$434,814 payable by the Company for the financial year ending 31 December 2024 (2023: US$455,945 (excluding US$37,263)). **(Resolution 6)**

7. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to fix their remuneration. **(Resolution 7)**

B. TO TRANSACT ANY OTHER ORDINARY BUSINESS THAT MAY PROPERLY BE TRANSACTED AT AN ANNUAL GENERAL MEETING

NOTICE OF 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 8**)

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 adjustmentst 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 Instruments 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);

NOTICE OF ANNUAL GENERAL MEETING

(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 9)**

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.

NOTICE OF ANNUAL GENERAL MEETING

10. **The Proposed Renewal of the Mandate for Interested Person Transactions** **(Resolution 10)**

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 2023 ("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, 8 April 2024

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

(1) The AGM of the Company will be held, in a wholly physical format at Singapore Marriott Tang Plaza Hotel, 320 Orchard Rd, Singapore 238865 in the Legacy Room, on Level 2, on Tuesday, 23 April 2024 at 10:00 a.m. There will be no option for members to participate virtually.

(2) If a member wishes to submit questions related to the resolutions tabled for approval at the AGM prior to the AGM, all questions must be submitted by no later than 10:00 a.m. on 15 April 2024 through email to delfi.agm@delfilimited.com and provide the following particulars, for verification purpose:

- full name as it appears on his/her/its CDP and/or SRS share records;
- NRIC/Passport/UEN number;
- contact number and email address; and
- the manner in which you hold in the Company (e.g. via CDP and/or SRS).

Please note that the Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

Alternatively, member may also ask question during the AGM.

(3) The Company will endeavour to address all substantial and relevant questions received from shareholders by 19 April 2024, 10:00 a.m., being not less than forty-eight (48) hours before the closing date and time for the lodgement of the proxy form, via SGXNet and the Company's website. The Company will also address any subsequent clarifications sought or follow up questions during the AGM in respect of substantial and relevant matters. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions will be individually addressed. The responses from the Board and the Management of the Company shall thereafter be published on (i) the SGXNet at the URL https://www.sgx.com/securities/company-announcements; and (ii) the Company's website at the URL https://www.delfilimited.com, together with the minutes of the AGM, within one (1) month after the conclusion of the AGM. The minutes will include the responses to substantial and relevant questions received from shareholders which are addressed during the AGM.

(4) A member of the Company (other than a Relevant Intermediary*) entitled to attend, speak and vote at the AGM of the Company is entitled to appoint not more than two (2) proxies or Chairman to attend, speak and vote in his/her/its stead at the AGM of the Company. A proxy need not be a member of the Company.

(5) Where such member's instrument appointing a proxy(ies) appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second proxy as an alternate to the first named.

If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies (except where the Chairman of the AGM is appointed as the member's proxy) will vote or abstain from voting at his/her/their discretion. In the absence of specific direction as to the voting given by a member, the appointment of the Chairman of the AGM as the member's proxy for the relevant resolutions will be treated as invalid.

(6) A member who is a Relevant Intermediary* entitled to attend and vote at the AGM is entitled to appoint more than two (2) proxies to attend, speak 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 (2) 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;

NOTICE OF ANNUAL GENERAL MEETING

(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.

(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) 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, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue #14-07 Keppel Bay Tower, Singapore 098632; or

(b) if submitted electronically via email to the Company's Share Registrar at delfiagm2024@boardroomlimited.com or,

in either case, by 10:00 a.m. on 21 April 2024 being not less than forty-eight (48) hours before the time appointed for holding the AGM.

(10) Investors who hold shares through the Central Provident Fund Investment Scheme ("CPF Investors") or the Supplementary Retirement Scheme ("SRS Investors"):-

(a) may vote 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 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 11 April 2024).

(11) The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, 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 or proxies.

(12) In the case of a member whose Shares are entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), the Company may reject any instrument appointing the proxy or proxies lodged if such member, being appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

NOTICE OF ANNUAL GENERAL MEETING

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 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), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/ or guidelines (collectively, the "Purposes");

(ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes;

(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;

(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; and

(v) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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 Pedro Mata-Bruckmann and Mr Lee Meng Tat who will be retiring by rotation under Regulation 104 or 108 of the Constitution of the Company.

Resolution 3:

In view of the new requirements that impose a hard tenure limit for Independent Directors, Mr Pedro Mata-Bruckmann will be considered as non-independent upon the conclusion of the forthcoming AGM and he will be stepping down as the Chairman of the Board upon the conclusion of the AGM. If re-elected, he will be redesignated as a Non-Executive and Non-Independent Director, and as a member of the Nominating Committee, and Market, Sustainability and Strategy Committee with effect from the conclusion of the AGM. Please refer to page 193 in the Annual Report for the detailed information as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

Resolution 4:

If re-elected, Mr Lee Meng Tat, 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 193 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 Lee Meng Tat will be appointed as Chairman of the Nominating Committee and the Remuneration Committee, as a member of the Audit Committee, the Risk Management Committee, and the Market, Sustainability and Strategy Committee with effect from the conclusion of the AGM.

Resolution 5 is to approve additional Directors' fees of US$37,263 payable by the Company for the financial year ended 31 December 2023.

Resolution 5:

The increase in additional fees was due to the appointment of Mr Lee Meng Tat as an Independent Director on 1 June 2023. Please refer to page 62 in the Corporate Governance section of the Annual Report for more details.

SPECIAL BUSINESS

Resolution 8:

The proposed Resolution 8, 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 9:

The proposed Resolution 9, 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 10:

The proposed Resolution 10, if passed, will renew the IPT Mandate (which was last renewed at the AGM of the Company held on 25 April 2023) 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 Pedro Mata-Bruckmann and Mr Lee Meng Tat who will be retiring by rotation under Regulation 104 (for Mr Pedro Mata-Bruckmann) and 108 (for Mr Lee Meng Tat) of the Constitution of the Company, are seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 23 April 2024 ("***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	**Pedro Mata-Bruckmann**	**Lee Meng Tat**
Date of Appointment:	12 June 2001	1 June 2023
Date of last re- appointment	27 April 2021	Not applicable
Age:	79	60
Country of principal residence:	USA	Singapore
The Board's comments on this re-appointment (including rationale, selection criteria, and the search and nomination process) :	The Board of Directors has accepted and approved the Nominating Committee's recommendation, who has reviewed and considered Mr Mata-Bruckmann's contributions and performance as a Chairman and as an Independent Director of the Company. As Mr Mata-Bruckmann has served the Board for more than 9 years, he will be redesignated as a Non-Executive Non-Independent Director of the Company and member of Nominating Committee and Market Sustainability and Strategy Committee, upon his re-election.	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 Lee's appointment as an Independent Director on 1 June 2023, as well as Mr 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:	Non-Executive.	Non-Executive

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE AGM

Name of Retiring Director	Pedro Mata-Bruckmann	Lee Meng Tat
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.):	Independent Director, Chairman of the Board of the Director, the Nominating Committee and the Remuneration Committee, and a member of Audit Committee, the Risk Management Committee and the Market, Sustainability and Strategy Committee Upon his re-election, Mr Mata-Bruckmann will be redesignated as a Non-Executive Non-Independent Director of the Company and will be a member of the Nominating Committee and the Market, Sustainability and Strategy Committee.	Independent Director and a member of the Nominating Committee, the Remuneration Committee, the Risk Management Committee and the Market, Sustainability and Strategy Committee since his appointment on 1 June 2023. It is proposed that subsequent to his re-election as an Independent Director, Mr Lee will assume the role as the Chairman of the Nominating Committee and the Remuneration Committee and will become a member of Audit Committee. He will also remain as a member of Risk Management Committee and Market, Sustainability and Strategy Committee.
Professional qualifications:	Bachelor of Science & Masters of Engineering, Cornell University, Ithaca, NY, USA	Certificate in Corporate Governance ("IDP-C"), International Directors Programme, INSEAD, 2017 Advanced Management Programme ("AMP"), Harvard Business School, 2005 Master of Business Administration ("MBA"), Imperial College, London, 1997 Bachelor of Engineering (Mechanical), National University of Singapore, 1988 GCE 'A' (1981) and 'O' Levels (1979), Raffles Institution, Singapore
Working experience and occupation(s) during the past 10 years:	Please refer to Other Principal Commitments including Directorships	May 2015 – January 2022 Fraser & Neave Ltd, Chief Executive Officer, Non-Alcoholic Beverages May 2012 – March 2015 Wildlife Reserves Singapore Group, Chief Executive Officer
Shareholding interest in the listed issuer and its subsidiaries:	*The Company* 177,000 Ordinary shares (direct interest) *Subsidiaries of the Group* Nil	None

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE AGM

Name of Retiring Director	Pedro Mata-Bruckmann	Lee Meng Tat
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:	None	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)	Starlux S.A..	Fraser & Neave Ltd (May 2015 – January 2022), Chief Executive Officer, Non-Alcoholic Beverages Fraser & Neave Holdings Bhd (Malaysia) (October 2015 – June 2022), Board Director and Chairman of Executive Committee, Member of Nominating Committee and Remuneration Committee
Other Principal Commitments* including Directorships (Present)	Delfi Limited Corporación LionCity – Development SA Grace Institute Foundation (New York) Mata Global Solutions, Inc MGS Mata Global Solutions S.A. *Other Principal Commitments* Nil	Delfi Limited Vietnam Dairy Products Joint Stock Company ("Vinamilk") (Vietnam) (September 2016 – Present), Board Director and Member of Strategy Committee and Nominating Committee Singapore Cancer Society (April 2018 – Present), Chairman of the Council (from April 2023)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE AGM

Name of Retiring Director	Pedro Mata-Bruckmann	Lee Meng Tat
(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 any time within 2 years from the date he ceased to be partner?	No	No
(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 subject of any criminal proceedings (including any pending crimianal proceedings of which he is aware) for such purpose?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE AGM

Name of Retiring Director	Pedro Mata-Bruckmann	Lee Meng Tat
(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
(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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE AGM

Name of Retiring Director	Pedro Mata-Bruckmann	Lee Meng Tat
(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
(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	Pedro Mata-Bruckmann	Lee Meng Tat
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

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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 21 APRIL 2024

(For CPF/SRS Investors, see Note 7.)

IMPORTANT:
1. The AGM of the Company will be held, in a wholly physical format at Singapore Marriott Tang Plaza Hotel, 320 Orchard Rd, Singapore, 238865 in the Legacy Room, on Level 2 on Tuesday, 23 April 2024 at 10:00 a.m.. There will be no option for members to participate virtually.
2. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR THEIR INFORMATION ONLY.
3. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. By submitting an instrument appointing a proxy(ies) and/or representative(s), the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 8 April 2024.
5. A relevant intermediary may appoint more than two proxies to attend the AGM and vote (please see Note 3 for the definition of "relevant intermediary").

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	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing whom, Chairman of the Annual General Meeting ("AGM" or "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 at Singapore Marriott Tang Plaza Hotel, 320 Orchard Rd, Singapore, 238865 in the Legacy Room, on Level 2 on Tuesday, 23 April 2024 at 10:00 a.m. (Singapore time) 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 no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any matter arising at the AGM and at any adjournment thereof. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as *my/our proxy for that resolution will be treated as invalid.

No.	Resolutions relating to:	No. of votes 'For'**	No. of votes 'Against'**	No. of votes 'Abstain'**
Ordinary Business				
1	To receive and adopt Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2023, together with the auditors' report thereon.			
2	To declare final and special dividend.			
3	To re-elect Mr Pedro Mata-Bruckmann as a Director of the Company.			
4	To re-elect Mr Lee Meng Tat as a Director of the Company.			
5	To approve additional Directors' fees for the financial year ended 31 December 2023.			
6	To approve Directors' fees for the financial year ending 31 December 2024.			
7	To re-appoint PricewaterhouseCoopers LLP as auditors and to authorise the Directors to fix their remuneration.			
Special Businesses				
8	To authorise Directors to issue shares and/or instruments under Section 161 of the Companies Act 1967.			
9	To authorise Directors to issue new ordinary shares under the Delfi Limited Scrip Dividend Scheme.			
10	To renew the Mandate for Interested Person Transactions.			

* *Delete where inapplicable.*

** *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.*

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 2024

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

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 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 (2) 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.

3. A member who is a Relevant Intermediary* entitled to attend and vote at the AGM is entitled to appoint more than two (2) 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 (2) 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.

4. 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, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue #14-07 Keppel Bay Tower, Singapore 098632; or

   ii) if submitted electronically, be submitted via email to the Company's Share Registrar at delfiagm2024@boardroomlimited.com

   in either case, by 10:00 a.m. on 21 April 2024 being not less than forty-eight (48) hours before the time appointed for holding the AGM.

5. 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.

6. 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.

7. Investors who hold shares through Relevant Intermediaries*, including under the Central Provident Fund Investment Scheme ("CPF Investors") or the Supplementary Retirement Scheme ("SRS Investors"), and who wish to appoint the Chairman of the AGM as a proxy should approach their respective Relevant Intermediaries*, including CPF Agent Banks or SRS Operators, to submit their votes at least seven (7) working days before the AGM (i.e. by 10:00 a.m. on 11 April 2024).

8. 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.

9. 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 8 April 2024.

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.

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