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## QUESTIONS FROM SHAREHOLDERS IN RELATION TO THE 2025 ANNUAL REPORT

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The Board of Directors (the “**Board**”) of Delfi Limited (the “**Company**”) refers to the Company’s announcement dated 13 April 2026 in the Notice of Annual General Meeting (the “**AGM**”) to Shareholders regarding the Company’s upcoming AGM to be held on 28 April 2026 (the “**Announcement**”).

Further to the Announcement, the Board has received a number of substantial and relevant questions from shareholders (the “**Questions**”).

The Board would like to thank shareholders for submitting the Questions. The Board is pleased to set out its responses to the Questions as follows:

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**1. When can we expect to see the effects of low cocoa prices on the company's results?**

**Response**

We are encouraged by the decline in cocoa prices and its anticipated benefits for the confectionery industry. However, as chocolate manufacturers, including Delfi, hedged ingredient costs to mitigate peak cocoa prices during 2024 and 2025, margin improvements will not align linearly with the substantial decline in cocoa prices recently (c. 75% from the 2025 peak). As a result of this, there will be a lag before lower costs are reflected in the cost base as existing forward contracts expire and inventory are worked through.

Delfi anticipates that, consistent with the broader industry, a gradual margin recovery may be expected. This timeline depends on inventory levels, forward contract durations, and finished goods delivery schedules.

We expect the impact from the Middle East conflict and resulting uncertainties to temper these benefits, however we remain focused on disciplined pricing and operational efficiency to navigate these headwinds.

**2. Could you elaborate on Delfi’s capital expenditure plans for the next three years?**

**Response**

Our capital allocation strategy focuses on four pillars: maintaining infrastructure, driving productivity, expanding capacity (on anticipation of increased demand), and meeting sustainability commitments.

Following significant investments in FY2023 and FY2024 to support capacity expansion for high-growth products, we shifted focus in FY2025 toward production automation, labour efficiency and food quality. Consequently, we anticipate a more moderate capital investment program in the near-term, prioritising these productivity enhancements.

Delfi maintains a disciplined, profit-accretive approach to capital investment, governed by rigorous strategic and financial assessment. Our capital expenditure plans remain dynamic, guided by the prevailing business outlook and macroeconomic environment with flexibility to accelerate investments if conditions warrant or defer them if a more conservative approach is necessary.

Ultimately, we balance long-term growth plans with financial prudence, ensuring our capital deployment remains responsive, preserves our balance sheet strength, and positions the Group to capture growth as the landscape evolves.

- 3. Could you explain how the impact of the ongoing conflict in the Middle East, and the closure of the Strait of Hormuz has affected Delfi's operations? Specifically, could you elaborate on the impact the rise in global energy prices has had on Delfi? What measures is Delfi Limited implementing to mitigate these risks?**

#### **Response**

The Board and Management are closely monitoring the Middle East conflict and potential for continued disruptions to the Strait of Hormuz. While these events have increased macroeconomic uncertainty and volatility in energy and logistics costs, Delfi's strategy remains supported by our core strengths of heritage brands, manufacturing efficiency, and robust distribution and route-to-market capabilities in our key markets. Additionally, the domestic-oriented economies in Indonesia, Malaysia, and the Philippines benefit from local demand, offering a degree of support from international economic shifts. However, as fossil-fuel-dependent nations, they remain exposed to global energy markets.

We anticipate the ongoing conflict in the Middle East to exert upward pressure on some of our operating costs. To mitigate these risks, we are proactively increasing our purchases of raw materials that may be impacted by these effects. Furthermore, our manufacturing and distribution activities in Indonesia and Malaysia are partially softened in the short-term by government-supported energy cost programs that include a combination of fuel subsidies and electricity tariff freezes in Indonesia, and similar support in Malaysia.

While we currently benefit from this near-term support, we remain vigilant regarding potential long-term pressures the longer the disruption in the Middle East continues, which could result in higher production costs and an increased risk of softer consumer demand across our regional markets. However, it is also important to note that the benefits expected from a lower-price environment for cocoa, should help mitigate some of these higher costs.

To navigate this environment, we intend to rely on, and leverage, our heritage brands, operational efficiency, retail partnerships, and strong distribution network. Our strong balance sheet and cash flow continue to provide us with the resilience that allows us to navigate uncertainties.

**4. What is the succession plan for Delfi Limited's CEO position? Is the next CEO already working in Delfi Limited and ready to take over as the CEO anytime if the need arises?**

**Response**

The Board views succession planning as a core, multi-year mandate of our Nominating Committee. Our guiding philosophy is to cultivate a strong leadership bench rather than relying on any single individual to set strategy or manage daily operations. Over the years, we have deliberately decentralised decision-making, ensuring that our next-tier leaders possess the autonomy to manage major segments of the business. This approach ensures that critical functions are supported by a multi-layered, resilient, and agile structure. Under the current CEO's guidance, we have systematically strengthened our senior management tier.

We refrain from naming a "CEO-designate" prematurely, choosing to develop a group of internal leaders with deep operational experience who are actively mentored to assume broader responsibilities, should the need arise. We are confident our internal framework is designed to manage a leadership transition with the appropriate stability to support continuity and minimise handover disruption.

We expect Delfi's next CEO to embody our core values and possess the leadership and vision to drive our next phase of sustainable growth. Whether that individual emerges from our current team or is identified through an external search, the Board's paramount objective is to ensure long-term strategic continuity.

**5. For the Agency Brands segment, is the company able to pass on higher energy costs?**

**Response**

Our Agency Brands segment operates as a margin-driven distribution business, where principals of our agency brands retain responsibility for manufacturing, pricing, and cost management.

Accordingly, the ability to pass through cost increases, including energy costs, depends on the pricing strategies of our principals and prevailing market conditions. In practice, cost pass-through is typically partial and may not be immediate.

6. **Considering the broader economic instability caused by the Middle East conflict, how does the potential weakening of our core regional currencies impact Delfi's operations and financial results? Could you elaborate on the mitigation framework Management uses to handle this currency exposure?**

#### **Response**

Managing currency volatility is a fundamental and long-standing feature of our business. While the Middle East conflict and resulting energy price increases have introduced additional pressures on global currencies, including those of our markets, the Group has the experience to manage these currency related risks.

Regional currency depreciation primarily impacts us through higher US Dollar denominated raw material costs and translational effects on our US Dollar reported financial results. To mitigate these risks, we employ a disciplined, multi-faceted strategy to manage cost pressures through operational efficiency. We also proactively review pricing to offset input cost inflation from currencies, and through product innovation, manage cost pressures while maintaining our value proposition to the consumer.

Delfi remains in a robust financial position, underpinned by a strong balance sheet and consistent cash flow generation that provide resilience against challenging market conditions. We continue to prioritise our core strengths, operational efficiency, an extensive distribution network, and our portfolio of heritage brands, to support our margins.

7. **With the recent appointment of our Group CEO, Mr. John Chuang, to the additional role of Executive Chairman, could the Nominating Committee elaborate on the reasoning behind this decision and his re-election as an Executive Director?**

**Furthermore, how does the Board plan to maintain a robust governance balance moving forward.**

#### **Response**

Following the retirement of our Chairman due to the nine-year tenure limit for Independent Directors, the Board conducted a comprehensive leadership review and appointed Mr. John Chuang as Executive Chairman, effective upon his re-election at the 2026 AGM. This decision ensures strategic continuity during an increasingly complex period for the global cocoa and confectionery industry. The Nominating Committee strongly recommends Mr. Chuang's re-election, as his 45 years of industry and operational experience are essential for providing the stability and commercial acumen necessary to guide Delfi through its next phase of growth.

The Board believes this dual role is in the Group's best interest, positioning Mr. Chuang to bridge the gap between strategic oversight and executive execution. His leadership will foster unity of purpose, facilitate agile decision-making, and ensure the Board remains promptly briefed on critical, time-sensitive developments.

To maintain robust governance related checks and balances, the Board has concurrently appointed Mr. Chin Koon Yew as Lead Independent Director. Mr. Chin brings extensive financial and governance expertise and will serve as an additional independent oversight, acting as a principal point of reference for shareholders and the Board. While this structure differs from our historical model, our independent safeguards remain stringent, with Independent Directors constituting a majority of the Board and all committees (excluding the Executive Committee). These measures are intended to mitigate the concentration of power, preserve independent judgment, and ensure full accountability to our shareholders.

8. **A few days ago, it was reported by CNBC that Barry Callebaut with the following headline, "World's biggest chocolate maker issues profit warning as cocoa prices collapse; shares plunge 17%".**

**Is Delfi facing the same challenges as Barry Callebaut? If not, why not? If yes, what is Delfi's strategy to mitigate these challenges? What is Delfi's outlook going forward? Please explain and elaborate.**

#### **Response**

It is essential to distinguish the respective roles of Barry Callebaut and Delfi within the cocoa value chain. Whereas Barry Callebaut is a global leader in upstream industrial cocoa processing and supply, Delfi operates a downstream branded chocolate confectionery business driven by consumer demand. Barry Callebaut is a long-time supplier of cocoa ingredients for Delfi.

According to their recent results statement, the challenges facing Barry Callebaut primarily stem from the unique pressures large-scale ingredient processors have been facing following the record-high cocoa prices of 2024 to 2025. These processors have faced pressure on sales volumes as some of their B2B customers, including large, global food and beverage manufacturers, have responded to market volatility by reducing orders, reformulating recipes, and curbing cocoa usage. Furthermore, competitive overcapacity in the market and supply disruption have added to these issues.

We are not exposed to the same challenges as the industrial sector since our business model is focused on the strength of our regional heritage brands for sale to consumers.

By Order of the Board

Lee Wei Hsiung/Cheok Hui Yee  
Company Secretaries

23 April 2026