

HONEY BUN (1982) LIMITED

MINUTES OF THE ANNUAL GENERAL MEETING HELD

AT THE KNUTSFORD COURT HOTEL, 16 CHELSEA AVENUE, KINGSTON 5

ON WEDNESDAY, MARCH 10, 2021 AT 10 A.M.

Directors present:

Herbert Chong (Executive Chairman)
Michelle Chong (Chief Executive Officer/Director)
Charles Heholt (Non-Executive Director)
Yaneek Page (Non-Executive Director)
Daniel Chong (chief Operations Officer/Director)
Wayne Wray (Mentor/Non-Executive Director)

Special Invitees:

Sonia McFarlane (BDO Chartered Accountants)
Balvin Vanriel (BDO Chartered Accountants)

Honey Bun Executives:

Alex Balogun (Chief Financial Officer)
Nashauna Lalah (General Manager – Honey Bun Foundation)
Loriann Tater (Business Development Manager)
Dustin Chong (Chief Sales & Marketing Officer)
Khalice Bradshaw-Davis (Human Resource & Development Manager)

1. CALL TO ORDER

The Chairman called the meeting to order at 10.02 a.m. which commenced with a prayer by Mrs. Nashauna Lalah. He extended a welcome to all present and introduced the Directors and special invitees.

2 . APOLOGIES FOR ABSENCE

Apologies for absence were tendered on behalf of Director Paul Moses.

3. QUORUM

The Chairman confirmed that a quorum of Shareholders was present and therefore declared the meeting open for business.

4. NOTICE

The Shareholders of the Company agreed that they had received the Notice calling the meeting for the prescribed period set out in the Articles and agreed that it could be taken as read.

5. APPROVAL OF MINUTES

There being no amendments, the minutes were approved on a motion by the Chairman and seconded by Ms. Hope Drydale.

6. CHAIRMAN'S REMARKS

The Executive Chairman, Mr. Herbert Chong, advised that, in the Financial Year 2020, the Company achieved record performance in both top and bottom line results, in spite of the COVID-19 pandemic. Pre-tax profits increased by 5% to close at \$191 million while revenues grew by 8% to reach \$1.67 billion. Exports too did well, growing by 41% over prior year. These results were a direct result of our expenditure in higher capacity machinery, better execution of corporate strategy and our renewed push into the diaspora market. Although expenses increased during the year, some of it was a direct response to the pandemic.

Some of the JSE Awards that Honey Bun won at the ceremony held in 2020 were the Governor General award for the Best Overall Junior Market Company, the JSE 2019 PSOJ/JSE Award for Corporate Governance and the JSE 2019 Best Practices Award for Corporate Disclosure and Investor Relations.

7. CHIEF EXECUTIVE OFFICER'S REMARKS

Director and Chief Executive Officer, Michelle Chong, was proud to announce that the year saw Honey Bun expanding in production. The increased capacity brought down manufacturing costs allowing the Company to maintain gross margins of 48% notwithstanding the additional operational and compliance costs associated with the COVID-19 mitigation protocols. Strategic renegotiations and restructuring of Honey Bun's operating expense drivers, in particular, lease and distribution arrangements, translated to improved net profit margins. Net profit margins closed at 11.04% compared to 9.3% in the prior year.

Challenges in 2020 did not impede the Company's corporate plans and three new products were successfully launched which included the Burger buns and Hot Dog rolls. The Company's healthier whole wheat product, Pickney Crackaz, was also launched.

It was Mrs. Chong's pleasure to advise that the Company's digital media presence was significantly improved. The Human Resource Department received a boost and, inter alia, now provides counselling for staff experiencing social challenges coping with experiences such as COVID-19. She added that Honey Bun's distribution strategy allowed for competitive advantages allowing the Company to develop critical models to cope with cases such as pandemics.

8. AUDITED ACCOUNTS

The Audited Accounts to the members was presented by Ms. Sonia McFarlane of BDO Chartered Accountants.

a) **Questions/Answers on Report**

NAME	QUESTIONS/ANSWERS ON REPORTS	RESPONSE BY	RESPONSES
Livingston Young	How has the Company been managing the devaluation of the dollar?	A.Balogun	Honey Bun has a significant amount of US\$ in the form of short term deposits.
Orrette Staple	Explain the reduction of \$8.4m in the Adoption of IFRS 16.	A.Balogun	The IFRS standards requires the Company to capitalize the value of assets.
Orrette Staple	How is the Company prepared to pay 100% income tax at May 31, 2021?	M. Chong	A solid foundation has been built over the last 10 years and the Company has developed a robust platform. Honey Bun is not opposed to paying taxes. The Company is focusing on more strategies to realize more net profits.
Orrette Staple	What accounted for the payroll surplus of \$9m?	A.Balogun	It refers to the management cost from the Company that manages the outsourced contract staff.
Simone Spaulding	Ms. Spaulding expressed gratitude and congratulations to the Company for its continued growth.		
Orrette Staple	Mr. Staple suggested that the Honey Bun Foundation could assist students with education.		

9. RESOLUTIONS

a) To Receive and Approve the Directors' Report and the Audited Accounts for the Financial Year ended September 30, 2020

To consider (and if thought fit) pass the following resolution:

Resolution 1

THAT the Board of Directors' Report and the Audited Accounts for the year ended September 30, 2020 be received and approved.

On the motion proposed by the Chairman and seconded by Mr. Lanzel Bloomfield the abovementioned resolution was put to the vote and carried.

b) To Re-appoint Directors Retiring by Rotation

To consider (and if thought fit) pass the following resolution:

Resolution 2

Part A

THAT Michelle Chong, who has retired by rotation in accordance with the Articles of Incorporation and, being eligible, offers herself for re-election be re-appointed.

On the motion proposed by Mr. Orrette Staple and seconded by Mr. Michael Hendricks, the above-mentioned resolution was put to the vote and carried.

Resolution 2

Part B

THAT Herbert Chong, who has retired by rotation in accordance with the Articles of Incorporation and, being eligible, offers himself for re-election be re-appointed.

On the motion proposed by Mr. Orrette Staple and seconded by Mr. Michael Hendricks, the above-mentioned resolution was put to the vote and carried.

c) To Fix the Remuneration of the Directors

To consider (and if thought fit) pass the following resolution:

Resolution 3

THAT the Board of Directors be authorized to fix the remuneration of the Directors.

On the motion proposed by the Chairman and seconded by Mr. Livingston Young, the following abovementioned resolution was put to the vote and carried.

d) To Appoint the Auditors

To consider (and if thought fit) pass the following resolution:

Resolution 4

THAT the Board of Directors be authorized to appoint the Auditors.

On the motion proposed by the Chairman and seconded by Mr. J. Dawkins, the abovementioned resolution was put to the vote and carried.

e) To Fix the Remuneration of the Auditors

To consider (and if thought fit) pass the following resolution:

Resolution 5

THAT the Board of Directors be authorized to fix the remuneration of the Auditors of the Company.

On the motion proposed by the Chairman and seconded by Mr. Lancel Bloomfield, the abovementioned resolution was put to the vote and carried.

f) To Approve Dividends

To consider (and if thought fit) pass the following resolutions:

Resolution 6

THAT the dividend of 5 cents per share paid to shareholders on January 2, 2020 on record at December 19, 2019 be approved.

On the motion proposed by the Chairman and seconded by Mr. J. Williams, the above-mentioned resolution was put to the vote and carried.

Resolution 7

THAT the dividend of 3 cents per share paid on September 2, 2020 to shareholders on record as at August 19, 2020 be approved.

On the motion proposed by the Chairman and seconded by Mr. Michael Hendricks, the abovementioned resolution was put to the vote and carried.

10. TERMINATION

There being no other matters for discussion, the meeting was terminated at 11.25 a.m.

A handwritten signature in blue ink, appearing to read "Herbert Chong".

Herbert Chong, Chairman
March 10, 2021