

**HONEY BUN (1982) LIMITED**

**MINUTES OF THE ANNUAL GENERAL MEETING HELD**

**AT THE COURTLEIGH HOTEL & SUITES, 85 KNUTSFORD BOULEVARD, KINGSTON 5**

**ON WEDNESDAY, MARCH 8, 2023 AT 10 A.M.**

**Directors present:**

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

**Special Invitees:**

Sonia McFarlane (BDO Chartered Accountants)  
Maxine Coultman-Thomas (BDO Chartered Accountants)

**Honey Bun Executives:**

Paula Cameron (Financial Controller)  
Dustin Chong (Chief Sales & Marketing Officer)  
Nashauna Lalah (General Manager – Honey Bun Foundation)  
Loriann Tater (Business Development Manager)  
Paula Graham-Haynes (Corporate Secretary)

**1. CALL TO ORDER**

The Chairman called the meeting to order at 10.09 a.m. which commenced with a prayer by Ms. Paula Cameron. He extended a welcome to all present and introduced the Directors and special invitees.

**2 . APOLOGIES**

Apologies were tendered on behalf of Director Yaneek Page for being late.

**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 for the Annual General Meeting dated March 9, 2022, were approved on a motion by Mr. Wesley Thomas and seconded by Mr. Mark Barton.

## 6. CHAIRMAN'S REMARKS

The Chairman was pleased to advise that Honey Bun achieved record performance in both top and bottom line results. He added that 2021 marked the final full year in which the Company benefited from the 50% remission in taxes which significantly contributed to the growth of the business.

He emphasized that one of the 2021 JSE Awards that Honey Bun received was the Governor General award for the Best Overall Junior Market Company for the second consecutive year and the seventh time in 10 years.

The Chairman expressed appreciation to the Honey Bun Foundation for their work supporting SMEs growth. In addition, he thanked the Directors for their support, the stakeholders and staff for their loyalty and dedication as well as the customers for choosing Honey Bun as the brand they can trust.

## 7. AUDITORS' REPORT

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

## 8. CHIEF EXECUTIVE OFFICER'S REPORT

The Chief Executive Officer opened by announcing that 2022 marked Honey Bun's 40<sup>th</sup> birthday. She advised that revenues for the Financial Year 2022 grew by 38%, relative to the same period for the year before, to close at \$2.95 billion. She added that exports increased.

Regarding the Honey Bun Foundation, the CEO mentioned that it continued to deliver its thoughtfully crafted models which include the GAPP App, the Advisory Committee, and the National Training Calendar for SMEs. She was pleased to advise that in December 2022, the Montego Bay Chamber of Commerce signed up with the Foundation to adopt the advisory model and in February this year the Jamaica Manufacturers and Exporters Association also signed on.

## 9. QUESTIONS AND ANSWERS

NAME	QUESTIONS/ANSWERS ON REPORTS	RESPONSE BY	RESPONSES
Livingston Young	Explain Trade Receivables (page 98).	M. Chong	They relate to the receivables for each 30-day period. It is a requirement of the IFRS9 that the ECL be recognized.
Livingston Young	Explain Cost of Sales (page 76).	M. Chong	The more the Company sells then the more the cost will increase.

Livingston Young	Explain the change in the currency rate (page 96).	Auditors	In keeping with regulations, the Auditors do a sensitivity analysis on the risk of having foreign currency.
Orette Staple	What checks have been put in place to prevent fraud in the Company.	M. Chong	The Company has a robust Risk Register. The risks that could be faced are anticipated and preventative measures are documented.
Orette Staple	Other Administrative Expenses moved from \$49m to \$72m.	P. Cameron	This was due to the increase in Irrecoverable GCT and Environmental Levy.
Wesley Thomas	When did Spanish Town and Old Harbour outlets begin operation and how are they performing.	Dustin Chong	They commenced during the financial year and are performing well. More outlets will be opened including in Mandeville.
Wesley Thomas	What were the plans for the 40 <sup>th</sup> birthday.	L. Tater	An outside broadcast in Half Way Tree, all-island road tour promotions. Promotions were also done in the UK.
Wesley Thomas	Please expand on a feature in the Jamaica Gleaner showing an agreement being signed between the JMEA and the Honey Bun Foundation.	N. Lalah	An agreement was signed for the JMEA to adopt the Foundation's model and offer it to their members. Tests indicated that one Company's revenue increased by 50% and profits by 30%.
Orette Staple	Elaborate on the ECL Allowance over 91 days. (Page 99 (cii))	P. Cameron	The Company is assiduously trying to collect debt. Page 98 shows that Honey Bun is reducing bad debt.
Orette Staple	What caused the Revenue to move from \$2.1b in 2021 to \$2.9b in 2022 and the Cost of Sales to move from \$1.1b to \$1.7b. (Page 76 note 6).	M. Chong	The cost would normally be measured as it relates to sales. There if sales increase it would be expected that cost would increase significantly.
Orette Staple	He is concerned about Administrative and Selling & Distribution Expenses. (Page 76 note 8).	P. Cameron	These are staff and office expenses, depreciation, irrecoverable GCT and Environment Levy.
Orette Staple	What accounted for the reduction in Earnings per Stock Unit (page 76 note 12)	P. Cameron	This is computed by the net profits and the amount of stocks that are being issued.

Mark Barton	He was grateful for another successful year, distribution and shelving has improved		
Mark Barton	Can shareholders take a tour of the plant.	M. Chong	Yes. Contact the office for this to be arranged.
Nichola Borrough-Lee	What does Right-of-Use Assets refer to? (page 77 note 16).	P. Cameron	If a lease is more than one year old it must be recognized as an asset.
Livingston Young	Are the ingredients used to make products local.	M. Chong	At least 90% is local.
Hope Drysdale	Expressed appreciation on for a job well done and was pleased with the Christmas cake and looking out for the sliced bun.		
	The new shareholders were welcomed to the Honey Bun family.	M. Chong	

**10. RESOLUTIONS:**

**Resolution 1**

**To Receive and Approve the Directors' Report and the Audited Accounts for the Financial Year ended September 30, 2022**

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

*THAT the Board of Directors' Report and the Audited Accounts for the year ended September 30, 2022 be received and approved.*

On the motion proposed by the Chairman and seconded by Mr. Wesley Thomas, the abovementioned resolution was put to the vote and approved.

## **Resolution 2**

### **To Re-appoint Directors Retiring by Rotation**

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

*THAT the Board of Directors re-appoint Herbert Chong and Michelle Chong, who have retired by rotation in accordance with the Articles of Incorporation and, being eligible, offer themselves for re-election as Directors.*

On the motion proposed by Director Wayne Wray and seconded by Mr. Orrette Staple, the above-mentioned resolution was put to the vote and approved.

## **Resolution 3**

### **To Fix the Remuneration of the Directors**

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

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

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

## **Resolution 4**

### **To Appoint the Auditors**

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

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

On the motion proposed by the Chairman and seconded by Ms. Carol Leslie, the abovementioned resolution was put to the vote and carried.

## **Resolution 5**

### **To Fix the Remuneration of the Auditors**

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

*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. Wesley Thomas, the abovementioned resolution was put to the vote and carried.

## **Resolution 6**

### **To Ratify Dividends**

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

*THAT the dividend of \$0.127 per share paid to shareholders on January 5, 2022, on record at December 8, 2021 be ratified.*

On the motion proposed by the Chairman and seconded by Ms. Amella McFarlane, the above-mentioned resolution was put to the vote and carried.

## **Resolution 7**

### **To Ratify Dividends**

*THAT the dividend of \$0.028 per share paid on June 13, 2022 to shareholders on record as at May 31, 2022 be ratified.*

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

## **11. TERMINATION**

There being no other matters for discussion, the meeting was terminated at 11.54 a.m.



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**Herbert Chong, Executive Chairman**  
**March 8, 2023**