

HONEY BUN (1982) LIMITED

MINUTES OF THE ANNUAL GENERAL MEETING HELD

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

ON WEDNESDAY, MARCH 6, 2024 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 (Deputy Chief Executive Officer/Director)

Special Invitees:

Maxine Coultman-Thomas (BDO Chartered Accountants)
Balvin Vanriel (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 Mrs. Nashauna Lalah. He extended a welcome to all present and introduced the Directors and special invitees.

3. QUORUM

It was confirmed that a quorum of Shareholders was present, so the Chairman 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 8, 2023, were approved on a motion by Mr. Wesley Thomas and seconded by Mr. Lancel Bloomfield.

6. CHAIRMAN'S REMARKS

The Executive Chairman, Mr. Herbert Chong, advised Shareholders that Honey Bun (1982) Limited achieved both a major milestone and another record performance, surpassing the \$3b revenue target.

Some of the highlights from his statement included:

- Pre-tax profits grew by 12%, closing the year at \$284.5m.
- Dividends of \$75.4m were paid out compared to \$73m in the prior year.
- A new outlet was opened in Morant Bay.
- Congratulations to Mr. Daniel Chong who was appointed as Deputy Chief Executive Officer; and also, to Mrs. Michelle Chong on being inducted into the Order of Distinction in the rank of Officer.

7. AUDITORS' REPORT

The Audited Accounts was presented by Mr. Balvin Vanriel of BDO Chartered Accountants.

8. CHIEF EXECUTIVE OFFICER'S REPORT

Director Michelle Chong and Director Daniel Chong presented the Chief Executive Officer's report. The following was mentioned:

- Revenues increased due to changes in distribution methodologies.
- Significant space has been secured in Canadian markets in the Loblaws supermarket chain.
- Shareholders' equity got a boost of 14% hitting \$1.31b from \$1.16b.
- The Honey Bun Foundation signed a Memorandum of Understanding with the Jamaica Manufacturers and Exporters Association to offer its Advisory Committee Model to its members.
- *Plans for Honey Bun (1982) Limited include increasing capacity; expanding distribution; and increasing the company's inroads into the export market.*

9. QUESTIONS AND ANSWERS

NAME	QUESTIONS/ANSWERS ON REPORTS	RESPONSE BY	RESPONSES
Livingston Young	P. 95 – Explanation to Note 5c) (i) Foreign Currency Sensitivity	Paula Cameron	Refers to the Company's responsiveness to changes in foreign currency transactions.
Orette Staple	Congratulations to the Chong family (in particular Daniel and Dustin Chong} for their contributions to the successful performance of the business. P. 72 – 3 rd paragraph under Key Auditor Matter – It was noted that there was a credit loss of \$27.2m.	Auditor/Daniel Chong	IFRS regulations requires that it must be noted. Management will have to address improvement in this area. Procedures have been introduced to solve the issue.

Orette Staple	P. 79 (Cash Flows From Operating Activities: Changes in Operation Assets and Liabilities) - What accounted for the increase in Payables from \$29m to \$53m?	Paula Cameron	More inventory to accommodate increase in Sales.
Orette Staple	P. 76 – Explain the increase of Cost of Sales from \$1.7b to \$1.9b.	Daniel Chong	It actually was an improvement because the percentage of Sales was 3% over the previous year.
Mark Barton	Congrats on the Company's successful year. Request for a tour of the facility.	Daniel Chong	Happy to arrange a tour.
Lanzel Bloomfield	P. 101 (Note 8 – Administrative: Repairs & Maintenance) – Why increase from \$44m to \$79m?	Daniel Chong	It does not only refer to the fleet. For more capacity and expansion more equipment will be required.
Wesley Thomas	What plans are there to compete with large manufacturing plants?	Daniel Chong	Honey Bun is working towards growth, expansion and product development.
Livingston Young	What is the benefit of IFRS to shareholders?	Michelle Chong	Regulations to which auditors must adhere. It protects the shareholder.
Livingston Young	P. 108 (17 – Inventories) Explain Raw Materials, Goods In Transit and Machinery Spare Parts.	Paula Cameron	Raw materials – purchased to keep abreast of sales; Goods In Transit – as at year end delayed goods are considered Goods In Transit; Machinery Spare Parts – are stored for repairs to equipment.
Muriel Bailey	i)Which are considered Honey Bun's top products? ii)Where are the main export markets? III)Has the introduction of the new donut Company in Jamaica affect sales?	Daniel Chong	i)Cinnamon Rolls, donuts and Shorty bread. ii)Export markets – our main markets are in major supermarket chains such as Tesco in UK. iii)Donut Company competition – our donut sales have actually increased.
Orette Staple	Will the Company consider developing healthy products?	Daniel Chong	Capacity expansion will allow development of these products. However, Honey Bun's products are not considered unhealthy.

Wesley Thomas	During Christmas is there a decline in sales of the Cinnamon Rolls and donuts?	Daniel Chong	Yes – because consumers tend to eat more fruit cake during that period.
Josiah Williams	Buns are scarce in stores. How can this be addressed.	Dustin Chong	Priority is given to export. However as soon as capacity is increased, more buns can become available locally.

10. RESOLUTIONS:

Resolution 1

To Receive and Approve the Directors’ Report and the Audited Accounts for the Financial Year ended September 30, 2023

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, 2023 be received and approved.

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

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 Yaneek Page and Wayne Wray, 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 the Chairman, the abovementioned resolution was put to the vote, approved by Mr. Wesley Thomas and seconded by Mr. Orette Staple.

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, the abovementioned resolution was put to the vote, approved by Mr. Mark Barton and seconded by Mr. Livingston Young.

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, the abovementioned resolution was put to the vote, approved by Mr. Mark Barton and seconded by Ms. Daphne Drysdale.

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, the abovementioned resolution was put to the vote, approved by Mr. Lancel Bloomfield and seconded by Ms. Carol Leslie.

Resolution 6

To Ratify Dividends

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

THAT the dividend of \$0.12 per share paid to shareholders on February 17, 2023, to shareholders on record as at February 3, 2023, be ratified.

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

Mr. Orette Staple was against.

Resolution 7

THAT the dividend of \$0.04 per share paid on July 5, 2023 to shareholders on record as at June 21, 2023 be ratified.

On the motion proposed by the Chairman, the abovementioned resolution was put to the vote, approved by Ms. Daphne Drysdale and seconded by Mr. Lanzel Bloomfield.

Mr. Orette Staple was against.

11. TERMINATION

The Chairman advised that the minutes of the Annual General Meeting would be available on the Company's website (www.honeybunja.com).

There being no other matters for discussion, the meeting was terminated at 11.30 a.m.



Herbert Chong, Executive Chairman
March 6, 2024