

JB FOODS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201200268D)
(the "Company")

SGX QUERY REGARDING THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The board of Directors (the "**Board**") of the Company (and together with its subsidiaries, the "**Group**") wishes to announce the following in response to queries raised by Singapore Exchange Securities Trading Limited ("**SGX-ST**") with respect to the Company's annual report for the financial year ended 31 December 2019 ("**AR2019**").

Unless otherwise defined, all capitalised terms used in this announcement shall have the same meaning ascribed to them in the AR2019.

1. SGX-ST's query

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the "**Code**"), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 2.4 of the Code as you have not disclosed your board diversity policy and progress made towards implementing the board diversity policy, including objectives, and there were no explanations provided for in your FY2019 annual report on how it is consistent with the intent of Principle 2 of the Code. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 2 of the Code, which requires the Board to have an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the Company.

Company's response

The Company wishes to clarify that it has disclosed its board diversity policy and its view on how the current Board comprises persons whose diverse skills, experience, knowledge and gender provide for effective direction of the Group on page 40 of the Annual Report.

For completeness, the Company wishes to elaborate that in reviewing the appointments of new Directors, the Board together with the NC ensures that it sets relevant objectives to promote and achieve diversity on the Board. In discharging its duties, the Board and the NC shall give due regard to the benefits of all aspects of diversity and strive to ensure that the Board is appropriately balanced to support the long-term success of the Company. The main objective is to continue to maintain the appropriate balance of perspectives, skills and experience on the Board to support the long-term success of the Company.

2. SGX-ST's query

Listing Rule 1207(10C) requires the Audit Committee's comments on whether the internal audit function is independent, effective and adequately resourced. Please also provide information on whether the head of the internal audit function team has the relevant experience and qualifications. Where the internal audit function is outsourced, please provide information on the relevant experience of accounting firm and the engagement team.

Company's response

The Company wishes to clarify that it has disclosed the Audit Committee's comments on whether the internal audit function is independent, effective and adequately resourced on page 52 of the Annual Report.

The Company wishes to further clarify that as disclosed on page 52 of the Annual Report, the Company has outsourced its internal audit function to Yang Lee & Associates (the “**Internal Auditors**”).

Yang Lee & Associates is a professional service firm that specialises in the provision of Internal Audit, Enterprise Risk Management and Sustainability Reporting advisory services. The firm was set up in the year 2005 and currently maintains an outsourced internal audit portfolio of more than 25 SGX-ST listed companies in distribution, manufacturing, services, food & beverage, retail and property development industries.

The Engagement Team for this engagement comprises two Directors, a Manager, an Assistant Manager and supported by an Associate. Each of the two Directors has more than 20 years of relevant experience whilst the Manager has approximately 14 years of relevant experience.

3. SGX-ST’s query

With regards to the Company’s Annual Report FY2019, listing Rule 1207(19c) states that “A listed issuer and its officers should not deal in the listed issuer’s securities during the period commencing two weeks before the announcement of the company financial statements for each of the first three quarters of its financial year and one month before the announcement of the company’s full year financial statements (if the issuer announces its quarterly financial statements, whether required by the Exchange or otherwise), or one month before the announcement of the company’s half year and full year financial statements (if the issuer does not announce its quarterly financial statements).” Please explain how the Company has complied with Listing Rule 1207(19c).

Company’s response

The Company wishes to clarify that it has disclosed how it has complied with Listing Rule 1207(19c) on page 56 of the annual report.

For the avoidance of doubt, the Company also wishes to confirm that it has adhered to the policy of not dealing in its own shares during the period commencing (i) two weeks prior to the announcement of financial results of each of the first three quarters of the financial year, and (ii) one month before the announcement of full year results, and ending on the date of such announcements. The Company did not deal in its own shares at any time during FY2019. Following the cessation of quarterly reporting which took effect on 27 February 2020, the Company shall, going forward, adhere to the policy of not dealing in its own shares during the period commencing one month before the announcement of the half year and full year results.

BY ORDER OF THE BOARD

Chua Cheow Khoon Michael
Chairman

8 June 2020