

JB FOODS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No: 201200268D)
(the “Company”)

MINUTES OF ANNUAL GENERAL MEETING

PLACE : The Annual General Meeting was held at Raffles Marina, 10 Tuas West Drive, Singapore 638404

DATE : 24 April 2024

TIME : 10.00 A.M.

PRESENT : Shareholders/proxies
As per attendance lists

Directors

Mr Chin Koon Yew

Dr Goi Seng Hui

Mr Tey How Keong

Mdm Goh Lee Beng

Mr Lim Tong Lee

Management

Mr Wong Wing Hong

NOTICE OF MEETING : The Notice convening this meeting was taken as read.

CHAIRMAN : Mr Chin Koon Yew was elected to chair the meeting.

COMMENCEMENT OF MEETING

The Chairman welcomed the Shareholders to the Company’s Annual General Meeting (“AGM”).

MANAGEMENT PRESENTATION

Mr Wong Wing Hong (“Mr Wong”) presented to the Shareholders an overview of the Company’s performance for the financial year ended 31 December 2023 (“FY2023”). A copy of the presentation slides was released via SGXNet after the meeting.

Mr Wong proceeded to hand the proceedings of the meeting back to the Chairman.

QUORUM

As a quorum was present, the Chairman declared the meeting open.

PROCEEDINGS OF MEETING

The Chairman noted that the Notice of AGM, having been in Shareholders’ hands for the statutory period, was taken as read.

The Chairman noted that as Chairman of the AGM, he had been appointed as proxy by some shareholders to vote for and against certain resolutions, and to abstain from voting on certain

resolutions, to be proposed at the meeting. Accordingly, he would be voting according to their directions stated in the proxy forms.

The Chairman noted that proxies lodged had been checked and found to be in order.

It was noted that In.Corp Corporate Services Pte. Ltd. (“**In.Corp**”) had been appointed as the Polling Agent, Agile 8 Advisory Private Limited had been appointed as the Scrutineers.

The Chairman noted that Shareholders had previously been invited to submit their questions prior to the AGM by the cut-off time of 10.00 am on 16 April 2024. The Chairman noted that the Company had addressed all relevant questions by way of an announcement on SGXNet and the Company’s website on 18 April 2024.

Details of the questions raised by the shareholders during the AGM, and the answers in response thereto are recorded in Annex A as attached hereto.

ORDINARY BUSINESS:

1. **ADOPTION OF DIRECTORS’ STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (“FY2023”) AND THE AUDITOR’S REPORT THEREON**

Resolution 1 on the Agenda was to receive and adopt the Audited Financial Statements for FY2023 together with the Directors’ Statement and the Auditors’ Report of the Company.

The following resolution was passed by way of poll (detailed results of which are appended as an appendix hereto):

“Resolved that the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors’ Statement and the Auditors’ Report of the Company be and are hereby approved and adopted.”

2. **RE-ELECTION OF DR GOI SENG HUI AS DIRECTOR**

Resolution 2 on the Agenda was to re-elect Dr Goi Seng Hui who was retiring by rotation.

It was noted that Dr Goi Seng Hui was retiring pursuant to Article 98 of the Company’s Constitution and being eligible, offered himself for re-election. Dr Goi Seng Hui would, upon re-election as a Director of the Company, remain as Vice Chairman of the Board, Non-Executive and Non-Independent Director of the Company, as well as a member of each of the Audit Committee and Risk Committee.

The following resolution was passed by way of poll (detailed results of which are appended as an appendix hereto):

“Resolved that Dr Goi Seng Hui, who retires pursuant to Article 98 of the Company’s Constitution, be and is hereby re-elected as a Director of the Company.”

3. **RETIREMENT OF MR CHIN KOON YEW AS DIRECTOR**

Item 3 on the Agenda was to note the retirement of Mr Chin Koon Yew as Director.

It was noted that Mr Chin Koon Yew would retire and cease to be a Director of the Company at the end of the Annual General Meeting. The Board expressed its appreciation to Mr Chin

Koon Yew for his invaluable service and contributions to the Board and Company over the years.

4. RE-ELECTION OF MR LIM TONG LEE AS DIRECTOR

Resolution 3 on the Agenda was to re-elect Mr Lim Tong Lee who was retiring pursuant to Article 102 of the Company's Constitution.

It was noted that Mr Lim Tong Lee was retiring pursuant to Article 102 of the Company's Constitution and being eligible, offered himself for re-election. Mr Lim Tong Lee would, upon re-election as a Director of the Company, remain as Non-Executive and Independent Director of the Company, as well as the Chairman of each of the Remuneration Committee and Nominating Committee and a member of Audit Committee.

The following resolution was passed by way of poll (detailed results of which are appended as an appendix hereto):

"Resolved that Mr Lim Tong Lee, who retires pursuant to Article 102 of the Company's Constitution, be and is hereby re-elected as a Director of the Company."

5. DIRECTORS' FEES

Resolution 4 on the Agenda was to approve the payment of the Directors' fees for the financial year ending 31 December 2024 ("FY2024"). It was noted that the Directors had recommended the payment of a sum of S\$162,000 as directors' fees for FY2024, to be paid quarterly in arrears.

The following resolution was passed by way of poll (detailed results of which are appended as an appendix hereto):

"Resolved that Directors' fees of S\$162,000 for the financial year ending 31 December 2024, to be paid quarterly in arrears, be and are hereby approved."

6. RE-APPOINTMENT OF AUDITORS

Resolution 5 on the Agenda was to re-appoint Messrs BDO LLP as the Company's Auditors and to authorise the Directors to fix the Auditors' remuneration.

The following resolution was passed by way of poll (detailed results of which are appended as an appendix hereto):

"Resolved that Messrs BDO LLP be re-appointed as Auditors of the Company to hold office until the next Annual General Meeting at a fee to be determined by the Directors."

SPECIAL BUSINESS:

7. AUTHORITY TO ALLOT AND ISSUE SHARES

Resolution 6 on the Agenda was transacted as an Ordinary Resolution and it was to seek the shareholders' approval for the Directors to be granted the authority to allot and issue new shares and convertible securities in the Company, the details of which were set out in the text of the Ordinary Resolution in item 8 of the Notice of Annual General Meeting.

The following resolution was passed by way of poll (detailed results of which are appended as

an appendix hereto):

“Resolved that:

- (A) pursuant to Section 161 of the Companies Act 1967 and the listing rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:
 - (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;
 - (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, “**Instruments**”) including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;
 - (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and
- (B) (Notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force,

provided always that:

- (a) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares) of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company (as calculated in accordance with sub-paragraph (b) below);
- (b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) of the Company at the time this Resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities;
 - (ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed, provided the options or awards were granted in compliance with the provisions of the Listing Manual of the SGX-ST; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of shares;

- (c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Company's Constitution; and
- (d) unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

8. TERMINATION

There being no other business to transact, the Chairman declared the Annual General Meeting of the Company closed and thanked everyone for their attendance.

Mr Chin Koon Yew
(Chairman of the Meeting)

APPENDIX

POLL RESULTS

Resolution Number and Details	Total number of shares represented by votes for and against the relevant resolution	FOR		AGAINST		
		No. of shares	Percentage over total votes for and against the resolution (%)	No. of shares	Percentage over total votes for and against the resolution (%)	
Ordinary Business						
1	Receive and adopt Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors' Statement and the Auditors' Report	266,430,666	266,410,666	99.99	20,000	0.01
2	Re-election of Dr Goi Seng Hui as a Director	266,430,666	266,410,666	99.99	20,000	0.01
3	Re-election of Mr Lim Tong Lee as a Director	266,430,666	266,410,666	99.99	20,000	0.01
4	Approval of Directors' fees of S\$162,000 for the financial year ending 31 December 2024	266,430,666	266,410,666	99.99	20,000	0.01
5	Re-appointment of Messrs BDO LLP as Auditors and to authorise the Directors to fix their remuneration	266,430,666	266,410,666	99.99	20,000	0.01
Special Business						
6	Authority to allot and issue shares	233,310,666	233,290,666	99.99	20,000	0.01

ANNEX A

QUESTIONS RAISED BY SHAREHOLDERS AT THE COMPANY'S ANNUAL GENERAL MEETING HELD ON 24 APRIL 2024 IN RELATION TO THE RESOLUTIONS AND THE RESPONSES MADE IN RELATION THERETO

NO.	QUESTIONS	RESPONSES
<u>Resolution 1 – Receive and adopt Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors’ Statement and the Auditors’ Report</u>		
1.	Shareholder A noted the sharp increase in cocoa bean prices and queried the reasons for the price increment.	<p>Mr Tey How Keong (“Mr Tey”) replied that the sharp increase in cocoa bean prices over a short time period was due to the poor harvest around the world. Mr Tey explained that the forecast on the cocoa bean prices is done every year in the months of July, August and September and the cocoa bean shortage started 3 years ago in major producers such as Ivory Coast, Ghana, Ecuador, Nigeria and Cameroon. Mr Tey further elaborated that by December 2023, exacerbated by El Niño there was a deficit of about 500,000 tonnes cocoa bean around the world. In view of this unprecedented deficit, the cocoa bean prices started to increase exponentially in the second half of the month January 2024.</p> <p>Mr Tey further explained that another reason for the price increment of cocoa bean was due to the strong market demand.</p>
2.	Shareholder A wished to know if the Company foresees producers around the world increasing their cocoa bean output in view of the increased cocoa bean prices.	<p>Mr Tey replied that it is likely that the major producers around the world, with the exception of Ivory Coast and Ghana, will increase their cocoa bean output. He noted that Ivory Coast and Ghana are unlikely to increase production as they have a different cocoa bean pricing system compared to the other major producers. Mr Tey explained most countries trade cocoa beans on the prevailing market price and are incentivised to increase production in view of the increased cocoa bean prices. On the other hand, Ivory Coast and Ghana practise “forward pricing”. In particular, the government of Ivory Coast and Ghana fixed cocoa bean prices for the period from October 2023 to March 2024. Hence, producers in Ivory Coast and Ghana do not benefit from the increase in cocoa bean prices and are not incentivised to increase their production in the same way as the other countries.</p> <p>Mr Tey also pointed out that weather conditions in 2023 were poor and affected the harvesting of cocoa bean.</p>

3.	Shareholder A further queried if the cocoa bean prices will decrease if the weather conditions improve in 2024.	Mr Tey replied that according to world weather forecasts from Australia, the El Niño weather phenomenon in 2023 appeared to have eased in April 2024. However, due to the unpredictability of weather conditions, the Company will continue to monitor the situation closely.
4.	Shareholder A queried on the demand for cocoa bean products and if it is sustainable for the Company to be purchasing cocoa bean at such high prices.	<p>Mr Tey explained that the Company has a “cost-plus” business model. The selling price of the cocoa bean products will be pegged to the purchase prices of the cocoa bean. Hence, under this model, the increase costs are transferred to the end-consumers.</p> <p>Mr Tey noted that not all consumers would reduce their demand in reaction to the higher prices. However, Mr Tey recognised that there are some end-consumers who have sought ways to reduce their reliance on cocoa beans. By way of an example, chocolate manufacturers have since 2015 or 2016, started to reduce the cocoa content of chocolates, thereby reducing their demand for cocoa beans. With some end consumers taking such measures, the market may see a fall in demand.</p>
5.	Shareholder A wished to know if it is beneficial for the Company to maintain high working capital requirements.	<p>Mr Tey replied that a high working capital is not necessarily beneficial for a company as high working capital requirements can translate to a higher financing cost and a corresponding increase in the gearing ratio.</p> <p>Mr Wong explained that the cocoa bean price had indirectly caused the increase in the Company’s working capital requirements and gearing ratio. The Company is exploring ways to secure additional trade credit facilities to manage the surge in the bean prices.</p> <p>Mr Tey explained that the Company had changed its business practice and undertaken certain measures such as requiring advance payments, reducing the stock-in-transit periods, and reducing credit terms. He noted that most of the customers are supportive of this new business practice. Mr Tey also explained that the Company has looked into increasing financing from banks.</p>

6.	Shareholder A queried the US\$12.0 million fair value losses.	<p>Mr Wong explained that the cocoa bean prices has been increasing since the third quarter of 2023 and the fair value losses of US\$12.0 million in relation to the fair value mark-to-market losses (mark-to-market valuation being an accounting standard requirement) were due to timing differences and there were no actual economic losses.</p> <p>Shareholder A further queried that if the cocoa bean prices have been increasing and the Company fixed a lower cocoa bean price for future purchases, why was this difference in purchase price not reflected as a gain.</p> <p>Mr Tey further explained that the \$12.0 million fair value difference was contributed by the timing difference between the time when the cocoa bean purchase price is fixed and when the products will be sold.</p> <p>Mr Tey elaborated as an example that the Company had hedged for the future by fixing cocoa bean purchase price at US\$3,000/MT in October 2023. Since then, the cocoa bean price had increased to US\$4,000/MT as at 31 December 2023 and this resulted in the future loss of US\$1,000/MT in the future account.</p> <p>Mr. Wong further added that the Company is required to mark-to-mark all of the derivative financial instruments as at each financial year, however, the forward purchase and sales contract is not required to mark-to-market.</p> <p>This resulted in timing differences which is more pronounced when cocoa bean prices are volatile.</p>
7.	Shareholder A queried on the US\$2.0 million foreign exchange loss and if companies in Russia transact in US Dollars	<p>Mr Tey explained that the expense for the purchase of cocoa beans from Ivory Coast was denominated in Euros and had to be converted to US Dollars. Due to the volatility of the currencies, the conversion rate was unfavourable at the time of conversion which resulted in the foreign exchange losses.</p> <p>Mr Tey also noted that some companies in Russia are turning to the use of RMB in recent years (as opposed to using US Dollars in the past), in part due to the sanctions placed on Russia.</p>