

JFP Limited Annual General Meeting (AGM)

Date: June 5th 2024

Time: 10:00 AM

Location: The Offices of JFP Limited at 155 Spanish Town Rd, Kingston 11

Attendees:

- **Lisa Bell** - Chairman
 - **Metry Seaga** - Chief Executive Officer (CEO)
 - **Stephen Sirgany** - Chief Operating Officer (COO)
 - **Lisa Sirgany** - General Manager
 - **Adrian Mitchell** – Non-Executive Director
 - **Chantal Bennett** – Non-Executive Director
 - **Lissant Mitchell** – Non-Executive Director
 - **Richard Sirgany** – Non-Independent Non-Executive Director
 - **Luciene Morrison** - Auditor, McKenley and Associates
 - **JCSD Representatives**
 - **Shareholders**
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1. Call to Order

Meeting was called to order at 10:05 AM

Introduction

- **Mrs. Lisa Bell**, the newly appointed Chairman, commenced the meeting at 10:05 AM, expressing her excitement and gratitude for the opportunity to JFP Limited's Annual General Meeting. She emphasized her prior knowledge of the company and her enthusiasm about its potential in the manufacturing sector.
- **Introduction of Key Personnel:**
 - **Metry Seaga** - CEO, with extensive experience and a deep understanding of the company's operations.
 - **Stephen Sirgany** - COO, responsible for overseeing day-to-day operations and ensuring efficiency.
 - **Lisa Sirgany** - General Manager, managing overall business administration and operations.
 - **Adrian Mitchell** - Director, noted for his long-standing commitment and valuable insights into the company's strategic direction.
 - **Chantal Bennett** - Director, recognized for her expertise and contributions to the board.
 - **Lissant Mitchell** - Newly appointed Director, who brings fresh perspectives and energy to the board.
 - **Luciene Morrison** - Auditor from McKenley and Associates, responsible for presenting the financial audit.

2. Welcome Address

- **Chairman Lisa Bell** formally welcomed all attendees, including staff, shareholders, and representatives from JCSD. She expressed her gratitude for their attendance and participation.
- She highlighted the significance of the AGM as a platform to discuss the past year's performance and future strategies.
- Emphasized the company's resilience during the challenging times posed by the COVID-19 pandemic and the potential for growth and innovation.

3. Economic Overview

- **Mrs. Bell (Chairman)** provided an overview of the current economic conditions, noting the lingering impacts of COVID-19 but also highlighting positive signs of recovery:
 - **Tourism Sector:** Highlighted the robust recovery in tourism, with flights to Kingston and Montego Bay fully booked.
 - **Unemployment Rates:** Pointed out the decrease in unemployment rates, indicating a recovering job market.
 - **Economic Growth:** Mentioned the overall economic growth and how it could positively impact JFP Limited.
- Encouraged attendees to adopt a positive outlook, focusing on the opportunities that arise from challenges and leveraging them for growth.

4. Company Performance and Future Outlook

- **Mrs. Bell (Chairman)** acknowledged the challenging year faced by JFP Limited due to economic uncertainties and the impacts of COVID-19.
- Reaffirmed the Board's commitment to the company's growth and success, ensuring that shareholder value remains a top priority.
- Stressed the importance of strategic planning and support from the Board to help the management team navigate and overcome challenges.
- Outlined the company's focus on identifying and capitalizing on new growth opportunities while maintaining a solid operational foundation.

5. CEO Report: Mr. Metry Seaga

- **Mr. Seaga (CEO)** provided a detailed report on the past year's performance:
 - **Challenges:** Discussed significant declines in sales and productivity, and a substantial tax expense that exacerbated the financial situation.
 - **Financial Performance:** Detailed the financial loss of \$58 million for the year, attributed to a \$65 million decline in sales and substantial tax bill
 - **Operational Delays:** Addressed delays in certain projects due to customers' difficulties in securing contractors.
 - **Shipping Rates:** Noted a recent increase in shipping rates, which poses a double-edged sword but can provide a competitive advantage for JFP.

- **Strategic Measures:**
 - **New Contracts:** Announced the securing of contracts in the hospitality sector locally and new brand ventures such as PF Chang in Guyana.
 - **Expansion:** Emphasized ongoing relationships with local brands and major expansion projects.
 - **Operational Improvements:** Highlighted the acquisition of new equipment such as the edge banding machine that has significantly enhanced productivity.
- **Future Outlook:** Expressed optimism about the preliminary Q1 numbers, indicating a positive trajectory and a robust pipeline of projects that promise sustained growth and success.

6. Closing Remarks by Chairman

- **Mrs. Bell** emphasized the importance of resilience and learning from difficult experiences. She reiterated the company's commitment to leveraging these experiences to identify and capitalize on new growth opportunities.
- Encouraged a forward-looking approach, focusing on innovation and strategic initiatives that will drive the company towards achieving optimal results and profitability.
- Expressed confidence in the management team and the Board's collective effort to support the company's vision and mission.

7. Auditor's Presentation

- **Mrs. Luciene Morrison**, the auditor from McKenley and Associates, presented a comprehensive review of the financial sector, detailing the company's financial performance over the past year. The presentation included:
 - **Audit Findings:** Key findings from the financial audit.
 - **Financial Statements:** Detailed review of the balance sheet, income statement, and cash flow statement.

Auditor's Report Presentation:

- **Mrs. Morrison:** Delivered the Independent Auditor's Report for 2023.

Key Points from the Auditor's Report:

Auditors Opinion:

- The financial statements of JFP Limited as of 31st December 2023, present a true and fair view of the company's financial position, performance, and cash flows, in accordance with IFRS and the Jamaican Companies Act.

What Have Been Audited:

- Statement of Financial Position as of 31st December 2023.
- Statement of Comprehensive Income for the year then ended.
- Statement of Cash Flows for the year then ended.
- Statement of Changes in Equity for the year then ended.
- Notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

Basis for Opinion:

- The audit was conducted in accordance with the International Standards on Auditing (ISA). The obtained audit evidence is sufficient and appropriate to provide a basis for the opinion.

Independence:

- The auditors are independent of the company as per the IESBA Code and have fulfilled all ethical responsibilities.

Audit Scope and Materiality:

- Determined materiality and assessed the risk of material misstatements, considering management's subjective judgments and significant accounting estimates.
- Addressed the risk of management override of internal controls.

Key Audit Matters:

- No key audit matters requiring disclosure were encountered during the audit.

Responsibilities of Management and Those Charged with Governance:

- Management is responsible for the preparation of financial statements in accordance with IFRS and the Jamaican Companies Act, and for internal controls to prevent material misstatements.
- Management must assess the company's ability to continue as a going concern.
- Those charged with governance are responsible for overseeing the financial reporting process.

Auditor's Responsibility:

- To obtain reasonable assurance that the financial statements are free from material misstatement due to fraud or error.
- Evaluate the appropriateness of accounting policies, estimates, and disclosures made by management.

- Communicate with those charged with governance about significant audit findings and deficiencies in internal control.

Other Information:

- Management is responsible for other information in the annual report. The auditor's opinion does not cover this information.

Report on Other Legal and Regulatory Requirements:

- As required by the Jamaican Companies Act, all necessary information and explanations were obtained.
- Proper accounting records have been kept, and the financial statements comply with the Act.

Conclusion:

- The engagement partner responsible for the audit is Wilfred McKenley.

. Discussion and Questions:

- No significant questions or issues were raised.

Mrs. Bell (Chairman) Expressed gratitude to Mrs. Morrison and her team for their collaboration with the management team to ensure compliance with statutory and regulatory obligations.

8. AGM Business and Resolutions:

- **Mrs. Bell:** Introduced specific resolutions for consideration and voting by shareholders.

Resolution #1: Adoption of Financial Statements

- **Motion:** Adoption of audited financial statements for the year ending December 31, 2023.
- **Mover:** Miss. Maria Harvey
- **Second:** Mr. Martell Fennell
- **Outcome:** Passed unanimously

Resolution #2: Re-election of Directors by Rotation by re-elected by a single resolution

- **Motion:** Re-election of Mr. Richard Sirgany and Dr. Adrian Mitchell.
- **Mover:** Miss Maria Harvey
- **Second:** Mr. Martell Fennell
- **Outcome:** Passed unanimously.

Resolution #3: Re-election of Directors

- **Motion:** Re-election of Mr. Richard Sirgany and Dr. Adrian Mitchell who are retiring in accordance with Regulation 113 of Articles of Incorporation by and are hereby re-elected as Directors of the Company
- **Mover:** Miss. Maria Harvey
- **Second:** Mr. Martell Fennell
- **Outcome:** Passed unanimously.

Resolution #4: Approval of Non-Executive Directors' Remuneration

- **Motion:** Approval of fees paid to non-executive directors.
- **Mover:** Miss. Maria Harvey
- **Second:** Mr. Martell Fennell
- **Outcome:** Passed unanimously.

Resolution #5: Appointment and Remuneration of Auditors

- **Motion:** Appointment of McKinley and Associates as auditors and authorization for directors to fix their remuneration.
- **Mover:** Miss. Maria Harvey
- **Second:** Mr. Martell Fennell
- **Outcome:** Passed unanimously.

9. Company Update and Future Focus:

- **Mrs. Bell (Chairman):** Provided an overview of the company's modernization efforts, including new machinery and AI integration, aimed at increasing output and efficiency.
- **Future Focus:**
 - Exploring opportunities in the export market, especially in the US.
 - Enhancing local opportunities in the hotel sector.
 - Partnerships with Heart Trust NTA to improve labor productivity.

10. Q&A Session:

- The floor was open for questions from shareholders and attendees. Key discussions included:
 - **Shareholder Concerns:** Addressing concerns about financial loss and the company's strategic response.
 - **Future Plans:** Clarifications on future projects, potential growth sectors, and strategies to enhance shareholder value.
 - **Operational Improvements:** Discussions on how operational efficiencies and new equipment will contribute to productivity gains.
- **Mr. Fennell:** Congratulated the board and management on their achievements despite past losses and inquired about efforts to recover trade receivable of over \$5 million.

- **Maria Harvey:** Explained the provision for bad debts as per IFRS and detailed specific efforts made to recover these amounts.
- **Mrs. Bell:** Added context on challenges faced due to COVID-19 and the company's strategy for managing receivables.
- **Karina Bennett (Jamaica Observer):** Inquired about the company's move into AI.
 - **Mrs. Bell:** Highlighted the inevitability of AI integration in the manufacturing sector.
 - **Mr. Seaga:** Explained the use of AI in various company processes and the adoption of new software for 3D modeling.

11. Closing Remarks:

- **Mrs. Bell:** Thanked the directors and management team for their efforts and the shareholders for their support. Encouraged ongoing vigilance and engagement from shareholders as the company moves forward.

Adjournment:

- **Mrs. Bell:** Officially closed the Annual General Meeting at 10:55 AM on June 5th, 2024.

Minutes Prepared by: Shahim Laptiste (JCSD)

Confirmed:



Chairman

June 5, 2024