JB FOODS LIMITED

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

RESPONSES TO SHAREHOLDERS' QUESTIONS IN RELATION TO THE ANNUAL REPORT 2026

The board of directors (the "**Board**") of JB Foods Limited (the "**Company**" or "**JB Foods**", and together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 14 July 2026 regarding the Company's Annual General Meeting to be held on 29 July 2026 (the "**Announcement**").

Further to the Announcement, the Board received questions from shareholders.

The Board would like to thank the shareholders for the questions raised and is pleased to respond as follows:

Q1. In view of the ongoing geopolitical tensions in the Middle East, potential disruptions to shipping routes and higher energy prices, what impact does the Company expect on its operations and costs?

Cocoa beans remain the principal cost component of the Group's cocoa ingredient products. Accordingly, while increases in energy, freight or logistics costs may have some impact on the Group's operating costs, such impact is generally expected to be less significant compared to movements in cocoa bean prices.

The Group will continue to monitor geopolitical developments and their potential impact on energy, freight and logistics costs. The Group also benefits from diversified sourcing and sales arrangements and maintains flexibility in managing its supply chain and logistics where commercially appropriate.

Q2. Has the Group been able to pass increases in cocoa bean prices to its customers, and how does it manage the potential impact of higher selling prices on customer demand?

The Group generally adopts a cost-plus pricing model, under which cocoa bean costs and other relevant costs are incorporated into the pricing of its cocoa ingredient products.

Additionally, the Group secures and sources cocoa beans based on customers' orders and demand. Accordingly, movements in cocoa bean prices are generally reflected in the selling prices of the Group's products.

Nevertheless, sustained periods of high cocoa bean prices may affect overall chocolate consumption and customer demand, which may in turn affect the Group's sales and production volumes.

Q3. What is management's view on the recent movement in cocoa bean prices, and does the Group expect prices to increase further due to weather and supply concerns?

The Group does not provide forward guidance on cocoa bean prices.

Cocoa bean prices are generally affected by global supply and demand conditions. The International Cocoa Organization's website at https://www.icco.org/statistics/#price provides information on cocoa bean price movements, production and grinding developments.

The Group will continue to monitor market developments and manage its procurement, pricing and risk exposure accordingly.

Q4. Does the Group undertake hedging activities to manage cocoa bean price risk, and how are such activities governed and monitored?

The Group undertakes hedging activities to manage its exposure to cocoa bean price movements arising from its purchase and sales commitments.

The Group's hedging activities are carried out in accordance with its established hedging policy. The Group does not undertake proprietary trading or speculative hedging. Hedging activities are undertaken solely to manage underlying physical cocoa purchase and sales commitments.

The Group's commodity price exposure and hedging positions are reviewed periodically by Management and through the Group's risk management meetings.

Q5. The remuneration of the Executive Directors increased significantly in FY2026, mainly due to higher performance-based bonuses. However, the Corporate Governance Report states that no Remuneration Committee meeting was held during FY2026. How were the bonuses determined, and how did the Remuneration Committee and the Board exercise oversight over the remuneration process?

The increase in the remuneration of the Executive Directors for FY2026 was primarily attributable to higher performance-based bonuses under the Group's established profit-sharing framework, reflecting the Group's significantly improved financial performance during the year.

The profit-sharing framework had previously been reviewed and endorsed by the Remuneration Committee ("**RC**") and approved by the Board. There was no change to its structure or methodology during FY2026. The bonuses were calculated in accordance with the approved framework and subsequently reviewed by the RC before being recommended to the Board for approval.

The remuneration framework is designed to align executive remuneration with the Group's performance and long-term shareholder interests. Accordingly, a significant portion of the Executive Directors' remuneration is performance-based and varies with the Group's financial performance, while the fixed remuneration component remains relatively stable.

The Group's profit before tax increased significantly to approximately US$107 million in FY2026. The higher remuneration was therefore mainly attributable to the improvement in the Group's profitability rather than an increase in fixed remuneration. The remuneration framework is therefore designed to balance pay-for-performance principles with the need to retain key executives responsible for executing the Group's long-term strategy and delivering sustainable shareholder returns.

To clarify, the Company's established practice is for the RC to meet at least annually to review remuneration matters. Due to the change in the Company's financial year-end, the preceding financial period covered 15 months from 1 January 2024 to 31 March 2025. During that period, the RC met twice, on 27 February 2024 and 26 February 2025. The RC meeting held on 26 February 2025 was therefore not recorded as a meeting held during FY2026.

FY2026 covered the 12-month period from 1 April 2025 to 31 March 2026. The RC met on 23 April 2026, shortly after the financial year-end when the full-year financial performance was available for review, to consider the FY2026 remuneration outcomes before making its recommendation to the Board. As the meeting was held after 31 March 2026, it was not reflected as a meeting held during FY2026 in the Corporate Governance Report.

Accordingly, the absence of an RC meeting during the FY2026 reporting period should not be interpreted as an absence of oversight. The remuneration outcomes were determined in accordance with the previously approved remuneration framework and were subsequently reviewed by the RC and the Board through the Company's established governance process.

The Board is satisfied that the remuneration outcomes were determined in accordance with the Company's approved remuneration framework and established governance processes.

BY ORDER OF THE BOARD

LIM TONG LEE
Independent Director & Chairman
23 July 2026