



26 February 2021

Minority Shareholders Watch Group

(Badan Pengawas Pemegang Saham Minoriti Berhad)

Tingkat 11, Bangunan KWSP

No. 3, Changkat Raja Chulan

Off Jalan Raja Chulan

50200 Kuala Lumpur

Attn: Mr Devanesan Evanson (Chief Executive Officer)

Extraordinary General Meeting ("EGM") of Latitude Tree Holdings Berhad ("Latitude") to be held on Friday, 26th February 2021

Reference is made to your letter dated 15 February 2021.

Refer below for reply to your query.

Corporate Governance (ESS)

Question:

The Company intends to extend its ESS ("Employee Share Scheme") to its Independent Non-Executive Directors ("INEDs"). In line with better corporate governance, MSWG does not encourage the practice of giving options to independent non-executive directors as they play an independent role (and not an executive role) in the Company and are responsible for monitoring the option allocation to employees and executive directors.

The risk is that the independent director may be fixated with the share price and this may affect their impartial decision-making, which should be made without reference to share price considerations.

What are the performance metrics that will be adopted by the ESS Committee to assess the eligibility of INEDs under the ESS?

Reply:

The Company's proposal to include the INEDs in the Proposed ESS is to recognise their contributions towards the growth and performance of Latitude Group.

Whilst the Company is proposing the ESS to be extended to INEDs, the Company has yet to put forth any allocation to INEDs. Proposed allocations to INEDs in the future, if any, is subject to shareholders of the Company approving such allocations.

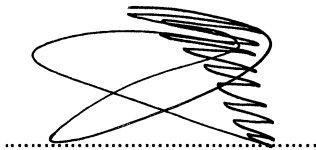
Any allocations to INEDs are to be deliberated by the ESS Committee which shall comprise persons from the Board and/or Senior Management of the Group. All Selected Person (including INEDs) are required to abstain from all deliberation or discussion of their own allocation and/or allocation to persons connected to them.

In compliance with Bursa Malaysia Securities Berhad's Main Market Listing Requirements, INEDs are not to sell, transfer or assign Latitude Shares obtained pursuant to an offer made to him/her or new Latitude Shares obtained through the exercise of ESS Options within one (1) year from the date of the offer of the Awards to him/her. Such one year requirement should help to address the concerns raised by MSWG.

Should the Proposed ESS be approved at this EGM, an ESS Committee will be established to administer the ESS and decide on the appropriate performance metrics at the material time.

Thank you.

Yours Sincerely,
Latitude Tree Holdings Berhad

A handwritten signature in black ink, appearing to read 'Lin, Chin-Hung', is written over a horizontal dotted line.

Name: Lin, Chin-Hung
Designation: Managing Director