

LATITUDE TREE HOLDINGS BERHAD
(Registration No.: 199401017151 (302829-W))
(Incorporated in Malaysia)

MINUTES OF THE TWENTY-SIXTH ANNUAL GENERAL MEETING OF THE COMPANY HELD VIA A FULLY VIRTUAL PLATFORM AT THE BROADCAST VENUE AT MEETING ROOM, LEVEL 7, MENARA MILENIUM, JALAN DAMANLELA, PUSAT BANDAR DAMANSARA, DAMANSARA HEIGHTS, 50490 KUALA LUMPUR, WILAYAH PERSEKUTUAN ON TUESDAY, 15 DECEMBER 2020 AT 2.00 P.M.

PRESENT:

DIRECTORS

Dato' Dr Norraesah Binti Haji Mohamad (Chairperson)
Lin Chen, Jui-Fen
Lin, Chin-Hung
Toh Seng Thong
Yek Siew Liong¹

IN ATTENDANCE

Yeoh Joe Son - Company Secretary and Group Financial Director
Wong Siew Yeen - Company Secretary

BY INVITATION

Fong Toh Wai - Group Financial Controller
Chuan Yee Yang¹ - Representing Messrs Ernst & Young PLT ("EY")

SHAREHOLDERS/PROXY HOLDERS

The list of shareholders and proxies who participated the meeting via Remote Participation and Voting Facilities ("RPV") is set out in the Attendance Summary attached and shall form an integral part of this minutes.

Note:

¹Participated vide video-conferencing

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CHAIRMAN

Dato' Dr Norraesah Binti Haji Mohamad being the Chairman of the Board of Director presided as Chairman of the Meeting, extended a warm welcome to all members, proxies and invitees (collectively known as the "Attendees") to the Twenty-Sixth Annual General Meeting ("26th AGM"), which conducted through live streaming and online participation by using Remote Participation and Voting Facilities ("RPV"), in compliance with Section 327 of the Companies Act, 2016 and Clause 64 of the Constitution of the Company.

The Chairman reiterated that the 26th AGM was conducted virtually via RPV as a precautionary measure in view of the Covid-19 pandemic as the shareholders' safety is of paramount importance to the Company and to adhere to the Government's advice of not having mass gatherings to curb the spread of the virus.

The Chairman introduced the Board of Directors ("the Board") and Company Secretary who attended the 26th AGM at the Broadcast Venue and further informed that in view of the travel restrictions related to the Covid-19 pandemic, one of the Director, namely Mr Yek Siew Liong was not able to attend the 26th AGM at the Broadcast Venue and he joined the 26th AGM remotely via video conferencing. The Chairman then introduced the Auditors who participated in the 26th AGM remotely.

The Attendees were also informed to refrain from any modes of recordings on the proceedings of the 26th AGM in view that this is a private meeting with the shareholders of the Company and should not be allowed access to the public.

QUORUM

The Company Secretary confirmed that a quorum was present for the Meeting. With the requisite quorum being present, the Meeting was called to order by the Chairman.

NOTICE

The Chairman announced that the Notice convening the Meeting was taken as read as it had been circulated for the prescribed period. The Chairman then proceeded with the business of the 26th AGM.

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SUMMARY OF PROXIES RECEIVED

The Chairman announced that a total of fifteen (15) proxy forms representing Sixty-Three Million Three Hundred Six Thousand Five Hundred and Three (63,306,503) ordinary shares or 66.46% of the issued shares capital of the Company were received, out of which twelve (12) shareholders, representing Forty-Eight Million Six Hundred and Ninety-Six Thousand Four Hundred and Three (48,696,403) ordinary shares or 51.12% of issued share capital of the Company have appointed the Chairman of the Meeting as proxy to vote on their behalf.

The Chairman then announced that as at 48 hours before the commencement of the meeting, a total 45 shareholders and/or proxies have registered for RPV. As at the commencement of the meeting, there were 25 shareholders and/or proxies present via RPV.

RIGHTS OF SHAREHOLDERS

The Chairman informed the shareholders that they are encouraged to participate at the Meeting by raising questions to the Board via real time submissions of typed texts via the Text Box at any time until the announcement on the closure of the Questions & Answers (“Q&A”) session.

POLLING

The Chairperson informed the Attendees that pursuant to Clause 78 of the Constitution of the Company, all resolutions set out in the Notice of the 26th AGM must be voted by poll. Accordingly, Dato’ Dr Norraesah Binti Haji Mohamad (“Dato’ Dr Norraesah”) in her capacity as Chairman of the Meeting, demanded for poll to be taken on all the resolutions set forth in the Notice of the 26th AGM.

The Chairperson also informed that the Company has appointed SS E Solution Sdn. Bhd. as the Poll Administrator to conduct the poll process by way of online voting and Commercial Quest Sdn. Bhd. as the Independent Scrutineer to verify the poll results.

The shareholders and proxies were reminded that the voting session was available at any time from the commencement of the 26th AGM through e-Portal until the closure of the voting session to be announced by the Chairman later. The results of the poll voting and declaration of poll results would be announced after the Scrutineer have verified the poll results upon the closure of the voting session.

The video explaining on the voting procedure via online voting module within the e-Portal was then shown on the screen to guide the shareholders and proxies.

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AGENDAS OF 26th AGM

The Chairman then proceeded with the agenda items set out in the Notice of the 26th AGM.

The Chairman informed that there were seven (7) Ordinary Resolutions and two (2) Special Resolutions to be tabled for the consideration and approval of the shareholders at this Meeting.

The Chairman further informed that the first item on the agenda was to receive the Audited Financial Statements (“AFS”) of the Company and Group for the financial year ended 30 June 2020 together with the Directors’ and the Auditors’ Reports and the said AFS is meant for discussion only as the provision of Section 340 of Companies Act (“the Act”) does not require formal approval from shareholder. Hence, it would not be put for vote.

Thereafter, the Chairman tabled and read out each of the Resolution set out in the Notice of Meeting.

QUESTION AND ANSWER (“Q&A”) SESSION

The Chairman informed that the Company have received questions from the Minority Shareholders Watch Group (“MSWG”) and the reply (a copy of which is attached herewith) shown on the screen will be posted on the Company’s website.

The Chairman then handover the Q&A session to Mr Yeoh Joe Son, the Group Finance Director and Mr Fong Toh Wai, the Group Financial Controller (“the Management”) of the Company to address the relevant questions accordingly. The key matters discussed were as follows:

i) Food voucher and E-wallet as a token of appreciation to the Shareholders

The Company took note of the request and may consider in future. However, the Company appreciate quality shareholders and rewarding the Shareholders with dividends pay-out.

ii) Requisition of hard copy of the Annual Report 2020 (“AR”)

The shareholder was suggested to liaise with the Company’s Share Registrar and upon receive of the duly completed requisition form, the hardcopy will be sent accordingly.

iii) High inventories level despite increase in sales of RM40.2 million in the first quarter financial year 2021 (“FY2021”) and the current value of finished goods

It was informed that the inventories level remains high at approximately RM192.6 million as at the First Quarter ended 30 September 2020 mainly due shipment delay as a result of the pandemic lockdown. The current value of finished goods as at 30th October 2020

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recorded at RM70 million as compared to RM61 million as at 30 June 2020. The increase was mainly due to insufficient containers resulted our buyers failed to secure sufficient containers for their goods, thus many shipments of their goods were delayed.

iv) Vietnam operation performance

Based on current order in hand up to October 2021, the Company hopes that the Vietnam operation will be able to sustain its performance for the financial year ending 2021 ("FY2021"). However, the main challenges faced are relating to shipment due to insufficient containers issue and the foreign exchange rate as a result of US dollar weakening.

v) Unutilised investment allowance, capital allowances and unabsorbed tax losses

The Management informed that the tax credits are derived from the Company's panel board lamination factory and was is in breakeven position in FY2020, therefore, the tax credit was not utilised in FY2020. However, the Company is confident that in upcoming financial years, the Company is able to utilise these tax credits as we anticipate the Company will be making profit from FY2021 onwards.

vi) The usage of the Trust Receipt as main financing option for its Business

The usage of trust receipt is to finance for short-term cash flow requirement with low interest rate.

vii) Business Condition and Business Plan for the Current Year

The Company is confident FY2021 will be a better year compared to FY2020 based on the current order in-hand and the new expansion of upholstery facility. However, the Company is unable to disclose the Business Plan for confidential reason.

viii) Current order lead time

The current order lead time is abnormal due to the Covid-19 pandemic. The current orders on hand were up to October 2021.

ix) Increase in dividend pay-out

The Company took note of the request and will consider to better reward our Shareholders in future subject to performance of the Company.

There being no other questions from the shareholders and/or proxies, the Chairman declared that the AFS 2020 together with the Directors' Report and Independent Auditors' Report thereon were received and noted.

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VOTING

After the closure of the Q&A session, the Chairman reminded the shareholders to cast their vote if they have not submitted earlier. The Chairperson then allocated another ten (10) minutes before she announced that the voting session closed at 2.30 pm.

The Chairman informed that the tabulation of the votes by the Poll Administrator and validation of the results by the Independent Scrutineer would take approximately 10 minutes to complete. She then announced that the Meeting was adjourned and shall resume for the declaration of the voting results thereafter.

ANNOUNCEMENT OF POLL RESULTS FOR RESOLUTIONS

At 2.50 p.m., the Chairperson resumed the Meeting for the declaration of results of the poll voting received from the Independent Scrutineer.

The Chairperson then read out the results of the poll as follows:

(i) Ordinary Resolution 1

Ordinary Resolution 1	Votes For			Votes Against		
	No. of Shareholders	No. of Votes	%	No. of Shareholders	No. of Votes	%
Approval of a final single tier dividend of 3.0 sen per ordinary share for the financial year ended 30 June 2020.	39	63,318,315	100.0000	0	0	0.0000

The Chairman of the Meeting declared that Ordinary Resolution 1 was duly passed and RESOLVED as follows:-

“THAT the final single tier dividend of 3.0 sen per ordinary share for the financial year ended 30 June 2020 be and is hereby approved for payment on 31 December 2020 to shareholders whose names appear on the Record of Depositors as at 18 December 2020.

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Ordinary Resolution 2	Votes For			Votes Against		
	No. of Shareholders	No. of Votes	%	No. of Shareholders	No. of Votes	%
Approval of payment of Directors' Fees and Benefits Payable to the Directors up to an aggregate amount of RM268,500.00 for the period from 15 December 2020 until the next AGM of the Company to be paid quarterly in arrears.	35	63,316,265	99.9968	4	2,050	0.0032

The Chairman of the Meeting declared that Ordinary Resolution 2 was duly passed and RESOLVED as follows:-

“THAT the payment of Directors' Fees and Benefits Payable to the Directors up to an aggregate amount of RM268,500.00 for the period from 15 December 2020 until the next AGM of the Company to be paid quarterly in arrears be and is hereby approved.”

(iii) Ordinary Resolution 3

Ordinary Resolution 3	Votes For			Votes Against		
	No. of Shareholders	No. of Votes	%	No. of Shareholders	No. of Votes	%
Re-election of Mr Yek Siew Liong as Director of the Company, who is retiring pursuant to Clause 96 of the Company's Constitution.	37	63,316,300	99.9968	2	2,015	0.0032

The Chairman of the Meeting declared that Ordinary Resolution 3 was duly passed and RESOLVED as follows:-

“THAT the retiring Director, namely Mr Yek Siew Liong who retired pursuant to Clause 96 of the Company's Constitution, be and is hereby re-elected as Director of the Company.”

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Ordinary Resolution 4	Votes For			Votes Against		
	No. of Shareholders	No. of Votes	%	No. of Shareholders	No. of Votes	%
Re-election of Mr Toh Seng Thong as Director of the Company who is retiring pursuant to Clause 96 of the Company's Constitution.	37	63,316,300	99.9968	2	2,015	0.0032

The Chairman of the Meeting declared that Ordinary Resolution 4 was duly passed and RESOLVED as follows:-

“THAT the retiring Director, namely Mr Toh Seng Thong who retired pursuant to Clause 96 of the Company's Constitution, be and is hereby re-elected as Director of the Company.”

(v) Ordinary Resolution 5

Ordinary Resolution 5	Votes For			Votes Against		
	No. of Shareholders	No. of Votes	%	No. of Shareholders	No. of Votes	%
Re-appointment of Messrs Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	39	63,318,315	100.0000	0	0	0.0000

The Chairman of the Meeting declared that Ordinary Resolution 5 was duly passed and RESOLVED as follows:-

“THAT the retiring Auditors, Messrs Ernst & Young PLT having signified their consent to act, be and is hereby re-appointed as Auditors of the Company for the ensuing year until the conclusion of the next AGM at a fee to be determined by the Directors.”

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Ordinary Resolution 6	Votes For			Votes Against		
	No. of Shareholders	No. of Votes	%	No. of Shareholders	No. of Votes	%
Proposed renewal of authority for the Company to purchase its own shares.	38	63,318,300	100.0000	1	15	0.0000

The Chairman of the Meeting declared that Ordinary Resolution 6 was duly passed and RESOLVED as follows:-

“THAT subject to the Act, the Constitution of the Company, the Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“MMLR”) and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to utilise the maximum amount of funds available in the Company which shall not exceed the Company’s aggregate retained earnings to purchase such amount of ordinary shares in the Company (“Proposed Renewal of Share Buy-Back Authority”) as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company;

THAT an amount not exceeding the Company's retained earnings account be allocated by the Company for the Proposed Renewal of Share Buy-Back Authority; THAT authority be and is hereby given to the Directors of the Company to decide at their absolute discretion to either cancel and/or retain the shares so purchased as treasury shares (in accordance with Section 127 of the Act).

THAT the authority conferred by this resolution will be effective immediately upon the passing of this resolution and will expire at:

- (i) the conclusion of the next AGM of the Company following the 26th AGM, at which such resolution was passed, at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first,

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but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any);

AND THAT the Directors of the Company be authorised to take all steps necessary to implement, complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Share Buy-Back Authority as may be agreed or allowed by any relevant governmental and/or regulatory authority.”

(vii) **Special Business - Ordinary Resolution 7**

Ordinary Resolution 7	Votes For			Votes Against		
	No. of Shareholders	No. of Votes	%	No. of Shareholders	No. of Votes	%
Authority for Mr Toh Seng Thong to continue in office as Independent Director.	37	63,316,300	99.9968	2	2,015	0.0032

The Chairman of the Meeting declared that Ordinary Resolution 7 was duly passed and RESOLVED as follows:-

“THAT approval be and is hereby given to Mr Toh Seng Thong who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM.”

(viii) **Special Business – Special Resolution 1**

Special Resolution 1	Votes For			Votes Against		
	No. of Shareholders	No. of Votes	%	No. of Shareholders	No. of Votes	%
Proposed renewal of authority under Section 76 of the Companies Act 2016 for the Directors to allot and issue shares.	34	63,313,765	99.9928	5	4,550	0.0072

The Chairperson of the Meeting declared that Special Resolution 1 was duly passed and RESOLVED as follows:-

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“THAT, pursuant to Section 76 of the Act, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury share, if any) of the Company for the time being, subject always to the approval of all relevant Regulatory Authorities being obtained for such allotment and issuance.”

(ix) **Special Business – Special Resolution 2**

Special Resolution 2	Votes For			Votes Against		
	No. of Shareholders	No. of Votes	%	No. of Shareholders	No. of Votes	%
Proposed amendment to the Company’s Constitution	35	63,316,265	99.9968	4	2,050	0.0032

The Chairperson of the Meeting declared that Special Resolution 2 was duly passed and RESOLVED as follows:-

“THAT the proposed amendment to the Company’s Constitution (“Proposed Amendment”) as per Appendix 1 attached to the Notice of the 26th AGM, be and is hereby approved.

AND THAT the Directors of the Company be and are hereby authorised to assent to any conditions, variations, modifications and/or amendments as may be required by any relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the Proposed Amendment for and on behalf of the Company.”

CONCLUSION

There being no other business to be transacted, the Meeting closed at 3:00 p.m. with a note of thanks to the Chair.

SIGNED AS A CORRECT RECORD



CHAIRMAN

Dated: 15 December 2020