

LATITUDE TREE HOLDINGS BERHAD

(Company No. 302829-W)

(Incorporated in Malaysia)

MINUTES OF THE TWENTY-FOURTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT PUTRA ROOM, KELAB GOLF SULTAN ABDUL AZIZ SHAH, NO. 1, RUMAH KELAB, JALAN KELAB GOLF 13/6, 40100 SHAH ALAM, SELANGOR DARUL EHSAN ON TUESDAY, 27 NOVEMBER 2018 AT 2.00 P.M.

PRESENT:

DIRECTORS

Dato' Dr Norraesah Binti Haji Mohamad
(Chairperson) - Also the proxy for HSBC (Tempatan) Sdn. Bhd. and Maybank Nominees (Tempatan) Sdn Bhd

Lin Chen, Jui-Fen - Also a shareholder

Lin, Chin-Hung - Also a shareholder

Toh Seng Thong

Yek Siew Liong

SHAREHOLDERS

The shareholders and proxyholders who attended the Meeting are set out in the Attendance Lists attached and shall form an integral part of these Minutes.

IN ATTENDANCE

Yeoh Joe Son - Company Secretary and Financial Director

Wong Siew Yeen - Company Secretary

BY INVITATION

Fong Toh Wai - Financial Controller

Teoh Soo Hock - Representing Messrs Ernst & Young ("EY")

Ow Jing Ci - Representing Boardroom Corporate Services (KL) Sdn Bhd ("Boardroom")

Wong Xiao Huei - Representing Boardroom

CHAIRPERSON

Dato' Dr Norraesah Binti Haji Mohamad being the Chairperson of the Board of Director presided as Chairperson of the Meeting and welcomed all members to the Meeting.

The Chairperson thereafter introduced the Board of Directors ("the Board") and the Company Secretary to the shareholders.

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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 Chairperson.

NOTICE

With the consent of the members present, the Notice convening the Meeting having been circulated for the prescribed period was taken as read. The Chairperson then proceeded with the business of the Twenty-Fourth Annual General Meeting ("24th AGM").

As part of good corporate governance, the Chairperson reported that the Company have received in total Seventeen (17) proxy forms from shareholders for a total of Twenty-Nine Million Five Hundred Forty-Four Thousand One Hundred and Fifty (29,544,150) ordinary shares representing 30.48% of the total number of issued shares of the Company.

VOTING BY POLL

The Chairperson informed that all resolutions set out in the Notice of the 24th AGM must be voted by poll. The polling process for all resolutions would be conducted after completion of the deliberation of all Agenda items on the Notice of the 24th AGM.

Dato' Dr Norraesah Binti Haji Mohamad ("Dato' Dr Norraesah") exercised her right as Chairperson of the meeting to demand for poll in accordance with Article 68 of the Company's Articles of Association of the Company in respect of all resolutions which would be put to vote at the meeting.

The Chairperson further informed that the Company has appointed Commercial Quest Sdn. Bhd. as the independent scrutineers to facilitate the poll process. The Meeting shall go through all the motions and proceed with the polling process after the last motion has been tabled and deliberated.

The Chairperson then proceeded with the agenda items set out in the Notice of the 24th AGM.

1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

The Audited Financial Statements ("AFS") of the Company for the financial year ended 30 June 2018 together with the Directors' and the Auditors' Reports thereon were tabled for discussion.

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The Chairperson informed that the AFS for the financial year ended 30 June 2018 were meant for discussion only and does not require approval from shareholders of the Company pursuant to the Companies Act 2016 (“the Act”). Hence, it would not be put for vote.

The Chairperson then opened to the floor for questions pertaining to the AFS of the Company for the financial year ended 30 June 2018 together with the Directors’ and the Auditors’ Reports thereon which had been previously circulated to all shareholders.

A number of shareholders and proxies made comments and sought clarification on various issues. The salient issues raised were as follows:-

- (i) What is the current factory capacity utilization in Malaysia and Vietnam and whether the Company would be benefited from the trade war between US and China.

The Company’s response:-

The factory capacity, currently both factories in Vietnam and Malaysia running at approximately 90%. If the trade war continues, the Management foreseen the order may be increased by 10% to 20%. Therefore, the Company can be more selective in accepting orders with better pricing.

- (ii) As a manufacturer of Original Equipment Manufacturers (OEMs), does the Company have any plan to start on its own brand.

The Company’s response:-

The Company had been the manufacturer of OEMs over 20 years and at this moment the Company does not have any plan to set up its own brand.

- (iii) Recommended the Company to insert a summary of performance and financial statement in the Annual Report Abridged Version sent to shareholders moving forward.

The Company’s response:-

The Management took note of the recommendation.

- (iv) The reason for the substantial decreased in the revenue, gross profit and net profit in financial year (“FY”) 2018 as compared to FY2017.

The Company’s response:-

The main reason of the decrease in revenue as compared to FY2017 was due to the weakening of the United States Dollar against the Ringgit Malaysia by 4.9%, lower orders received by furniture plants amounting to USD2.9 million

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and discounts given to our customers in order to compete for orders with other manufacturers in Vietnam.

For the declined in the Group's gross profit, the main reasons were due to decrease in revenue, higher average prices of raw materials, higher sales of lower margin products and higher labour costs in Vietnam plant due to increase in minimum wages.

There is also an increase in other expenses and one off cost off RM13.1 million written off due to the fire incident occurred in FY2018. Insurance claim on the fire incident is still in progress.

- (v) What will be the outlook of the Company in year 2019.

The Company's response:-

The Company is expected a positive growth due to shifting of orders out of China impacted by the ongoing US-China trade war. The raw material prices are expected to be less volatile as compare to last year. However, higher labour costs in Malaysia and Vietnam would be a challenge for the Company.

After addressed all the above questions, the Chairperson declared that the AFS of the Company for the financial year ended 30 June 2018 together with the Directors' and the Auditors' Reports thereon be and are hereby received by the shareholders and proxies.

With that, the Chairperson proceeded to the following resolutions to the meeting for approval.

**2. ORDINARY RESOLUTION 1
FINAL TAX EXEMPT DIVIDEND**

The Chairperson informed that the first resolution on payment of Final Tax Exempt Dividend of 6.0 sen per ordinary share for the financial year ended 30 June 2018.

The Ordinary Resolution 1 was tabled and voted by poll.

**3. ORDINARY RESOLUTION 2
DIRECTORS' FEES AND BENEFITS PAYABLE**

The Ordinary Resolution 2 on payment of Directors' Fees and Benefit Payable to Directors amount up to an aggregate amount of RM346,500.00 for the financial period from 28 November 2018 until the next AGM of the Company to be paid quarterly in arrears was tabled and voted by poll.

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**4(i). ORDINARY RESOLUTION 3
RE-ELECTION OF DIRECTOR – MR TOH SENG THONG**

The Chairperson informed that pursuant to Articles 85 and 113 of the Company's Articles of Association, Mr Toh Seng Thong retired as a Director of the Company and being eligible, has offered himself for re-election.

The Ordinary Resolution 3 was tabled and voted by poll.

**4(ii). ORDINARY RESOLUTION 4
RE-ELECTION OF DIRECTOR - MR YEK SIEW LIONG**

The Chairperson informed that pursuant to Articles 85 and 113 of the Company's Articles of Association, Mr Yek Siew Liong retired as a Director of the Company and being eligible, has offered himself for re-election.

The Ordinary Resolution 4 was tabled and voted by poll.

**5. ORDINARY RESOLUTION 5
RE-APPOINTMENT OF DIRECTOR – DATO' DR NORRAESAH BINTI
HAJI MOHAMAD**

The Chairperson informed the Meeting that in view that she was interested in the motion, invited Mr Toh Seng Thong, the Audit Committee Chairman, to take over the Chair.

The Audit Committee Chairman informed that pursuant to Article 89 of the Company's Articles of Association, Dato' Dr Norraesah Binti Haji Mohamad retired as a Director of the Company and being eligible, has offered herself for re-election.

The Ordinary Resolution 5 was tabled and voted by poll.

Mr Toh Seng Thong handed the chair back to Dato' Dr Norraesah Binti Haji Mohamad to continue with the Meeting.

**6. ORDINARY RESOLUTION 6
RE-APPOINTMENT OF AUDITORS**

The Chairperson informed that the Auditors, Messrs Ernst & Young had expressed their willingness to continue office as Auditor of the Company for the ensuing year.

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The Ordinary Resolution 6 was tabled and voted by poll.

**7. ORDINARY RESOLUTION 7
AUTHORITY UNDER SECTION 76 OF THE ACT FOR THE DIRECTORS
TO ALLOT AND ISSUE SHARES**

The Chairperson informed that the proposed Agenda was a renewal of the general mandate for issuance of shares by the Company under Section 76 of the Act. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares (excluding treasury shares, if any) of the Company for such purpose as the Directors consider would be in the interest of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The Ordinary Resolution 7 was tabled and voted by poll.

**8. ORDINARY RESOLUTION 8
PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO
PURCHASE ITS OWN ORDINARY SHARES**

The Chairperson highlighted that the details and rationale for the renewal of the share buy-back authority were set out in the Statement to Shareholders dated 29 October 2018.

The Ordinary Resolution 8 was tabled and voted by poll.

**9. ORDINARY RESOLUTION 9
AUTHORITY TO CONTINUE IN OFFICE AS INDEPENDENT DIRECTOR
MR TOH SENG THONG**

The Chairperson informed the members that Mr Toh Seng Thong has served as Independent Director for a cumulative term of more than twelve (12) years and therefore seeking shareholders' approval for him to continue to act as Independent Director of the Company until the conclusion of the next AGM.

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The Chairperson further informed the Meeting that Mr Toh Seng Thong has fulfilled the criteria of independence as set out in the Main Market Listing Requirement (“MMLR”) of Bursa Malaysia Securities Berhad. The members were advised to refer the explanatory note as set out in the Notice of 24th AGM for further information.

The Ordinary Resolution 9 was tabled and voted by poll.

10. SPECIAL RESOLUTION
PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY

The Chairperson informed that the final agenda is to obtain the approval from shareholders for the proposed adoption of new Constitution of the Company.

After the Secretary briefed on the main changes to the Constitution, the Special Resolution was tabled and voted by poll.

BALLOTING PROCESS

After completion of the deliberation of all Agenda items on the Notice of the 24th AGM, the Chairperson of the Meeting requested the Scrutineer to brief on the polling procedure. The Secretary informed all shareholders and/or proxies to complete the polling form correctly and to sign on the polling form. The polling forms were to be deposited into the ballot box. It would take some time to tabulate the results of the poll and the outcome of the poll would be announced after a break of about thirty (30) minutes.

The Chairperson then adjourned the Meeting at 2.40 p.m. for the Scrutineers to tabulate the results of the poll. The Meeting resumed at 3.05 p.m. for the declaration of the results of the poll.

ANNOUNCEMENT OF POLL RESULTS FOR RESOLUTIONS

At 3.05 p.m., the Chairperson called the Meeting to order for the declaration of results. She informed that she had received the poll results from the Scrutineer, Commercial Quest Sdn. Bhd..

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

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Ordinary Resolution 1	Votes in favour		Votes against	
	No. of Votes	%	No. of Votes	%
Approval of a final tax exempt dividend of 6.0 sen per ordinary share for the financial year ended 30 June 2018.	59,824,358	100.000	0	0.000

The Chairperson of the Meeting declared that Ordinary Resolution 1 was duly carried. Accordingly, it was RESOLVED:-

“That the final tax exempt dividend of 6.0 sen per ordinary share for the financial year ended 30 June 2018 be and is hereby approved for payment on 21 December 2018 to shareholders whose names appear on the Record of Depositors as at 30 November 2018.”

(ii) Ordinary Resolution 2

Ordinary Resolution 2	Votes in favour		Votes against	
	No. of Votes	%	No. of Votes	%
Approval of payment of Directors' Fees and Benefits Payable to the Directors up to an aggregate amount of RM346,500.00 for the period from 28 November 2018 until the next AGM of the Company to be paid quarterly in arrears.	59,824,358	100.000	0	0.000

The Chairperson of the Meeting declared that Ordinary Resolution 2 was duly carried. Accordingly, it was RESOLVED:-

“That the payment of Directors' Fees and Benefits Payable to the Directors up to an aggregate amount of RM346,500.00 for the period from 28 November 2018 until the next AGM of the Company to be paid quarterly in arrears be and is hereby approved.”

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Ordinary Resolution 3	Votes in favour		Votes against	
	No. of Votes	%	No. of Votes	%
Re-election of Mr Toh Seng Thong as Director of the Company, who is retiring pursuant Articles 85 and 113 of the Articles of Association of the Company.	59,824,358	100.000	0	0.000

The Chairperson of the Meeting declared that Ordinary Resolution 3 was duly carried. Accordingly, it was RESOLVED:-

“That the retiring Director, namely Mr Toh Seng Thong who retired pursuant Articles 85 and 113 of the Articles of Association of the Company, be and is hereby re-elected as Director of the Company.”

(iv) Ordinary Resolution 4

Ordinary Resolution 4	Votes in favour		Votes against	
	No. of Votes	%	No. of Votes	%
Re-election of Mr Yek Siew Liong as Director of the Company who is retiring pursuant Articles 85 and 113 of the Articles of Association of the Company.	59,824,358	100.000	0	0.000

The Chairperson of the Meeting declared that Ordinary Resolution 4 was duly carried. Accordingly, it was RESOLVED:-

“That the retiring Director, namely Mr Yek Siew Liong who retired pursuant Articles 85 and 113 of the Articles of Association of the Company, be and is hereby re-elected as Director of the Company.”

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Ordinary Resolution 5	Votes in favour		Votes against	
	No. of Votes	%	No. of Votes	%
Re-appointment of Dato' Dr Norraesah Binti Haji Mohamad as Director of the Company.	59,823,158	100.000	0	0.000

The Chairperson of the Meeting declared that Ordinary Resolution 5 was duly carried. Accordingly, it was RESOLVED:-

“That the retiring Director, namely Dato' Dr Norraesah Binti Haji Mohamad who retired pursuant to Articles 89 of the Company's Articles of Association, be and is hereby re-appointed as Director of the Company.”

(vi) Ordinary Resolution 6

Ordinary Resolution 6	Votes in favour		Votes against	
	No. of Votes	%	No. of Votes	%
Re-appointment of Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.	59,824,358	100.000	0	0.000

The Chairperson of the Meeting declared that Ordinary Resolution 6 was duly carried. Accordingly, it was RESOLVED:-

“That the retiring Auditors, Messrs Ernst & Young 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.”

(vii) Ordinary Resolution 7

Ordinary Resolution 7	Votes in favour		Votes against	
	No. of Votes	%	No. of Votes	%
Proposed renewal of authority under Section 76 of the Companies Act 2016 for the Directors to allot and issue shares.	59,824,358	100.000	0	0.000

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The Chairperson of the Meeting declared that Ordinary Resolution 7 was duly carried. Accordingly, it was RESOLVED:-

“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.”

(viii) Ordinary Resolution 8

Ordinary Resolution 8	Votes in favour		Votes against	
	No. of Votes	%	No. of Votes	%
Proposed renewal of authority for the Company to purchase its own shares.	59,824,358	100.000	0	0.000

The Chairperson of the Meeting declared that Ordinary Resolution 8 was duly carried. Accordingly, it was RESOLVED:-

“THAT subject to the Act, the Memorandum and Articles of Association of the Company, the Bursa Securities 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).

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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 Twenty Fourth 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,

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 BuyBack Authority as may be agreed or allowed by any relevant governmental and/or regulatory authority.”

(ix) Ordinary Resolution 9

Ordinary Resolution 9	Votes in favour		Votes against	
	No. of Votes	%	No. of Votes	%
Authority for Mr Toh Seng Thong to continue in office as Independent Director.	59,824,358	100.000	0	0.000

The Chairperson of the Meeting declared that Ordinary Resolution 9 was duly carried. Accordingly, it was RESOLVED:-

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

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(x) Special Resolution

Special Resolution	Votes in favour		Votes against	
	No. of Votes	%	No. of Votes	%
Proposed adoption of new constitution of the Company	59,824,358	100.000	0	0.000

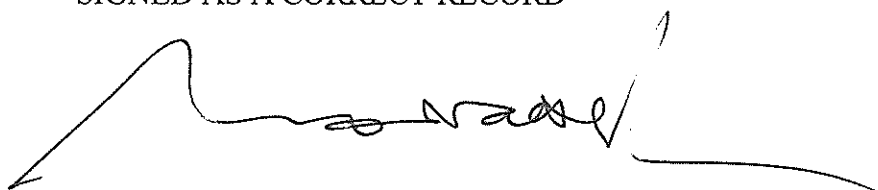
The Chairperson of the Meeting declared that Special Resolution was duly carried. Accordingly, it was RESOLVED:-

“THAT the existing Memorandum of Association and Articles of Association of the Company be and are hereby deleted in its entirety and that the new Constitution of the Company as set in Part B of the Statement/Circular to Shareholders dated 29 October 2018 be and is hereby adopted as the new Constitution of the Company AND THAT the Board of Directors of the Company be and is hereby authorised to assent to any conditions, 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 foregoing.

CONCLUSION

There being no other business to be transacted, the Meeting closed at 3:20p.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD



CHAIRPERSON