

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

MINUTES OF THE TWENTY-SEVENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT MAUNA LANI ROOM, GLENMARIE HOTEL & GOLF RESORT, NO. 1, JALAN USAHAWAN U1/8, SEKSYEN U1, 40250 SHAH ALAM, SELANGOR DARUL EHSAN, MALAYSIA ON WEDNESDAY, 15 DECEMBER 2021 AT 11.00 A.M.

PRESENT:

DIRECTORS

Dato' Dr Norraesah Binti
Haji Mohamad (Chairperson)
Lin Chen, Jui-Fen - Also a shareholder
Lin, Chin-Hung - Also a shareholder
Toh Seng Thong

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 Finance Director
Carmen Leong Chia Wen - Representing the Company Secretary

BY INVITATION

Fong Toh Wai - Financial Controller
Chuan Yee Yang - Representing Messrs Ernst & Young PLT ("EY")
Jerry Ang - Representing EY
Ow Jing Ci - Representing Boardroom Corporate Services Sdn. Bhd. ("Boardroom")
Wong Xiao Huei - Representing Boardroom

CHAIRMAN

Dato' Dr Norraesah Binti Haji Mohamad being the Chairman of the Board of Directors 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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The Chairperson further informed that Mr Yek Siew Liong, the Non-Independent Non-Executive Director, was not able to attend the Twenty-Seventh Annual General Meeting (“27th AGM”) of the Company because he had to attend a palace ceremony.

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 27th AGM.

As part of good corporate governance, the Chairperson reported that the Company have received in total Eighteen (18) proxy forms from shareholders for a total of Seventy Million Eight Hundred Eighty-Two Thousand and Two (70,882,002) ordinary shares representing 36.48% 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 27th 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 27th 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 Clause 78 of the Constitution of the Company in respect of all resolutions which would be put to vote at the meeting.

Dato’ Dr Norraesah 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 27th AGM.

1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

The Audited Financial Statements (“AFS”) of the Company for the financial year ended 30 June 2021 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 2021 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 further informed that the Company has received questions from the Minority Shareholders Watch Group (“MSWG”) and the reply to the questions were shown on the screen. The Chairperson further informed that the said questions and answers will also be posted on the Company’s website.

The Chairperson then opened to the floor for questions pertaining to the AFS of the Company for the financial year ended 30 June 2021 together with the Directors’ and the Auditors’ Reports thereon which had been previously circulated to all shareholders.

The followings are issues raised by the members and discussed:-

(i) Sourcing and selection of the sub-contractors of the Group

The Company has been engaging external sub-contractors based in different locations.

There is a Standard Operating Procedure adopted by the Group in selecting the sub-contractors of the Group. Many of the sub-contractors have been working with the Group for more than 20 years, nevertheless, the Management will conduct an evaluation on the sub-contractors once every 5 years.

(ii) Update on the factory operations in Vietnam

The Covid-19 situation in Vietnam has improved and the Vietnam government lifted the lockdown since mid-October 2021. Due to the improved conditions in the country, our factories are currently operating at full capacity.

(iii) Supply chain for raw materials and profit margin

There is no disruption in the supply of raw materials of the Group. However, prices of most raw materials are on increasing trend and will remain high for the remainder of FY2022. Hence, our profit margin will be impacted.

(iv) Group prospect for year 2022

The financial results for the financial period ended 30 September 2021 (“First Quarter of FY2022”) of the Group was impacted by the lockdown in Vietnam and Malaysia. Barring any unforeseen circumstances, the Group will remain profitable for the financial year ending 30 June 2022.

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(v) Environmental, Social and Governance (“ESG”) considerations

The Group is aware of the increasing concern of ESG by its stakeholders. Currently, the Group is assessing the level of compliance with the applicable international ESG framework and formulating long term strategies to ensure high level of compliance moving forward.

(vi) Breakdown of the customers of the Group

The top 10 customers of the Group accounted for approximately 70% to 80% of the total sales of the Group, and more than 90% of the sales are to United States.

(vii) Succession planning of the Group

The Group noted the importance of succession planning to ensure sustainability of the Group’s operation. A succession planning policy has been established to address the possibility of replacing Executive Directors and Senior Management if circumstances require.

(viii) Business operation of the Group

The production capacity of the Group was affected in First Quarter of FY2022 due to the lockdown imposed in Malaysia and Vietnam. The production capacity of the Group has resumed to full in Malaysia and 90% in Vietnam after the lockdowns were lifted. The current challenge of the Group is on the shipments due to shortage of containers as a result of port congestion in US.

(ix) Decline in inventory for the First Quarter of FY2022 from the financial year ended 30 June 2021 (“FY2021”)

High inventories balance as at 30 June 2021 was mainly due to shipment issues encountered by our customers and Malaysia operations were shut down during Full Movement Control Order. The decline in inventories balance in First Quarter of FY2022 was mainly due to reduction in finished goods inventories as a result shipment during the period with minimal purchases of raw materials and production.

(x) Proposed business diversification and joint venture of the Group

The Group is looking for acquisition or joint venture opportunities for business or assets that are related either upstream or downstream and synergise with the Group’s activities.

(xi) Capital expenditure (“CAPEX”) for FY2022

The Group has allocated RM10 million for the replacement of existing machinery of the Group to further enhance production efficiency and reduce reliance of workers.

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(xii) Directors' remuneration disclosure

The details of the directors' remuneration can be found in pages 26 and 27 of the Annual Report 2021 of the Company.

(xiii) Treasury shares of the Group

The treasury shares of the Group stood at 52,500 ordinary shares.

After due discussion and explanation, the Chairperson declared that the AFS of the Company for the financial year ended 30 June 2021 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 SINGLE-TIER DIVIDEND**

The Chairperson informed that the first resolution on payment of Final Single-Tier Dividend of 3.0 sen per ordinary share for the financial year ended 30 June 2021.

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 Benefits Payable to Directors amount up to an aggregate amount of RM268,500.00 for the financial period from the 27th AGM until the next AGM of the Company to be paid quarterly in arrears.

The Ordinary Resolution 2 was tabled and voted by poll.

**4(i). ORDINARY RESOLUTION 3
RE-ELECTION OF DIRECTOR – DATO' DR NORRAESAH BINTI HAJI
MOHAMAD**

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

Mr Toh Seng Thong informed that pursuant to Clause 96 of the Company's Constitution, 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 3 was tabled and voted by poll.

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

**4(ii). ORDINARY RESOLUTION 4
RE-ELECTION OF DIRECTOR - MR LIN, CHIN-HUNG**

The Chairperson informed that pursuant to Clause 96 of the Company's Constitution, Mr Lin, Chin-Hung 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 AUDITORS**

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

The Ordinary Resolution 5 was tabled and voted by poll.

**6. ORDINARY RESOLUTION 6
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 15 November 2021.

The Ordinary Resolution 6 was tabled and voted by poll.

**7. ORDINARY RESOLUTION 7
AUTHORITY TO CONTINUE IN OFFICE AS INDEPENDENT NON-
EXECUTIVE DIRECTOR - MR TOH SENG THONG**

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

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 27th AGM for further information.

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The Ordinary Resolution 7 was tabled and voted by poll.

**8. ORDINARY RESOLUTION 8
AUTHORITY UNDER SECTION 76 OF THE COMPANIES ACT 2016 (“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 8 was tabled and voted by poll.

BALLOTING PROCESS

After completion of the deliberation of all Agenda items on the Notice of the 27th AGM, the Chairperson of the Meeting requested the Scrutineer to brief on the polling procedure. The Scrutineer 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 fifteen (15) minutes.

The Chairperson then adjourned the Meeting at 11.50 a.m. for the Scrutineers to tabulate the results of the poll.

The Meeting resumed at 12.05 p.m. for the declaration of the results of the poll.

ANNOUNCEMENT OF POLL RESULTS FOR RESOLUTIONS

At 12.05 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 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 2021.	35	132,332,318	100.0000	0	0	0.0000

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

“That the final single-tier dividend of 3.0 sen per ordinary share for the financial year ended 30 June 2021 be and is hereby approved for payment on 14 January 2022 to shareholders whose names appear on the Record of Depositors as at 31 December 2021.”

(ii) Ordinary Resolution 2

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 the 27th AGM until the next AGM of the Company to be paid quarterly in arrears.	32	132,332,058	99.9998	3	260	0.0002

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

“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 the 27th AGM 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 For			Votes Against		
	No. of Shareholders	No. of Votes	%	No. of Shareholders	No. of Votes	%
Re-election of Dato' Dr Norraesah Binti Haji Mohamad as Director of the Company, who is retiring pursuant to Clause 96 of the Company's Constitution.	32	132,259,518	99.9450	3	72,800	0.0550

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

“That the retiring Director, namely Dato' Dr Norraesah Binti Haji Mohamad who retired pursuant to Clause 96 of the Company's Constitution, be and is hereby re-elected as Director of the Company.”

(iv) Ordinary Resolution 4

Ordinary Resolution 4	Votes For			Votes Against		
	No. of Shareholders	No. of Votes	%	No. of Shareholders	No. of Votes	%
Re-election of Mr Lin, Chin-Hung as Director of the Company who is retiring pursuant to Clause 96 of the Company's Constitution.	34	132,332,118	99.9998	1	200	0.0002

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

“That the retiring Director, namely Mr Lin, Chin-Hung 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 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.	34	132,332,118	100.0000	0	0	0.0000

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

“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.”

(vi) Special Business - Ordinary Resolution 6

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.	33	132,332,258	100.0000	2	60	0.0000

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

“THAT subject to the Act, the Constitution 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;

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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 Twenty-Seventh 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 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 Non-Executive Director.	31	132,259,314	99.9448	4	73,004	0.0552

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

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“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 - Ordinary Resolution 8

Ordinary Resolution 8	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.	32	132,332,058	99.9998	3	260	0.0002

The Chairperson of the Meeting declared that Ordinary Resolution 8 was duly passed and RESOLVED as follows:-

“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.”

CONCLUSION

There being no other business to be transacted, the Meeting closed at 12:08 p.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD*Signed*

CHAIRMAN