

**KUCHAI DEVELOPMENT BERHAD**

Registration No. 196701000629 (7573-V)

(Incorporated in Malaysia)

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY  
CONDUCTED ON A FULLY VIRTUAL BASIS THROUGH LIVE STREAMING AND ONLINE  
REMOTE VOTING VIA <https://meeting.boardroomlimited.my> ON WEDNESDAY, 3 AUGUST 2022  
AT 10:00 AM

---

**PRESENT** : **BOARD OF DIRECTORS**  
Mr Chew Khat Khiam Albert, Independent Non-Executive Chairman  
Mr Tay Beng Chai, Independent Non-Executive Director  
Mr Wun Mow Sang, Independent Non-Executive Director  
Mr Lee Chung-Shih Justin, Executive Deputy Chairman  
Mr Cheong Mun Hong, Executive Director

**IN ATTENDANCE** : **COMPANY SECRETARY**  
Ms Santhi A/P Saminathan

**SHAREHOLDERS/CORPORATE REPRESENTATIVES/PROXIES**  
Those eligible shareholders registered and logged in via Virtual Meeting  
Facilities provided by Boardroom Share Registrar Sdn Bhd

**PRINCIPAL ADVISER, RHB INVESTMENT BANK BERHAD**  
Mr Jason Lam Chi Wye

**DUE DILIGENCE SOLICITORS, MESSRS WONG, BEH & TOH**  
Mr Chin Lit Fwu

**EXTERNAL AUDITORS, MESSRS ERNST & YOUNG**  
Mr Tan Jin Xiang

**POLL ADMINISTRATOR**  
Boardroom Share Registrars Sdn. Bhd.

**INDEPENDENT SCRUTINEER**  
SKY Corporate Services Sdn. Bhd.

**CHAIRMAN** : The Chairman of the Board, Mr Chew Khat Khiam Albert, welcomed all those present virtually at the Extraordinary General Meeting (“EGM”) of the Company. He highlighted that the fully virtual meeting is in compliance with the Companies Act 2016 and Clause 66 of the Company’s Constitution. This fully virtual meeting is streaming from the Online Meeting Platform <https://meeting.boardroomlimited.my> (Domain Registration Number with MYNIC – D6A357657) and all attendees of this EGM participates online.

The Chairman highlighted to ensure smooth live streaming, the quality of the connectivity to the virtual meeting portal for live webcast, as well as for remote online voting, is highly dependent on bandwidth and stability of the internet connection available at the location of the remote users.

**KUCHAI DEVELOPMENT BERHAD**

Registration No. 196701000629 (7573-V)

(Incorporated in Malaysia)

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY CONDUCTED ON A FULLY VIRTUAL BASIS THROUGH LIVE STREAMING AND ONLINE REMOTE VOTING VIA <https://meeting.boardroomlimited.my> ON WEDNESDAY, 3 AUGUST 2022 AT 10:00 AM

---

The Chairman informed in the event he gets disconnected, Mr Tay Beng Chai will chair the meeting, and if Mr Tay gets disconnected, Mr Wun Mow Sang will assume the chairmanship of the meeting.

**QUORUM** : The Chairman informed that the Company Secretary confirmed the requisite quorum was present. Having noted the presence of a quorum, the Chairman then called the meeting to order.

The Chairman introduced the Board of Directors, Company Secretary, Principal Adviser, Due Diligence Solicitors, and External Auditors who are present and participating virtually in this EGM. Shareholders may see them on the live webcast screen.

**NOTICE OF MEETING** : The Chairman informed the notice of EGM and Circular were announced to Bursa Malaysia Securities Berhad on 14 July 2022 and 15 July 2022 respectively and published on our corporate website. The shareholders have been notified accordingly of the same either electronically or via postal mail. Hence, the notice was properly given, and it shall be taken as read.

**PROXIES** : The Chairman reported the Company received 13 proxies totalling 66,885,609 shares representing 54.05% of the Company's issued ordinary shares within the stipulated time.

**MEETING PROCESS** : The Chairman highlighted that the discussion that transpires in this EGM is deemed confidential and only for the knowledge of such relevant parties and any visual or audio recording whilst this EGM is conducted, is strictly prohibited unless our prior written consent is obtained.

**POLL VOTE** : The Chairman informed the shareholders there is one (1) ordinary resolution to be tabled for voting via electronic polling. The Company appointed Boardroom Share Registrars Sdn. Bhd., the Company's Share Registrar as Poll Administrator to conduct the electronic polling process and SKY Corporate Services Sdn. Bhd. was appointed as the Independent Scrutineer to verify the poll results.

The Chairman invited Encik Khairul Iqram ("Encik Iqram"), the representative from Boardroom Share Registrars Sdn. Bhd. to explain the process of electronic polling.

The Poll Administrator played a video tutorial on the online voting procedures. Online voting commenced after the video tutorial to allow the members to cast their votes during the meeting proceedings.

**KUCHAI DEVELOPMENT BERHAD**

Registration No. 196701000629 (7573-V)

(Incorporated in Malaysia)

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY CONDUCTED ON A FULLY VIRTUAL BASIS THROUGH LIVE STREAMING AND ONLINE REMOTE VOTING VIA <https://meeting.boardroomlimited.my> ON WEDNESDAY, 3 AUGUST 2022 AT 10:00 AM

---

**ORDINARY RESOLUTION:**

**1. PROPOSED DISTRIBUTION OF 17,584,030 ORDINARY SHARES IN SUNGAI BAGAN RUBBER COMPANY (MALAYA) BERHAD (“SG BAGAN”), REPRESENTING ALL OF THE 26.51% EQUITY INTEREST HELD BY KUCHAI DEVELOPMENT BERHAD (“KDB”) BY WAY OF DIVIDEND-IN-SPECIE (“PROPOSED DIVIDEND-IN-SPECIE”)**

The Chairman proceeded to Ordinary Resolution 1 in relation to the Proposed Dividend-In-Specie. The Chairman also highlighted the details of the proposed resolution was in the notice convening this EGM and circular dated 15 July 2022.

**2. QUESTIONS AND ANSWERS (Q&A”) SESSION**

The Chairman proceeded to the pre-EGM Q&A. Please refer to Appendix 1 for the pre-EGM Q&A.

The Chairman invited Mr Cheong and Management team to assist in moderating the live Q&A session. Please refer to Appendix 1 for the live Q&A.

The Chairman informed the shareholders/proxies that in the event that if there are any questions that were not answered at this EGM, the answers would be included in the EGM minutes and uploaded on the Company’s website. The Q&A session was closed.

**3. CONDUCT OF POLL**

The Chairman proceeded to the polling process. He informed shareholders that the poll will remain open for the next 10 minutes for casting of votes and thereafter, the Independent Scrutineers would take approximately 10 minutes for validation of poll results. The meeting would resume upon receiving the poll results verified by the Scrutineers.

**4. DECLARATION OF POLL RESULT**

The meeting resumed at 10:50 a.m. with the requisite quorum being present. The Chairman called the meeting to order for the declaration of poll results.

The Ordinary Resolution 1 tabled at the meeting was voted by poll and results of the poll were validated by the appointed Independent Scrutineer, SKY Corporate Services Sdn. Bhd. The poll results validated by the scrutineer were as follows:

Resolutions	VOTE FOR			VOTE AGAINST			Accepted / Rejected
	Record	Shares	%	Record	Shares	%	
Ordinary Resolution 1	57	67,725,708	99.9999	1	2	0.0000	Accepted

The Chairman declared that the sole ordinary resolution is carried.

**KUCHAI DEVELOPMENT BERHAD**

Registration No. 196701000629 (7573-V)

(Incorporated in Malaysia)

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY  
CONDUCTED ON A FULLY VIRTUAL BASIS THROUGH LIVE STREAMING AND ONLINE  
REMOTE VOTING VIA <https://meeting.boardroomlimited.my> ON WEDNESDAY, 3 AUGUST 2022  
AT 10:00 AM

---

The Chairman thanked the shareholders for their attendance and declared the meeting concluded at 10:52 a.m.

CONFIRMED AND SIGNED AS A CORRECT RECORD

**CHEW KHAT KHIAM ALBERT**  
**CHAIRMAN**

**KUCHAI DEVELOPMENT BERHAD  
EXTRAORDINARY GENERAL MEETING 3 AUGUST 2022**

---

**PRE-EXTRAORDINARY GENERAL MEETING (“EGM”) QUESTIONS AND ANSWER**

**Q1. This year's able. Distribute high Divident as RM0. 20.or higher?**

*An increased level of cash dividend is certainly considered by the Board and is also dependent on the financial year end results. Any declaration of dividend shall be announced on Bursa Securities. For shareholders' information, the value of the Distributable shares as at LPD is approximately RM59.26 million, significantly higher than the total cash dividends declared and paid for FY2019 – FY2021 of approximately RM5.32 million.*

**Q2. How was overall construction and developer secment in this field? Does company affecting profit margin less compare past 20 years?**

*The Company's principal activities consist of investment holding and rental of property. The Economic Entity's revenue is primarily from Rental Income, Interest Income and Dividend Income. The Company currently does not have any revenue contributions from the construction and developer segment.*

**Q3. What is company for ensure operation cost and profitability?**

*The Company will continue to identify potential investments which meet its investment criteria in terms of budget, business synergies, valuation creation to the existing businesses of the Company as well as returns on investment.*

**LIVE QUESTIONS AND ANSWER**

**Q1. Does company able do bonus issue, without dilute shares value? What is risk statergic for company bring confident to everyone?**

*Currently, we intend to complete the Proposed Dividend-In-Specie and we hope shareholders can support by voting in favour of the resolution pertaining to the Proposed Dividend-In-Specie at this EGM. Upon completion of the Proposed Dividend-In-Specie, the Company's ownership structure will be further simplified. Further details of the risk factors in Section 4 of the Circular.*

**Q2. What changes to our core businesses will occur after this exercise?**

*There is no change in the principal activities of the company. The principal activities consist of investment holdings and rental of property.*

**Q3. What will be the reduction in the NTA for Kuchai after distribution of the shares?**

*As at LPD, NTA will change from RM3.92/share to RM2.62/share. From RM486 million to RM325 million. More details are in Section 5 of the Circular.*

**Q4. Will the company announce the entitlement date to day?**

*If the proposed dividend-in-specie is approved by shareholders, the entitlement date will be announced post-EGM.*

**Q5. The Proposed Dividend in Specie will result in a loss of RM101.275 million being the difference between the carrying amount of our investment in Sg Bagan of RM160.53 million as at 30 June 2021 and the market value of the Distributable Shares of RM59.26 million as at LPD (Note 3 - Page 11). Please explain the reason(s) for: (1) the huge disparity between the carrying value of SBagan investment in KDB's accounts; and (2) why the Board views that huge loss of 72.98 sen is acceptable since it result in a reduction of RM101.275 million from the Net Assets of KDB.**

*At the Company level, the investment in Sungei Bagan Rubber Company (Malaya) Berhad ("Sungei Bagan") is initially recognised at cost. As the fair value of the Sungei Bagan Shares held by KDB is higher than the initial cost of investment, an estimated gain on disposal is expected.*

*At the Economic Entity level, the investment in Sungei Bagan is accounted via the equity method whereby the investment in associate is initially recognised at cost and thereafter adjusted to recognise changes in Kuchai Development Berhad's ("Kuchai") share of net assets in Sg Bagan since the acquisition date. As the fair value of the Sungei Bagan Shares held by Kuchai is lower than Kuchai's share of the net assets in Sungei Bagan, an estimated loss on disposal is expected. The pro forma loss on disposal at the Economic Entity level is the difference between the carrying amount of Kuchai's investment in Sungei Bagan of RM160.53 million as at 30 June 2021 and the market value of the Distributable Shares of RM59.26 million as at LPD.*

*For shareholders' information, the estimated loss on disposal arising from the Proposed Dividend-In-Specie is a one-off accounting loss and does not affect the cash flows of the Economic Entity. The Board believes that this is reasonable given that the Proposed Dividend-In-Specie will enable Kuchai to realise the benefits as set out in Section 3 of the Circular including the ability to reward the Entitled Shareholders for their continuous support by allowing them to hold shares directly in Sungei Bagan instead of through Kuchai, at no additional cost.*

**Q6. Good morning. Though this is a virtual EGM, I believe the company will appreciate our attendance by rewarding us with an eWallet/eVouher. TQ**

**Q7. Kindly provide us with an eWallet/eVouher as a token of appreciation for attendance. TQVM**

**Q8. I humbly request BOD to give e-wallet or e-voucher to attendees as a token of appreciation. I believe the token sum is small, manageable and within annual budgeted expenses. Don't be so stingy. TQ**

**Q9. Dear Sir, Any door gift for participation. Thank you.**

*There are no e-vouchers at this EGM. This will be considered for future meetings.*

**Q10. Questions: 1 Are there development plans for the merging of the Kuchai, S Bagan, Kluang into a single entity to be a more dominant and active company. 2 It is hoped that shareholders will be rewarded with distribution of more in specie and increased dividends as the 3 Companies had been passively run in previous years. Please comment. 3 Dividends are received once a year. It is hoped that dividends will be declared at least twice annually. Please comment. 4 The 3 Companies have abundant cash resources. Are there plans to make acquisitions and / or make purchases of equities / properties / investments in Malaysia, Singapore and elsewhere. Thank you**

**Q11. KDB in recent years have taken steps to improve shareholders' returns by distributing Kluang Rubber and now SBagan shares. Minority shareholders would be happy for the increase returns. However, KDB has been asking the Board during past AGM why there are no concrete steps to deploy the cash reserves of KDB to more productive use instead of it lying idle in bank accounts. This is one of the reasons for the low returns to shareholders in terms of dividends declared yearly.**

*Currently, we intend to complete the Proposed Dividend-In-Specie and we hope shareholders can support by voting in favour of the resolution pertaining to the Proposed Dividend-In-Specie at this EGM. Upon completion of this Proposed Dividend-In-Specie, the Company's ownership structure will be further simplified.*

*An increased level of cash dividends is certainly considered by the Board and is also dependent on the financial year end results. Any declaration of dividend shall be announced on Bursa Securities. The Company will continue to identify potential investments which meet its investment criteria in terms of budget, business synergies, valuation creation to the existing businesses of the Company as well as returns on investment.*