

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has not perused this Circular prior to its issuance as it is prescribed as an exempt circular pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

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Setia

S P Setia Berhad
(197401002663 (19698-X))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

AND

NOTICE OF FORTY FIFTH ANNUAL GENERAL MEETING

The resolution in respect of the above proposal will be tabled at the Forty Fifth (45th) Annual General Meeting (“**AGM**”) of S P Setia Berhad (“**S P Setia**” or “**Company**”). Notice of the 45th AGM of S P Setia, which will be conducted entirely through live streaming from the broadcast venue at Annex, Level 1, S P Setia Berhad Corporate HQ, No. 12, Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan on Monday, 22 June 2020 at 10.00 a.m. or adjournment thereof, together with the Form of Proxy are enclosed in this Circular.

The completed Form of Proxy must be deposited at the Share Registrar’s Office, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Counter at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or submit the Form of Proxy electronically via TIIH Online website at <https://tjih.online> not less than 48 hours before the time set for the meeting or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting remotely at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Saturday, 20 June 2020 at 10.00 a.m.

Date and time of AGM : Monday, 22 June 2020 at 10.00 a.m.

DEFINITIONS

Except where the context otherwise requires, the following shall apply throughout this Circular:

Act	:	Companies Act 2016, as amended from time to time and any re-enactment thereof
AGM	:	Annual General Meeting
Board	:	The Board of Directors of S P Setia
Bursa Securities	:	Bursa Malaysia Securities Berhad
CMSA	:	Capital Markets and Services Act 2007, as amended from time to time and any re-enactment thereof
Director(s)	:	Shall have the meaning given in Section 2(1) of the CMSA and for purposes of the Proposed Shareholders' Mandate includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or chief executive of S P Setia and/or its subsidiary companies
Listing Requirements	:	The Main Market Listing Requirements of Bursa Securities, as amended from time to time and any re-enactment thereof
LPD	:	30 April 2020, being the latest practicable date prior to the printing of this Circular
Major Shareholder(s)	:	A person who has an interest or interests in one or more voting shares in the Company and the total number of that share or the total number of those shares, is: (a) 10% or more of the total number of voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company. For the purpose of this definition, "interest in shares" shall have the meaning given in Section 8 of the Act. A major shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of S P Setia and/or its subsidiary companies
NA	:	Net assets
Person(s) Connected	:	As defined in the Listing Requirements
Proposed Shareholders' Mandate	:	Proposed shareholders' mandate for the Recurrent Related Party Transactions to be entered into by the Group from the date of the forthcoming 45 th AGM to the next AGM

DEFINITIONS (Cont'd)

Recurrent Related Party Transaction(s)	:	Related Party Transaction(s) involving recurrent transactions of a revenue or trading nature that are necessary for the day-to-day operations and are in the ordinary course of business of the Group
Related Party(ies)	:	Director(s), Major Shareholder(s) or Person(s) Connected
Related Party Transaction(s)	:	Transaction(s) entered into by S P Setia Group which involve(s) the interest, direct or indirect, of the Related Party(ies)
RM	:	Ringgit Malaysia
Shareholders' Mandate	:	The shareholders' mandate obtained at the 44 th AGM held on 16 May 2019 for S P Setia Group to enter into Recurrent Related Party Transactions
S P Setia or the Company	:	S P Setia Berhad
S P Setia Group or the Group	:	S P Setia and its subsidiaries, collectively
RCPS-i A	:	Islamic redeemable convertible preference share(s) in S P Setia
RCPS-i B	:	Class B Islamic redeemable convertible preference share(s) in S P Setia
Share(s)	:	Ordinary share(s) in S P Setia

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Setia

S P Setia Berhad
(197401002663 (19698-X))
(Incorporated in Malaysia)

Registered Office

S P Setia Berhad Corporate HQ
No. 12, Persiaran Setia Dagang
Setia Alam, Seksyen U13
40170 Shah Alam
Selangor Darul Ehsan

22 May 2020

Board of Directors

Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail (*Non-Independent Non-Executive Chairman*)

Dato' Khor Chap Jen (*President and Chief Executive Officer*)

Dato' Ahmad Pardas Bin Senin (*Senior Independent Non-Executive Director*)

Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob (*Independent Non-Executive Director*)

Dato' Halipah Binti Esa (*Independent Non-Executive Director*)

Dato' Zuraidah Binti Atan (*Independent Non-Executive Director*)

Puan Noraini Binti Che Dan (*Independent Non-Executive Director*)

Mr. Philip Tan Puay Koon (*Independent Non-Executive Director*)

Tengku Dato' Ab. Aziz Bin Tengku Mahmud (*Non-Independent Non-Executive Director*)

Dato' Azmi Bin Mohd Ali (*Non-Independent Non-Executive Director*)

To: The Shareholders of S P Setia Berhad

Dear Sir/Madam,

PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

The Company had at the 44th AGM held on 16 May 2019, obtained a shareholders' mandate for the Company and/or its subsidiary companies to enter into Recurrent Related Party Transactions on terms that are not more favourable to the Related Parties than those generally available to the public.

The authority conferred by the Shareholders' Mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 45th AGM of the Company unless an authority for its renewal is obtained from the shareholders at the forthcoming 45th AGM.

In relation thereto, the Board had on 26 February 2020, announced its intention to seek its shareholders' approval for the Proposed Shareholders' Mandate at the forthcoming 45th AGM of the Company.

The purpose of this Circular is to provide you with the relevant information on the Proposed Shareholders' Mandate and to seek your approval for the ordinary resolution to be tabled as Special Business at the forthcoming 45th AGM of the Company. The Notice of the 45th AGM of the Company together with the Form of Proxy are enclosed in this Circular.

SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS AND APPENDICES OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Introduction

Pursuant to Part E, Paragraph 10.09 of Chapter 10 of the Listing Requirements, the Company may seek its shareholders' mandate with regard to Related Party Transactions involving recurrent transactions of a revenue or trading nature which are made at arm's length and are necessary for its day-to-day operations subject to, inter alia, the following:

- (a) the transactions are in the ordinary course of business of the Group and are on terms not more favourable to the Related Parties than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:
 - i) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is RM1 million or more; or
 - ii) any one of the percentage ratios of such aggregated transactions is equal to or exceeds 1%,whichever is the higher;
- (c) the Company's circular to shareholders for the shareholders' mandate shall include the information set out in Annexure PN12-A of Practice Note 12 of the Listing Requirements;
- (d) in a meeting to obtain shareholders' mandate, the interested Director, interested Major Shareholder or interested Person Connected to a Director or Major Shareholder; and where the interest of an interested Person Connected to a Director or Major Shareholder is involved, such Director or Major Shareholder, must not vote on the resolution approving the transactions, and an interested Director or interested Major Shareholder must ensure that Persons Connected to him/her abstain from voting on the resolution approving the transactions; and

- (e) the Company immediately announces to Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by the Company, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in this Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

In accordance with Section 3.3(a) of Practice Note 12 of the Listing Requirements, the Company may procure a mandate for acquisition or disposal of land or land-based property provided that the transaction is a Recurrent Related Party Transaction and any one of the percentage ratios is not more than 10%. As disclosed under Section 2.3.1 of this Circular, the estimates of the value of this category of transactions cannot be ascertained given the various types of properties sold by the Group which vary from project to project. However, any one of the percentage ratios of the transactions is not more than 10%.

The principal activity of the Company is that of investment holding. Its subsidiaries and associated companies are involved in property development, construction, investment and property holding, property management, manufacturing and recreation club operator.

It is envisaged that in the normal course of the Group's businesses, transactions of a revenue or trading nature between companies in the Group and the Related Parties are likely to occur, and which are necessary for its day-to-day operations.

In this respect, the Board is seeking approval from shareholders for the Proposed Shareholders' Mandate which will allow the Group, in their normal course of business, to enter into the category of Recurrent Related Party Transactions referred to in Section 2.3.1 of this Circular with the Related Parties, provided that such transactions are made at arm's length, on the Group's normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

The Proposed Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed Shareholders' Mandate shall take effect from and including 22 June 2020 being the date of the forthcoming 45th AGM and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the AGM at which such Proposed Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

Disclosure will be made in the Company's Integrated Report in accordance with Section 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the Recurrent Related Party Transactions made during the financial year pursuant to the Proposed Shareholders' Mandate based on the following information:

- (i) type of Recurrent Related Party Transactions entered into; and
- (ii) names of the Related Parties involved in each type of the Recurrent Related Party Transactions entered into and their relationship with the Company.

Details of the Recurrent Related Party Transactions of the Group which are in accordance with Paragraph 10.09 (1) of the Listing Requirements are set out in the ensuing paragraphs.

2.2 Classes of Related Parties

The Proposed Shareholders' Mandate will apply to the following classes of Related Parties:

- (i) Directors or Major Shareholders; and
- (ii) Persons Connected to the Directors or Major Shareholders.

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2.3 Details of Recurrent Related Party Transactions contemplated under the Proposed Shareholders' Mandate

2.3.1 The class and nature of the Recurrent Related Party Transactions of the Group are as follows:

Company	Transacting Party	Nature of Transactions	Interested Related Parties	Estimated value during the validity period of the mandate [^] RM'000	Estimated value for preceding year's mandate disclosed in circular dated 17 April 2019 RM'000	Actual Value of transactions since last AGM until LPD RM'000
S P Setia Group	Directors and/or Major Shareholders of S P Setia Group and Persons Connected to them	Sale of land or land-based properties in the ordinary course of business of not more than 10% of any one of the percentage ratios in the Listing Requirements	Directors and/or Major Shareholders of S P Setia Group and Persons Connected to them [@]	#	#	8,770

Notes:

[@] The Directors, Major Shareholders and/or Persons Connected to them who would be purchasing the properties sold by the Group could not be ascertained at this juncture.

[^] Validity period refers to the period from 22 June 2020, being the date of the forthcoming 45th AGM, until the next AGM.

Estimates of the value of this category of transactions cannot be ascertained given the various types of properties sold by the Group which varies from project to project. However, in accordance with Section 3.3 of Practice Note 12 of the Listing Requirements, any one of the percentage ratios of the transactions is not more than 10%.

- 2.3.2 There are a number of factors that affect the price of the properties including but not limiting to the prevailing market condition generally and the quality and characteristics for different properties, such as amenities, features, location and age. The selling price of the properties is applicable to all customers of the Group including Related Parties.
- 2.3.3 There is no deviation where the actual value transacted of each Recurrent Related Party Transaction, from the date on which the existing mandate was obtained up to LPD, exceeds the estimated value of each Recurrent Related Party Transaction as disclosed in the preceding year's circular to shareholders by 10% or more.
- 2.3.4 There is no threshold for the approval of Recurrent Related Party Transactions within the Group as the sale of properties by the Group to the Related Parties are guided by the provision in Section 3.3 of Practice Note 12 of the Listing Requirements and the Recurrent Related Party Transactions contemplated under the Proposed Shareholders' Mandate will be carried out at arm's length basis, on transaction prices and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.
- 2.3.5 The Directors, Major Shareholders and/or Persons Connected to them who would be purchasing the properties sold by the Group could not be ascertained at this point in time. Disclosure will be made in the Integrated Report of the Company in accordance with Practice Note 12 of the Listing Requirements.

2.4 Amount Due and Owing by Related Parties

As at 31 December 2019, there were no amounts due and owing to the Group under the Recurrent Related Party Transactions which exceeded the credit term.

2.5 Review Procedures in relation to Recurrent Related Party Transactions

The Group has established various procedures to ensure that the Recurrent Related Party Transactions are conducted at arm's length and on normal commercial terms, which are consistent with the Group's normal business practices and policies, and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

To monitor the Recurrent Related Party Transactions, the procedures established by the Group are as follows:

- (i) A list of Related Parties will be circulated within the Group to notify that all Recurrent Related Party Transactions are required to be undertaken on an arm's length basis and normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public. These include transacting at prevailing market rates/prices of the service provider's usual commercial terms or otherwise in accordance with applicable industry norm. Transactions refer to both sales and purchases of services of the Group.
- (ii) Any tender, quotation or contract received from or proposed to be entered with a Related Party will not be approved unless the terms offered to the Group are comparable with those offered by other unrelated parties for the same or substantially similar type of transactions.
- (iii) Records will be maintained by the Company to capture all Recurrent Related Party Transactions entered into pursuant to the Proposed Shareholders' Mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to.

- (iv) The annual internal audit plan shall incorporate a review of all Recurrent Related Party Transactions entered into pursuant to the Proposed Shareholders' Mandate to ensure that relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to. Any divergence will be reported to the Audit Committee.
- (v) The Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor Recurrent Related Party Transactions have been complied with and the review shall be done at every quarter together with the review of the quarterly results.
- (vi) Disclosure will be made in the Integrated Report of the Company of the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year, in accordance with the provisions of Paragraph 10.09 of Chapter 10 and Section 3.1.5 of Practice Note 12 of the Listing Requirements.
- (vii) The Audit Committee has reviewed and shall continue to review the adequacy and appropriateness of the procedures as and when required, with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate.

At least two (2) other contemporaneous transactions with unrelated third parties for similar products and/or quantities will be used as comparison, whenever possible, to determine whether the price and terms offered to the related parties are fair and reasonable and comparable to those offered to other unrelated third parties for the same or substantially similar type of products and/or quantities. In the event that comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by S P Setia Group based on the factors as mentioned in Section 2.3.2 above and ensure that the Recurrent Related Party Transaction is not detrimental to S P Setia Group and our minority shareholders.

Where any Director has an interest (direct or indirect) in any Recurrent Related Party Transactions, such Director (or his alternate, where applicable) shall abstain from deliberation and voting on the matter. Interested Directors shall also abstain from deliberating at Board meetings in respect of the Recurrent Related Party Transactions in which they or Persons Connected to them are interested.

Pursuant to Paragraph 10.09 of Chapter 10 of the Listing Requirements, in a meeting to obtain shareholders' approval for the Proposed Shareholders' Mandate, the interested Director, interested Major Shareholder or interested Persons Connected to a Director or Major Shareholder; and where it involves the interest of an interested Person Connected to a Director or Major Shareholder, such Director or Major Shareholder must abstain from voting on the resolution approving the transactions. An interested Director or interested Major Shareholder must also ensure that Persons Connected to him/her abstain from voting on the resolution approving the transactions.

2.6 Audit Committee Statement

The Audit Committee of the Company has considered the procedures mentioned above and is of the view that:

- (a) the procedures are sufficient to ensure that the Recurrent Related Party Transactions of a revenue or trading nature are conducted at arm's length and on normal commercial terms which are consistent with the Group's usual business practices and policies;
- (b) the Recurrent Related Party Transactions were on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Group; and

- (c) the Group has in place adequate procedures and processes to monitor, track and identify Recurrent Related Party Transactions in a timely and orderly manner. Such procedures and processes are reviewed by the Audit Committee and/or the management staff as and when necessary.

3. RATIONALE AND BENEFITS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Recurrent Related Party Transactions that are set out in this Circular are all in the ordinary course of business and intended to meet the business needs of the Group on the best possible terms and represent sound business decisions which are taken for legitimate and bona fide business purposes which will enhance the Group's ability to explore beneficial business opportunities.

The Proposed Shareholders' Mandate, if approved by the shareholders, will eliminate the need to make announcements to Bursa Securities or to convene separate general meetings from time to time to seek shareholders' approval as and when Recurrent Related Party Transaction(s) with the specified classes of Related Parties arise. This will reduce substantially the expenses associated with the convening of general meetings on an ad hoc basis, improve administrative efficiency considerably and allow manpower resources and time to be focused on attaining the Group's corporate objectives and business opportunities.

The Proposed Shareholders' Mandate is intended to facilitate transactions entered into in the ordinary course of business of the Group which are transacted from time to time with the Related Parties at arm's length, on the Group's normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

4. FINANCIAL EFFECTS

4.1 Share Capital and Major Shareholders' Shareholdings

The Proposed Shareholders' Mandate will not have any effect on the share capital and the Major Shareholders' shareholdings in the Company.

4.2 Earnings

The Proposed Shareholders' Mandate is not expected to have any material effect on the earnings of the Group for the current financial year ending 31 December 2020.

4.3 NA

The Proposed Shareholders' Mandate is not expected to have any material effect on the NA of the Group for the current financial year ending 31 December 2020.

5. APPROVALS REQUIRED

The Proposed Shareholders' Mandate is conditional upon the approval being obtained from the shareholders of the Company at the forthcoming 45th AGM.

6. INTERESTS OF THE DIRECTORS AND MAJOR SHAREHOLDERS

All the Directors have and will continue to abstain from all Board deliberations and voting in relation to the said Recurrent Related Party Transactions. The Directors shall abstain from voting on the Proposed Shareholders' Mandate, in respect of their direct and indirect interests in the Company, where applicable, at the 45th AGM to be convened.

Save as disclosed below, none of the Directors have any direct and indirect interest in the Company as at LPD:

Interested Director	No. of Shares				No. of RCPS-i A				No. of RCPS-i B			
	Direct	%	Indirect	%	Direct	%	Indirect	%	Direct	%	Indirect	%
Dato' Khor Chap Jen	1,428,000	0.04	-	-	222,178	0.02	-	-	321,778	0.03	-	-

The Directors of the Company have undertaken to ensure that the Persons Connected to them (if any) will abstain from voting in respect of their direct and indirect shareholdings on the ordinary resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming 45th AGM.

None of the Major Shareholders and/or Persons Connected to the Major Shareholders of S P Setia has any interest, direct or indirect, in the Proposed Shareholders' Mandate.

7. OPINION AND RECOMMENDATION FROM DIRECTORS

All the Directors have abstained from making an opinion and/or any recommendation on the entry into the Recurrent Related Party Transactions as specified in Section 2.3.1 of the Proposed Shareholders' Mandate to be tabled at the forthcoming 45th AGM of the Company.

8. AGM

The 45th AGM of the Company, the Notice of which is enclosed in this Circular, will be conducted entirely through live streaming from the broadcast venue at Annex, Level 1, S P Setia Berhad Corporate HQ, No. 12, Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan on Monday, 22 June 2020 at 10.00 a.m., or at any adjournment thereof for the purpose of considering and, if thought fit, approving, inter alia, with or without modifications, the resolution on the Proposed Shareholders' Mandate as Special Business.

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely in the 45th AGM of the Company via the Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at <https://tiih.online>.

If you are unable to participate in the 45th AGM, you are requested to complete, sign and return the Form of Proxy, which is enclosed together with this Circular, in accordance with the instructions printed therein as soon as possible and cause it to be deposited at the Share Registrar's Office, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Counter at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or to submit the Form of Proxy electronically via TIIH Online website at <https://tiih.online> not less than 48 hours before the time set for holding the meeting. The lodging of the Form of Proxy will not preclude you from participating remotely in the meeting should you subsequently wish to do so.

9. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix I for further information.

Yours faithfully
For and on behalf of the Board
S P SETIA BERHAD

DATO' AHMAD PARDAS BIN SENIN
Senior Independent Non-Executive Director

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FURTHER INFORMATION**1. RESPONSIBILITY STATEMENT**

The Directors of the Company has seen and approved the Circular and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all the reasonable enquiries and to the best of their knowledge and belief there are no other facts the omission of which would make any statement in this Circular misleading.

2. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business), that have been entered into by the Group within two (2) years immediately preceding the LPD of this Circular:

- (a) privatisation agreement dated 7 May 2018 between Retro Highland Sdn Bhd (“Retro Highland”), a 50% jointly controlled entity of S P Setia and Datuk Bandar Kuala Lumpur (“DBKL”) to undertake the Quality Sustainable People Housing (“QSPH”) project, which entails the construction of 3,971 residential units, 112 units of shops/stalls, a market and other public facilities. In return, Retro Highland will be awarded with 52.25 acres of leasehold land in Cheras, Kuala Lumpur to be used for mixed development; and
- (b) master agreement dated 7 March 2019 between Retro Highland and DBKL to document the overall QSPH development encompassing the exchange land under the privatisation agreement and the acquisition of approximately 25.55 acres of leasehold lands and construction of the remaining 1,679 residential units.

3. MATERIAL LITIGATION

Neither the Company nor its subsidiary companies are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position or business of the Group and the Directors of the Company are not aware of any proceedings, pending or threatened, against the Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at S P Setia Berhad Corporate HQ, No. 12, Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan, during normal office hours on any working day from the date of this Circular up to and including the date of the 45th AGM:

- (a) Constitution of S P Setia;
- (b) Audited consolidated financial statements of S P Setia for the financial years ended 31 December 2018 and 31 December 2019; and
- (c) Material contracts referred to in paragraph 2 above.

Setia

S P Setia Berhad
(197401002663 (19698-X))
(Incorporated in Malaysia)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty Fifth (45th) Annual General Meeting of the Company will be conducted entirely through live streaming from the broadcast venue at **Annex, Level 1, S P Setia Berhad Corporate HQ, No. 12, Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan (“Broadcast Venue”)** on **Monday, 22 June 2020 at 10.00 a.m.** for the following purposes:

AGENDA

1. To receive the audited financial statements of the Company for the financial year ended 31 December 2019 together with the reports of the Directors and auditors thereon. **Please refer to Explanatory Note A**
2. To re-elect the following Directors who retire in accordance with Clause 102 of the Company’s Constitution and, being eligible, offer themselves for re-election:
 - (1) Dato’ Ahmad Pardas bin Senin **Resolution 1**
 - (2) Dato’ Seri. Ir. Hj. Mohd Noor bin Yaacob **Resolution 2**
 - (3) Dato’ Zuraidah binti Atan **Resolution 3***[Explanatory Note 1]*
3. To approve the payment of Directors’ fees amounting to RM50,000 per month for the Non-Executive Chairman and RM12,000 per month for each of the Non-Executive Directors for the period from 23 June 2020 up to the date of the next Annual General Meeting. **Resolution 4**
4. To approve the payment of Directors’ other remuneration and benefits to the Non-Executive Directors for the period from 23 June 2020 up to the date of the next Annual General Meeting amounting up to approximately RM1,465,000. **Resolution 5**
[Explanatory Note 2]
5. To re-appoint Messrs Ernst & Young PLT, Chartered Accountants, the retiring auditors, as the auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Resolution 6**

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions:

6. ORDINARY RESOLUTION

PROPOSED SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AS SPECIFIED IN SECTION 2.3.1 OF THE CIRCULAR TO SHAREHOLDERS DATED 22 MAY 2020

Resolution 7
[Explanatory Note 3]

“**THAT**, subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries (“S P Setia Group”) to enter into and give effect to specified recurrent related party transactions of a revenue or trading nature of the S P Setia Group with specified classes of Related Parties (as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and as specified in Section 2.3.1 of the Circular to Shareholders dated 22 May 2020) which are necessary for the day to day operations in the ordinary course of business and are carried out at arm’s length basis on normal commercial terms of the S P Setia Group and on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to

minority shareholders of the Company and such approval shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting of the Company (“AGM”) at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“Act”) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

AND THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things as they may consider necessary or expedient in the best interest of the Company (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.”

7. **ORDINARY RESOLUTION**

PROPOSED RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE NEW ORDINARY SHARES IN THE COMPANY (“S P SETIA SHARES”), FOR THE PURPOSE OF THE COMPANY’S DIVIDEND REINVESTMENT PLAN (“DRP”) THAT PROVIDES THE SHAREHOLDERS OF THE COMPANY (“SHAREHOLDERS”) THE OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND IN NEW S P SETIA SHARES

Resolution 8
*[Explanatory
Note 4]*

“**THAT** pursuant to the DRP as approved by the Shareholders at the Extraordinary General Meeting held on 20 March 2014 and subject to the approval of the relevant regulatory authority (if any), approval be and is hereby given to the Company to allot and issue such number of new S P Setia Shares from time to time as may be required to be allotted and issued pursuant to the DRP upon such terms and conditions and to such persons as the Directors of the Company at their sole and absolute discretion, deem fit and in the interest of the Company PROVIDED THAT the issue price of the said new S P Setia Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5) market days volume weighted average market price (“VWAP”) of S P Setia Shares immediately prior to the price-fixing date, of which VWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price of S P Setia Shares;

AND THAT the Directors and the Secretary of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements, deeds, undertakings and documents as may be necessary or expedient in order to give full effect to the DRP with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed or agreed to by any relevant authorities (if any) or consequent upon the implementation of the said conditions, modifications, variations and/or amendments, by the Directors as they, in their absolute discretion, deem fit and in the best interest of the Company.”

8. To transact any other business of which due notice shall have been given.

By Order of the Board

LEE WAI KIM
SSM PC No. 202008001422
MAICSA 7036446
Company Secretary

22 May 2020
Selangor Darul Ehsan

NOTES:

1. *A member of the Company shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote at a meeting of members of the Company, subject to the Constitution of the Company. The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 60 of the Company's Constitution** which require the Chairman of the meeting to be present at the main venue of the meeting. Shareholders **WILL NOT BE ALLOWED** to attend the 45th AGM of the Company in person at the Broadcast Venue on the day of the meeting.*
2. *Shareholders are to attend, speak (including posing questions to the Board of Directors of the Company via real time submission of typed texts) and vote (collectively, "participate") remotely in the 45th AGM of the Company via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its **TIIH Online** website at <https://tiih.online>.*
3. *A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.*
4. *Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
5. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with shares of the Company standing to the credit of the securities account.*
6. *The Form of Proxy, in the case of an individual, shall be signed by the appointor or his attorney, and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised.*
7. *The Form of Proxy duly completed and signed must be deposited at the Company's share registrar, Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Counter at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting or any adjournment thereof. You may also submit the Form of Proxy electronically via TIIH Online at <https://tiih.online> not less than 48 hours before the time for holding the meeting or any adjournment thereof.*
8. *Only members whose names appear in the Record of Depositors on 16 June 2020 shall be entitled to participate in the 45th AGM of the Company via RPV or appoint proxy/proxies to attend and/or vote on his/her behalf.*
9. *To participate in the 45th AGM of the Company via RPV and appoint proxy/authorized representative, please follow the Procedures for RPV in the Administrative Guide.*

EXPLANATORY NOTE A

This Agenda item is meant for discussion only as under the provisions of Sections 248(2) and 340(1)(a) of the Act and the Company's Constitution, the audited accounts do not require the formal approval of shareholders. As such, this item is not put forward for voting.

OTHER EXPLANATORY NOTES

1. Resolutions 1, 2 and 3 - Re-election of Directors

The Board is satisfied that in consideration of their wealth of expertise and experience, Dato' Ahmad Pardas bin Senin, Dato' Seri. Ir. Hj. Mohd Noor bin Yaacob and Dato' Zuraidah binti Atan will continue to bring sound judgment and valuable contribution to board deliberations through active participation in discussions in decision making by the Board. Their profiles are set out on pages 72, 74 and 75 of the Integrated Report 2019.

In view thereof, the Board supports the re-election of the aforesaid Directors at the 45th AGM.

2. Resolution 5 - Payment of Other Remuneration and Benefits to Non-Executive Directors of the Company

Based on the Non-Executive Directors' Remuneration Framework, the Non-Executive Directors' remuneration (other than fee) comprised of the following:

Description of Remuneration/Benefits	
Monthly Fixed Allowance	Chairman of Board Committee – RM3,000 Member of Board Committee – RM2,000
Meeting Allowance	Chairman and Board Member – RM1,500 per meeting Board Committee Chairman and Member – RM1,500 per meeting
Allowance for membership on the board of directors of significant project/investment as appointed by the Board of the Company	RM5,000 per month
Other Benefits	Car, petrol and driver for Chairman, security services, Directors and Officers Liability Insurance, medical, hospitalisation and travel insurance and other claimable benefits

The estimated amount of up to approximately RM1,465,000 is calculated based on the expected number of meetings and other monthly allowances and benefits for the period from 23 June 2020 up to the date of the next AGM of the Company.

3. Resolution 7 - Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Resolution 7, if approved, will allow the S P Setia Group to enter into recurrent related party transactions of a revenue and trading nature relating to sale of properties by the S P Setia Group to related parties. The details of the proposal are set out in the Circular to Shareholders dated 22 May 2020 which is circulated together with the Notice of 45th AGM.

4. Resolution 8 - Proposed Renewal of the Authority to Allot and Issue New S P Setia Shares for the purpose of the Company's DRP that provides the Shareholders the Option to Elect to Reinvest their Cash Dividend in New S P Setia Shares

The proposed Resolution 8, if approved, will re-new the authority given to the Directors to allot and issue new S P Setia Shares pursuant to the DRP under the resolution passed at the 44th AGM held on 16 May 2019, the authority of which will lapse at the conclusion of the 45th AGM.

S P SETIA BERHAD
(197401002663 (19698-X))

FORM OF PROXY

		For appointment of two (2) proxies, percentage of shareholdings to be represented by each proxy must be indicated below:
No. of Ordinary Shares Held		First proxy:
		Second proxy:
No. of Islamic Redeemable Convertible Preference Shares held		First proxy:
		Second proxy:
No. of Class B Islamic Redeemable Convertible Preference Shares held		First proxy:
		Second proxy:
CDS Account Number		

I/We _____ NRIC No./Company No. _____
(full name in block letters)

of _____
(full address)

being a member/members of S P SETIA BERHAD, hereby appoint _____
(full name in block letters)

NRIC No. _____ of _____
(full address)

and/or failing him/her, _____
(full name in block letters)

NRIC No. _____ of _____
(full address)

or failing him/her, the Chairman of the Meeting as * my/our proxy to attend and vote for * me/us and on * my/our behalf at the fully virtual Forty Fifth (45th) Annual General Meeting (“AGM”) of the Company to be conducted entirely through live streaming from the broadcast venue at **Annex, Level 1, S P Setia Berhad Corporate HQ, 12 Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan (“Broadcast Venue”) on Monday, 22 June 2020 at 10.00 a.m.** and at any adjournment thereof in the manner as indicated below:-

NO.	RESOLUTIONS	FOR	AGAINST
1.	Re-election of Dato’ Ahmad Pardas bin Senin.		
2.	Re-election of Dato’ Seri Ir Hj Mohd Noor bin Yaacob.		
3.	Re-election of Dato’ Zuraidah binti Atan.		
4.	Approval for the Directors’ Fees for the period from 23 June 2020 up to the date of the next Annual General Meeting.		
5.	Approval for the Payment of Extra Remuneration and Provision of Benefits to Directors of the Company for the period from 23 June 2020 up to the date of the next Annual General Meeting.		
6.	Re-appointment of Messrs Ernst & Young PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration.		
7.	Approval for the Proposed Shareholders’ Mandate as specified in Section 2.3.1 of the Circular to Shareholders dated 22 May 2020.		
8.	Approval for the Proposed Authority to Allot and Issue New Ordinary Shares under the Company’s Dividend Reinvestment Plan.		

* Strike out whichever is not applicable.

(Please indicate with an “X” in the spaces above how you wish your votes to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion).

Dated this _____ day of _____ 2020.

Signature of Member(s) or Common Seal



Fold this flap for sealing

Notes:

1. A member of the Company shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote at a meeting of members of the Company, subject to the Constitution of the Company. The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 60 of the Company's Constitution** which require the Chairman of the meeting to be present at the main venue of the meeting. Shareholders **WILL NOT BE ALLOWED** to attend the 45th AGM of the Company in person at the Broadcast Venue on the day of the meeting.
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3. A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with shares of the Company standing to the credit of the securities account.
6. The Form of Proxy, in the case of an individual, shall be signed by the appointor or his attorney, and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised.
7. The Form of Proxy duly completed and signed must be deposited at the Company's share registrar, Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Counter at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting or any adjournment thereof. You may also submit the Form of Proxy electronically via TIIH Online at <https://tiih.online> not less than 48 hours before the time for holding the meeting or any adjournment thereof.
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9. To participate in the 45th AGM of the Company via RPV and appoint proxy/authorized representative, please follow the Procedures for RPV in the Administrative Guide.

AFFIX
STAMP

The Company Secretary
S P Setia Berhad
c/o Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A, Vertical Business Suite,
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur

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