

Setia

S P SETIA BERHAD

(Company No. 19698-X)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty Forth (44th) Annual General Meeting of the Company will be held at **Function Room 1, Setia City Convention Centre, No. 1, Jalan Setia Dagang AG U13/AG, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan on Thursday, 16 May 2019 at 11.00 a.m.** for the following purposes:

AGENDA

- To receive the audited financial statements of the Company for the financial year ended 31 December 2018 together with the reports of the Directors and auditors thereon. **Please refer to Explanatory Note A**
- To re-elect Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail who retires in accordance with Article 98 of the Company's Articles of Association and, being eligible, offers himself for re-election. **Resolution 1**
- To re-elect the following Directors who retire in accordance with Articles 93 and 94 of the Company's Articles of Association and, being eligible, offer themselves for re-election:
 - Dato' Khor Chap Jen **Resolution 2**
 - Noraini binti Che Dan **Resolution 3**
 - Philip Tan Puay Koon **Resolution 4**
 - Dato' Azmi bin Mohd Ali **Resolution 5** [Explanatory Note 1]
- 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 17 May 2019 up to the date of the next Annual General Meeting. **Resolution 6**
- To approve the payment of Directors' other remuneration and benefits to the Non-Executive Directors for the period from 17 May 2019 up to the date of the next Annual General Meeting amounting up to approximately RM1,455,000. **Resolution 7** [Explanatory Note 2]
- To re-appoint Messrs Ernst & Young, 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 8**

AS SPECIAL BUSINESS

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

7. 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 17 APRIL 2019

"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 17 April 2019) 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:

- 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;
- 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
- 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."

8. 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

"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."

9. SPECIAL RESOLUTION

PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY

"THAT approval be and is hereby given for the Company to alter or amend the whole of the existing Constitution of the Company by the replacement thereof with a new Constitution of the Company as set out in Appendix A with immediate effect AND THAT the Board of Directors of the Company be and is hereby authorised to assent to any conditions, modifications and/or

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".

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

By Order of the Board

LEE WAI KIM (MAICSA 7036446)
Company Secretary

17 April 2019
Selangor Darul Ehsan

NOTES:

- 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.
- 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.
- 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.
- 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.
- 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.
- 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 not less than 48 hours before the time for holding the meeting or any adjournment thereof.
- Only those whose names appear in the Record of Depositors on 10 May 2019 shall be entitled to attend, speak and vote at this meeting or appoint proxy/proxies to attend and/or vote on his/her behalf.

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, 3, 4 and 5 - Re-election of Directors

The Board is satisfied that in consideration of their wealth of expertise and experience, Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail, Dato' Khor Chap Jen, Noraini binti Che Dan, Philip Tan Puay Koon and Dato' Azmi bin Mohd Ali 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 30, 31, 37, 38 and 39 of the Integrated Report 2018.

In view thereof, the Board supports the re-election of the aforesaid Directors at the 44th AGM.

2. Resolution 7 - 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 RM1,455,000 is calculated based on the expected number of meetings and other monthly allowances and benefits for the period from 17 May 2019 up to the next AGM of the Company, tentatively will be held in May 2020.

3. Resolution 9 - Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Resolution 9, 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 17 April 2019 which is circulated together with the Integrated Report 2018.

4. Resolution 10 - 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 10, 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 43rd AGM held on 17 May 2018, the authority of which will lapse at the conclusion of the 44th AGM.

5. Resolution 11 - Proposed Adoption of New Constitution of the Company

The proposed Constitution of the Company, set out in Appendix A which is circulated together with the Integrated Report 2018, shall take effect upon the passing of Resolution 11 as a special resolution at the 44th AGM.