

Unless stated otherwise, all abbreviations and defined terms contained in this Abridged Prospectus are defined in the "Definitions" section of this Abridged Prospectus.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF YOU ARE IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

All enquiries concerning the Rights Issue should be addressed to our Share Registrar, 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, Malaysia (Tel. No. +603 2783 9299).

This Abridged Prospectus together with the NPA and RSF (collectively, the "Documents") are only despatched to our shareholders whose names appear in our Record of Depositors as at 5:00 p.m. on 2 November 2022 at their registered address in Malaysia, or who have provided our Share Registrar with a registered address in Malaysia in writing no later than 5:00 p.m. on 2 November 2022. The Documents are not intended to (and will not) be issued, circulated or distributed in any country or jurisdiction other than Malaysia. No action has been (or will be) taken to ensure that either the Rights Issue or the Documents comply with the laws of any country or jurisdiction other than the laws of Malaysia. Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and other professional advisers as to whether the acceptance and/or renunciation (as the case may be) of the Provisional RCPS-i C, application for the Excess RCPS-i C, or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue, would result in the contravention of any laws of such countries or jurisdictions. Our Company, our Principal Adviser and/or other advisers named herein shall not accept any responsibility or liability in the event that any acceptance or renunciation (as the case may be) of the Provisional RCPS-i C, application for the Excess RCPS-i C, or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue, made by the Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions.

Our shareholders and the holders of RCPS-i A and RCPS-i B have approved the Rights Issue at their respective adjourned EGMs held on 18 October 2022. The Shariah Advisory Council of the SC had, vide its letter dated 21 July 2022, stated that it has no objection to the Rights Issue. Approval has also been obtained from Bursa Securities vide its letters dated 15 August 2022 and 17 October 2022 for the admission of the RCPS-i C to the Official List and the listing and quotation of the RCPS-i C and new Shares to be issued upon conversion of the RCPS-i C on the Main Market of Bursa Securities. The admission of the RCPS-i C to the Official List and the listing and quotation of these new securities on the Main Market of Bursa Securities are not to be taken as an indication of the merits of the Rights Issue.

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Abridged Prospectus. The SC has not, in any way, considered the merits of the Rights Issue. A copy of the Documents has also been lodged with the Registrar of Companies who takes no responsibility for the contents of the Documents.

The SC is not liable for any non-disclosure on our part and takes no responsibility for the contents of this Abridged Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Abridged Prospectus.

No securities will be allotted or issued based on this Abridged Prospectus after six (6) months from the date of this Abridged Prospectus.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, SEE "RISK FACTORS" AS SET OUT IN SECTION 7 OF THIS ABRIDGED PROSPECTUS.

Setia

S P SETIA BERHAD

(Registration No. 197401002663 (19698-X))
(Incorporated in Malaysia)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 3,069,191,630 NEW CLASS C ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES IN THE COMPANY ("RCPS-i C") AT AN ISSUE PRICE OF RM0.38 PER RCPS-i C ON THE BASIS OF 67 RCPS-i C FOR EVERY 100 EXISTING ORDINARY SHARES IN THE COMPANY HELD AS AT 5:00 P.M. ON 2 NOVEMBER 2022

Principal Adviser



RHB Investment Bank Berhad

(Registration No. 197401002639 (19663-P))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES:

Entitlement Date	: Wednesday, 2 November 2022 at 5:00 p.m.
Last date and time for the sale of Provisional RCPS-i C	: Wednesday, 9 November 2022 at 5:00 p.m.
Last date and time for the transfer of Provisional RCPS-i C	: Friday, 11 November 2022 at 4:30 p.m.
Last date and time for the acceptance and payment	: Thursday, 17 November 2022 at 5:00 p.m.
Last date and time for the excess application and payment	: Thursday, 17 November 2022 at 5:00 p.m.

This Abridged Prospectus is dated 2 November 2022

UNLESS STATED OTHERWISE, ALL ABBREVIATIONS AND DEFINED TERMS CONTAINED IN THIS ABRIDGED PROSPECTUS ARE DEFINED IN THE “DEFINITIONS” SECTION OF THIS ABRIDGED PROSPECTUS.

OUR BOARD HAS SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THE RIGHTS ISSUE, INCLUDING THE DOCUMENTS. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THE SAID DOCUMENTATION. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THAT THERE IS NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS WHICH IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.

RHB INVESTMENT BANK, BEING THE PRINCIPAL ADVISER FOR THE RIGHTS ISSUE, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE RIGHTS ISSUE AND ANY INVESTMENT IN OUR COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

YOU SHOULD NOTE THAT YOU MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THIS ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THIS ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY.

SECURITIES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO THE LAWS OF MALAYSIA. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF THE RCPS-i C BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY THE RCPS-i C IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

DEFINITIONS

Except where the context otherwise requires, the following abbreviations and definitions shall apply throughout this Abridged Prospectus:

2017 Rights Issue	: Our Company's rights issue exercise undertaken in 2017 which involved the issuance of new Shares and RCPS-i B
Abridged Prospectus	: This abridged prospectus dated 2 November 2022 issued by our Company in relation to the Rights Issue
Act	: Companies Act 2016
Amanie Advisors	: Amanie Advisors Sdn Bhd, the Shariah Adviser to our Company for the Rights Issue
Amendments	: Amendments to our Constitution to facilitate the implementation of the Rights Issue and issuance of the RCPS-i C
ART	: AmanahRaya Trustees Berhad, the trustee for the Funds under PNB's management
Board	: Board of Directors of our Company
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd
Bursa Securities	: Bursa Malaysia Securities Berhad
CDS Account	: Central depository system account, an account established by Bursa Depository for a depositor to record his deposits or withdrawals of securities and to deal in such securities
Closing Date	: Thursday, 17 November 2022 at 5:00 p.m., being the last date and time for the acceptance of and payment for the Provisional RCPS-i C as well as for the application and payment for the Excess RCPS-i C
CMSA	: Capital Markets and Services Act 2007
Corporate Exercises	: The Rights Issue and the Amendments, collectively
COVID-19	: Coronavirus disease 2019
Documents	: This Abridged Prospectus and the accompanying NPA and RSF, collectively
e-Subscription	: Method available for our Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) to subscribe for the Provisional RCPS-i C and to apply for the Excess RCPS-i C electronically via TIIH Online
EGM	: Extraordinary general meeting
Entitled Shareholders	: Our shareholders whose names appear in our Record of Depositors on the Entitlement Date
Entitlement Date	: Wednesday, 2 November 2022 at 5:00 p.m., being the day, date and time on which the names of our shareholders must appear in our Record of Depositors in order to be entitled to participate in the Rights Issue
EPS	: Earnings per Share

DEFINITIONS (Cont'd)

ESGP Shares	:	Shares which were granted to the eligible Executive Directors and employees of our Company and our non-dormant subsidiaries pursuant to our employee share grant plan
ESOS Options	:	Options which were offered to the eligible Executive Directors and employees of our Company and our non-dormant subsidiaries pursuant to our employee share option scheme
Excess RCPS-i C	:	RCPS-i C which are not taken up or validly taken up by our Entitled Shareholders and/or their renounee(s) and/or transferee(s) by the Closing Date
Foreign Addressed Shareholders	:	Our Entitled Shareholders who have not provided an address in Malaysia for the service of the Documents
FPE	:	Financial period ended
Funds	:	Comprising Amanah Saham Bumiputera, Amanah Saham Bumiputera 2, Amanah Saham Bumiputera 3 – Didik, Amanah Saham Nasional, ASN Equity 3, ASN Imbang 1, ASN Imbang 2, Amanah Saham Malaysia, Amanah Saham Malaysia 2 – Wawasan and Amanah Saham Malaysia 3
FYE	:	Financial year ended/ending, as the case may be
Group	:	Our Company and our subsidiaries, collectively
I&P Acquisition	:	The acquisition of 1,000,000,000 ordinary shares in I&P Group Sdn. Berhad, representing its entire equity interest, for a cash consideration of RM3.65 billion which was completed on 1 December 2017
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	6 October 2022, being the latest practicable date prior to the registration of this Abridged Prospectus with the SC
Market Day	:	A day on which Bursa Securities is open for trading in securities
Maximum Scenario	:	Assuming that: <ul style="list-style-type: none"> (i) all the outstanding ESOS Options, RCPS-i A and RCPS-i B (save for the RCPS-i B which are held by the Undertaking Shareholders who had vide their respective Undertakings undertaken not to convert) are fully exercised or converted (as the case may be) into new Shares before the Entitlement Date; and (ii) all the Entitled Shareholders and/or their renounee(s) and/or transferee(s) subscribe in full for their respective entitlements under the Rights Issue
Minimum Scenario	:	Assuming that: <ul style="list-style-type: none"> (i) none of the outstanding ESOS Options, RCPS-i A and RCPS-i B are exercised or converted (as the case may be) into new Shares before the Entitlement Date; and (ii) save for the Undertaking Shareholders, none of the other Entitled Shareholders and/or their renounee(s) and/or transferee(s) subscribe for their respective entitlements under the Rights Issue

DEFINITIONS (Cont'd)

Minimum Subscription Level	:	Minimum subscription basis to raise minimum gross proceeds of RM850.00 million under the Rights Issue
NA	:	Net assets
NPA	:	Notice of provisional allotment of RCPS-i C in relation to the Rights Issue
Official List	:	A list specifying all securities which have been admitted for listing and have not been removed from Bursa Securities
PNB	:	Permodalan Nasional Berhad
Provisional RCPS-i C	:	RCPS-i C provisionally allotted to our Entitled Shareholders pursuant to the Rights Issue
RCPS-i A	:	The Islamic redeemable convertible preference shares of our Company which were issued on 2 December 2016
RCPS-i B	:	The Class B Islamic redeemable convertible preference shares of our Company which were issued on 29 December 2017
RCPS-i C	:	New Class C Islamic redeemable convertible preference shares in our Company to be issued pursuant to the Rights Issue
Record of Depositors	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
Registered Entitled Shareholders	:	Entitled Shareholders who are registered users of TIIH Online
RHB Investment Bank or Principal Adviser	:	RHB Investment Bank Berhad
Rights Issue	:	Renounceable rights issue of up to 3,069,191,630 RCPS-i C at an issue price of RM0.38 per RCPS-i C on the basis of 67 RCPS-i C for every 100 existing Shares held on the Entitlement Date
RSF	:	Rights subscription form for the RCPS-i C in relation to the Rights Issue
Rules of Bursa Depository	:	The rules of Bursa Depository issued pursuant to the SICDA
S P Setia or Company	:	S P Setia Berhad
SC	:	Securities Commission Malaysia
Share(s)	:	Ordinary share(s) in our Company
Shariah Pronouncement Letter	:	Shariah pronouncement letter dated 20 September 2022 issued by Amanie Advisors
SICDA	:	Securities Industry (Central Depositories) Act 1991
TIIH Online	:	Tricor's proprietary application to facilitate our Entitled Shareholders to subscribe for the Provisional RCPS-i C and to apply for the Excess RCPS-i C electronically

DEFINITIONS (Cont'd)

Tricor or Share Registrar	: Tricor Investor & Issuing House Services Sdn Bhd
Undertaking Shareholders	: PNB and the Funds, collectively
Undertakings	: The irrevocable written undertakings provided by PNB and ART vide their letters dated 26 April 2022 and 27 April 2022 respectively, as well as the additional irrevocable written undertaking provided by PNB vide its letter dated 31 October 2022, as detailed in Section 3 of this Abridged Prospectus
VWAMP	: Volume weighted average market price

Currency

AUD	: Australian Dollar
GBP	: Great Britain Pound
JPY	: Japanese Yen
RM and sen	: Ringgit Malaysia and sen
RMB	: Renminbi
SGD	: Singapore Dollar
USD	: United States Dollar
VND	: Vietnamese Dong

References to “**our Company**” in this Abridged Prospectus are to S P Setia and references to “**our Group**” are to our Company and our subsidiaries. References to “**we**”, “**us**”, “**our**” and “**ourselves**” in this Abridged Prospectus are to our Company and where the context otherwise requires, shall include our subsidiaries. All references to “**you**” and “**your**” in this Abridged Prospectus are to our Entitled Shareholders and/or where the context otherwise requires, their renounee(s) and/or transferee(s).

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Abridged Prospectus to any statute, rules, regulation or rules of stock exchange shall (where the context admits) be construed as a reference to such statute, rules, regulation or rules of stock exchange (as the case may be) currently in force or as may be amended from time to time and any re-enactment thereof.

Any reference to a time of day and date in this Abridged Prospectus shall be a reference to Malaysian time and date respectively, unless otherwise specified.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy between the figures shown in this Abridged Prospectus and figures represented by our Company, such as in the quarterly results, annual reports or annual accounts of our Company (as the case may be), is due to rounding.

DEFINITIONS (Cont'd)

Certain statements in this Abridged Prospectus may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Abridged Prospectus should not be regarded as a representation or warranty that our Company's and/or our Group's plans and objectives will be achieved.

(The rest of this page has been intentionally left blank)

TABLE OF CONTENTS

	PAGE
ADVISERS' DIRECTORY	ix
SUMMARY OF THE RIGHTS ISSUE	x
LETTER TO OUR ENTITLED SHAREHOLDERS CONTAINING:	
1. INTRODUCTION	1
2. DETAILS OF THE RIGHTS ISSUE	3
2.1 Rights issue of RCPS-i C	3
2.2 Salient terms of the RCPS-i C	4
2.3 Basis and justification for determining the issue price and conversion ratio for the RCPS-i C	10
2.4 Ranking of the RCPS-i C and the new Shares to be issued pursuant to the conversion of the RCPS-i C	11
3. MINIMUM SUBSCRIPTION LEVEL AND SHAREHOLDERS' UNDERTAKINGS	11
4. UTILISATION OF PROCEEDS	13
5. RATIONALE FOR THE RIGHTS ISSUE	16
6. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS	18
6.1 Overview and outlook of the Malaysian economy	18
6.2 Overview and outlook of the property and construction sectors in Malaysia	18
6.3 Prospects of our Group	20
7. RISK FACTORS	22
7.1 Risks relating to our business	22
7.2 Risks relating to the Rights Issue	26
8. EFFECTS OF THE RIGHTS ISSUE	28
8.1 Issued share capital	29
8.2 Substantial shareholders' shareholdings	32
8.3 NA per Share and gearing	34
8.4 Earnings and EPS	38
8.5 Convertible securities	39
9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENTS AND MATERIAL TRANSACTIONS	41
9.1 Working capital and sources of liquidity	41
9.2 Borrowings	41
9.3 Contingent liabilities	42
9.4 Material commitments	42
9.5 Material transactions	42

TABLE OF CONTENTS (Cont'd)

	PAGE
10. INSTRUCTIONS FOR ACCEPTANCE, SALE/TRANSFER, EXCESS APPLICATION AND PAYMENT FOR THE RCPS-i C	43
10.1 General	43
10.2 NPA	43
10.3 Methods of acceptance and application	43
10.4 Last time and date for acceptance/application and payment	43
10.5 Procedures for acceptance and payment	44
10.6 Procedures for sale or transfer of the Provisional RCPS-i C	50
10.7 Procedures for Excess RCPS-i C application	50
10.8 Procedures for acceptance by renounee(s) and/or transferee(s)	52
10.9 Form of issuance	52
10.10 Laws of foreign jurisdictions	53
11. TERMS AND CONDITIONS	55
12. FURTHER INFORMATION	55
 APPENDICES	
I. INFORMATION ON OUR COMPANY	56
II. ADDITIONAL INFORMATION	62
III. SHARIAH PRONOUNCEMENT LETTER	63

(The rest of this page has been intentionally left blank)

ADVISERS' DIRECTORY

- PRINCIPAL ADVISER** : RHB Investment Bank Berhad
Level 10, Tower One
RHB Centre, Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

Tel. No. : +603 9287 3888
- SOLICITORS FOR THE RIGHTS ISSUE** : Chooi & Company + Cheang & Ariff
CCA @ Bangsar
Level 5, Menara BRDB
285, Jalan Maarof
Bukit Bandaraya
59000 Kuala Lumpur
Malaysia

Tel. No. : +603 2055 3888
- COMPANY SECRETARY** : Lee Wai Kim
(SSM PC No.: 202008001422)
(MAICSA 7036446)

No. 7, Jalan Kemuning Indah 32/141E
Kemuning Utama
40460 Shah Alam
Selangor Darul Ehsan
Malaysia

Tel. No. : +603 3348 2652
- 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
Malaysia

Tel. No. : +603 2783 9299
- SHARIAH ADVISER FOR THE RIGHTS ISSUE** : Amanie Advisors Sdn Bhd
Level 13A-2, Menara Tokio Marine Life
189, Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

Tel. No. : +603 2161 0260
- STOCK EXCHANGE LISTING** : Main Market of Bursa Securities

SUMMARY OF THE RIGHTS ISSUE

This summary of the Rights Issue only highlights the key information from other parts of this Abridged Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of this whole Abridged Prospectus.

Salient information	Summary
Basis and number of RCPS-i C to be issued and tenure of the RCPS-i C	<p>Up to 3,069,191,630 new RCPS-i C on the basis of 67 RCPS-i C for every 100 existing Shares held by our Entitled Shareholders on the Entitlement Date, of which the tenure of the RCPS-i C is perpetual.</p> <p><i>Please refer to Section 2 of this Abridged Prospectus for further details on the Rights Issue and the salient terms of the RCPS-i C.</i></p>
Issue price and conversion ratio for the RCPS-i C	<p>The issue price of the RCPS-i C is fixed at RM0.38 per RCPS-i C whilst the conversion ratio for the RCPS-i C is fixed at 32 new Shares for every 67 RCPS-i C held.</p> <p><i>Please refer to Section 2.3 of this Abridged Prospectus for the basis and justification for determining the issue price and conversion ratio for the RCPS-i C.</i></p>
Shareholders' undertakings	<p>The Rights Issue will be undertaken on a Minimum Subscription Level basis. The Undertaking Shareholders, namely PNB and the Funds (through ART) have provided their Undertakings to subscribe in full for their respective entitlements under the Rights Issue and to apply by way of excess application, additional RCPS-i C not taken up or not validly taken up by other Entitled Shareholders and/or their renounee(s) under the Rights Issue, up to a maximum of 23.5% of the rights issue size.</p>

The details of the Undertakings are as follows:

	Direct shareholdings as at the LPD		No. of RCPS-i C to be subscribed pursuant to the Undertakings		Total RCPS-i C to be subscribed pursuant to the Undertakings		
	No. of Shares (million)	%	Entitlement (million)	Excess RCPS-i C (million)	No. of RCPS-i C (million)	Amount (RM'million)	(¹) %
PNB	1,060.09	26.01	710.26	-	710.26	269.90	30.64
Funds	1,441.86	35.38	966.05	⁽²⁾ 641.69	1,607.73	610.94	69.36
Total	2,501.95	61.39	1,676.31	641.69	2,317.99	880.84	100.00

Notes:

- (1) Based on 2,317.99 million RCPS-i C to be issued under the Minimum Scenario.
- (2) PNB had, on 31 October 2022 informed our Company that it wishes to apply by way of excess application, for all or part of the Excess RCPS-i C contemplated in the irrevocable undertaking provided by ART vide its letter dated 27 April 2022 and had provided our Company with an additional Undertaking, to apply and subscribe for any such remaining Excess RCPS-i C not taken up by the Funds such that PNB and the Funds will collectively apply and subscribe for any Excess RCPS-i C of up to a maximum of 23.5% of the rights issue size.

In view that the Minimum Subscription Level will be satisfied by the Undertaking Shareholders vide the Undertakings, our Company has not procured any underwriting arrangement for the remaining portion of the Rights Issue for which no irrevocable written undertakings to subscribe is obtained.

Please refer to Section 3 of this Abridged Prospectus for further details on the Minimum Subscription Level and shareholders' undertakings.

SUMMARY OF THE RIGHTS ISSUE (Cont'd)**Salient information****Summary****Utilisation of proceeds**

Our Company intends to utilise the gross proceeds raised from the Rights Issue in the following manner:

Details of utilisation	Minimum Scenario		Maximum Scenario		Timeframe for utilisation
	(RM'000)	%	(RM'000)	%	
Redemption of the RCPS-i B	880,837	100.00	809,133	69.38	Within three (3) months
Payment of existing bank loan and financing facility	-	-	355,060	30.44	Within six (6) months
Estimated expenses in relation to the Corporate Exercises	-	-	2,100	0.18	Within one (1) month
Total estimated proceeds	880,837	100.00	1,166,293	100.00	

Please refer to Section 4 of this Abridged Prospectus for further details on the utilisation of proceeds.

Risk factors

Before subscribing for or investing in the Rights Issue, you should carefully consider the following key risk factors:

- (i) our business is subject to the prevailing market conditions of the property sector which may impact price stability and supply and demand of properties;
- (ii) our business is highly competitive in terms of pricing, design, quality, facilities, supporting infrastructure and sale and marketing of properties;
- (iii) our Group is exposed to the risk of property overhang and/or unsold properties which may lead to our Group holding a high number of unsold properties;
- (iv) our Group is dependent on the services of third-party contractors and subject to shortages and/or fluctuations in the costs of construction materials, labour and equipment which may affect the timing and construction budget of our projects;
- (v) our Group is subject to risks inherent to investing in joint ventures, including disputes and/or breaches which may lead to termination of a joint venture;
- (vi) our Group is exposed to foreign currency exchange fluctuations which may affect our revenues, costs, profits and asset values;
- (vii) the RCPS-i C is subject to capital market risks which may affect the pricing of the RCPS-i C; and
- (viii) the Rights Issue may be terminated or delayed due to factors beyond the control of our Company and/or our advisers.

Please refer to Section 7 of this Abridged Prospectus for further details on the risk factors.

Procedures for application for the Rights Issue

Acceptance of and payment for the Provisional RCPS-i C as well as application and payment for the Excess RCPS-i C must be made using the RSF enclosed together with this Abridged Prospectus or e-Subscription in accordance with the terms and conditions contained therein.

The last day, date and time for acceptance of and payment for the Provisional RCPS-i C as well as for application and payment for the Excess RCPS-i C is on **Thursday, 17 November 2022 at 5:00 p.m.**

The Rights Issue is renounceable in full or in part. Accordingly, our Entitled Shareholders may subscribe for and/or renounce their respective entitlements under the Rights Issue in full or in part.

Please refer to Section 10 of this Abridged Prospectus for further details on the instructions for acceptance, sales/transfer, excess application and payment for the RCPS-i C.

Setia

S P SETIA BERHAD

(Registration No. 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
Malaysia

2 November 2022

Board of Directors

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

Datuk Choong Kai Wai (*President and Chief Executive Officer*)

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

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

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

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

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

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

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

Dato' Merina Binti Abu Tahir (*Independent Non-Executive Director*)

Dato' Tengku Marina Binti Tunku Annuar (*Independent Non-Executive Director*)

Sheranjiv A/L M Sammanthan (*Independent Non-Executive Director*)

To: Our Entitled Shareholders

Dear Sir/Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 3,069,191,630 NEW RCPS-i C AT AN ISSUE PRICE OF RM0.38 PER RCPS-i C ON THE BASIS OF 67 RCPS-i C FOR EVERY 100 EXISTING SHARES HELD AS AT 5:00 P.M. ON 2 NOVEMBER 2022

1. INTRODUCTION

On 27 April 2022, RHB Investment Bank had, on behalf of our Board, announced that our Company proposes to undertake the Corporate Exercises.

On 22 July 2022, RHB Investment Bank had, on behalf of our Board, announced that the Shariah Advisory Council of the SC had vide its letter dated 21 July 2022 stated that it has no objection to the Rights Issue.

On 16 August 2022, RHB Investment Bank had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 15 August 2022, approved the following:

- (i) admission to the Official List and listing and quotation of up to 2,662,466,676 new RCPS-i C to be issued pursuant to the Rights Issue; and

- (ii) listing and quotation of up to 1,597,480,005 new Shares to be issued arising from the conversion of the new RCPS-i C.

The approval of Bursa Securities is subject to, among others, the following conditions:

No.	Condition	Status of compliance
1.	The maximum new Shares to be issued arising from the conversion of the new RCPS-i C must be in full compliance with Paragraph 6.50 of the Listing Requirements at all times;	Noted
2.	S P Setia and RHB Investment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue;	Noted
3.	RHB Investment Bank to inform Bursa Securities upon the completion of the Rights Issue;	To be complied
4.	RHB Investment Bank to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue is completed; and	To be complied
5.	S P Setia to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the conversion of new RCPS-i C as at the end of each quarter together with a detailed computation of the listing fees payable.	To be complied

On 21 September 2022, RHB Investment Bank had, on behalf of our Board, announced that our Company intends to modify the terms of the RCPS-i A and RCPS-i B, in order to provide clarity to certain terms of the RCPS-i A and RCPS-i B in the event our Company decides to redeem all (but not part) of any class of our preference shares in the future. In order to ensure that the holders of RCPS-i C will be conferred the same rights upon issuance of the new RCPS-i C to be issued pursuant to the Rights Issue, our Company also intends to incorporate the same modifications to the terms of the new RCPS-i C for clarity purpose.

Since the modifications to the terms of the RCPS-i A, RCPS-i B and new RCPS-i C were made subsequent to the issuance of the circular in relation to the Corporate Exercises on 2 September 2022, and it was our Board's intention to have all the resolutions pertaining to the Corporate Exercises (including the modifications to the terms of RCPS-i C) heard and deliberated on at the same meeting of the respective class of holders, with the consents of our shareholders and holders of the RCPS-i A and RCPS-i B obtained at their respective EGMs held on 26 September 2022 of which a quorum was present and in accordance with our Constitution, our Company had adjourned the EGMs to be re-convened on 18 October 2022.

On 17 October 2022, RHB Investment Bank had, on behalf of our Board, announced that in addition to the listing and quotation of up to 2,662,466,676 new RCPS-i C which was approved by Bursa Securities vide its letter dated 15 August 2022, Bursa Securities had vide its letter dated 17 October 2022 approved our Company's application for the listing and quotation of up to an additional 1,100,401,529 new RCPS-i C to be issued pursuant to the Rights Issue, hence bringing the total to 3,762,868,205 new RCPS-i C. For the avoidance of doubt, there is no change to the number of Shares to be issued arising from the conversion of the new RCPS-i C as approved by Bursa Securities vide its letter dated 15 August 2022.

On 18 October 2022, our shareholders and holders of the RCPS-i A and RCPS-i B had, at their respective adjourned EGMs, approved the Rights Issue and/or Amendments (as the case may be). On the same day, RHB Investment Bank had, on behalf of our Board, announced that:

- (i) the issue price of the RCPS-i C has been fixed at RM0.38 each, the entitlement basis for the Right Issue has been fixed at 67 RCPS-i C for every 100 existing Shares held on the Entitlement Date, and the conversion ratio for the RCPS-i C has been fixed at 32 new Shares for every 67 RCPS-i C held; and

- (ii) the Entitlement Date has been fixed at 5:00 p.m. on 2 November 2022 together with the other relevant important dates pertaining to the Rights Issue.

No person is authorised to give any information or make any representation not contained herein in connection with the Rights Issue and if given or made, such information or representation must not be relied upon as having been authorised by us or RHB Investment Bank.

YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS WHICH SETS OUT THE DETAILS AND RISK FACTORS ASSOCIATED WITH THE RIGHTS ISSUE. IF YOU ARE IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE

2.1 Rights issue of RCPS-i C

The Rights Issue entails a provisional allotment of up to 3,069,191,630 RCPS-i C on a renounceable basis of 67 RCPS-i C for every 100 existing Shares held by the Entitled Shareholders on the Entitlement Date, at an issue price of RM0.38 per RCPS-i C.

As at the LPD, our Company has the following securities in issue:

- (i) 4,075,488,387 Shares;
- (ii) 4,476,669 ESGP Shares, of which none of the ESGP Shares may be vested and issued prior to the Entitlement Date;
- (iii) 122,136,352 ESOS Options which may be exercised prior to the Entitlement Date. These ESOS Options are exercisable into new Shares at any time until 9 April 2023 at exercise prices ranging between RM0.77 to RM3.03 per Share;
- (iv) 1,088,657,886 RCPS-i A. The RCPS-i A is convertible at the option of the holder at any time commencing from its issuance date and up to such date no later than nine (9) Market Days prior to the redemption date, into new Shares without payment of any consideration (cash or otherwise) and in accordance with the conversion ratio of 50 new Shares for every 169 RCPS-i A held, representing an implied conversion price of RM3.38 for every new Share; and
- (v) 1,176,383,600 RCPS-i B. The RCPS-i B is convertible at the option of the holder at any time commencing from its issuance date and up to such date no later than nine (9) Market Days prior to the redemption date, into new Shares without payment of any consideration (cash or otherwise) and in accordance with the conversion ratio of five (5) new Shares for every 21 RCPS-i B held, representing an implied conversion price of approximately RM3.70 for every new Share.

Based on the number of securities in issue in the Company as at the LPD, the number of RCPS-i C to be issued under the Minimum Scenario and Maximum Scenario are as follows:

	<u>Minimum Scenario</u>	<u>Maximum Scenario</u>
No. of RCPS-i C	2,317,992,761	3,069,191,630

The actual number of RCPS-i C to be issued will depend on the number of Shares in issue on the Entitlement Date.

The Rights Issue will be undertaken on a Minimum Subscription Level basis which will be achieved through the Undertakings by the Undertaking Shareholders, further details of which are set out in Section 3 of this Abridged Prospectus.

The RCPS-i C will be provisionally allotted to our Entitled Shareholders. In determining shareholders' entitlements under the Rights Issue, fractional entitlements for the RCPS-i C, if any, will be disregarded and dealt with in such manner and on such terms and conditions as our Board in its absolute discretion deems fit or expedient and in the best interest of our Company.

The Rights Issue is renounceable in full or in part. Accordingly, our Entitled Shareholders may subscribe for and/or renounce their respective entitlements under the Rights Issue in full or in part.

The RCPS-i C which are not taken up or not validly taken up by our Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) by the Closing Date shall be made available for applications by other Entitled Shareholders and/or their renounee(s) and/or transferee(s). It is the intention of our Board to allocate the Excess RCPS-i C in a fair and equitable manner on the basis as set out in Section 10.7 of this Abridged Prospectus.

As you are an Entitled Shareholder and the securities of our Company are prescribed securities, your CDS Account will be duly credited with the number of Provisional RCPS-i C which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed with this Abridged Prospectus, a NPA notifying you of the crediting of such Provisional RCPS-i C into your CDS Account and a RSF to enable you to subscribe for such Provisional RCPS-i C as well as to apply for the Excess RCPS-i C if you wish to do so.

However, only our Entitled Shareholders who have an address in Malaysia as stated in our Record of Depositors will receive this Abridged Prospectus, together with the NPA and RSF. Further, an electronic notification on the Rights Issue will also be sent to all Registered Entitled Shareholders on the date of despatch of this Abridged Prospectus together with the NPA and RSF.

The Documents in relation to the Rights Issue will not be sent to our Entitled Shareholders whose addresses in our Record of Depositors are not in Malaysia, as this is to avoid any violation on the part of our Company of any applicable securities laws outside of Malaysia.

Any dealing in our securities will be subject to, among others, the provisions of the SICDA and the Rules of Bursa Depository. Accordingly, upon subscription, the RCPS-i C will be credited directly into the respective CDS Accounts of the successful applicants. No physical certificates in respect of the RCPS-i C will be issued but notices of allotment will be despatched to the successful applicants of the RCPS-i C.

2.2 Salient terms of the RCPS-i C

The salient terms of the RCPS-i C ⁽¹⁾ are as follows:

Issue size	:	Up to 3,069,191,630 RCPS-i C.
Issue price	:	RM0.38 per RCPS-i C.
Form	:	The RCPS-i C will be issued in registered form.
Tenure	:	Perpetual ⁽²⁾ .
Issue Date	:	The date of issue of the RCPS-i C will be determined by our Board.

Dividend : The RCPS-i C shall carry the right to receive preferential dividends, out of the distributable profits of our Company earned from the 1st day of the calendar month following the Issue Date (“**Profits**”), when declared and approved by our Board, at the expected preferential dividend rate of 5.43% per annum.

From the period commencing on and including the 5th anniversary of the Issue Date until the Redemption Date (as defined below), an additional stepped-up preferential dividend rate of 1.0% per annum above the expected rate mentioned above, shall be payable on the RCPS-i C on an annual basis, provided that the aggregate of the expected preferential dividend rate (including the stepped-up preferential dividends, if applicable) on any Preferential Dividend Entitlement Date (as defined below) (“**Expected Preferential Dividend Rate**”) shall not exceed a total rate of 20% per annum.

Subject to the availability of Profits, the preferential dividends (if declared) shall be distributable semi-annually (save in respect of the first distribution, and the last distribution prior to the Redemption Date), with the RCPS-i C holders being entitled to the first distribution on such date being the next preferential dividend entitlement date of the RCPS-i A and RCPS-i B (in accordance with their terms) following the Issue Date, and subsequently, at successive intervals of every six (6) months thereafter (each of the aforementioned dates shall be referred to as “**Preferential Dividend Entitlement Date**”). For avoidance of doubt, the preferential dividends for the last distribution prior to the Redemption Date (if declared), may be paid to the RCPS-i C holders on such distribution date and at such amount (in accordance with item (iii) of the redemption term as set out below) as shall be approved by our Board and announced by our Company from time to time on or before the Redemption Date.

The maximum amount of preferential dividends that can be declared and paid on each Preferential Dividend Entitlement Date (“**Expected Preferential Dividend Amount**”) shall be capped at such Expected Preferential Dividend Rate unless otherwise decided by our Board.

On any Preferential Dividend Entitlement Date:

- (i) in the event that the Profits are lower than the Expected Preferential Dividend Amount and our Company does not declare preferential dividends up to the Expected Preferential Dividend Amount (in whole or in part):
 - (a) our Company may, at our discretion, declare and pay any amount of preferential dividends up to an amount equal to the Profits as at such Preferential Dividend Entitlement Date (the amount of Profits declared as preferential dividends by our Company on a particular Preferential Dividend Entitlement Date, if any, shall be referred to as “**Declared Sum**”); and

- (b) the amount equivalent to the difference between: (A) the Profits as at such Preferential Dividend Entitlement Date; and (B) Declared Sum, shall be cumulative ("**Deferred Dividends 1**"), so long as the RCPS-i C remains unredeemed. In this instance, the amount equivalent to the difference between: (A) the Expected Preferential Dividend Amount; and (B) the Profits as at such Preferential Dividend Entitlement Date, shall not be cumulative.

The aforementioned mechanism is illustrated as follows:

Scenario 1:

Assumed Expected Preferential Dividend Amount at the rate of 5.43% per annum	: *RM63 million
Assumed Profits	: RM50 million
Less: Declared Sum	: RM40 million
Deferred Dividends 1 (i.e. cumulative)	: RM10 million

Scenario 2:

Assumed Expected Preferential Dividend Amount at the rate of 5.43% per annum	: *RM63 million
Assumed Profits	: RM50 million
Less: Declared Sum	: RM50 million
Deferred Dividends 1	: Nil

Note:

* Calculated based on the value of RCPS-i C to be issued under the Maximum Scenario of RM1,166.29 million.

- (ii) in the event that the Profits are higher than the Expected Preferential Dividend Amount and our Company does not declare preferential dividends up to the Expected Preferential Dividend Amount (in whole or in part):

- (a) the amount equivalent to the difference between: (A) the Expected Preferential Dividend Amount; and (B) the Declared Sum, shall be cumulative ("**Deferred Dividends 2**"), so long as the RCPS-i C remains unredeemed.

The aforementioned mechanism is illustrated as follows:

Assumed Profits	: RM100 million
Assumed Expected Preferential Dividend Amount at the rate of 5.43% per annum	: *RM63 million
Less: Declared Sum	: RM50 million
Deferred Dividends 2 (i.e. cumulative)	: RM13 million

Note:

* Calculated based on the value of RCPS-i C to be issued under the Maximum Scenario of RM1,166.29 million.

Deferred Dividends 1 and Deferred Dividends 2 (as the case may be) (collectively referred to as “**Deferred Dividends**”) may be declared and/or paid, at the discretion of our Company, on any subsequent Preferential Dividend Entitlement Date, provided that the Cumulative Condition (as defined below) is fulfilled on such Preferential Dividend Entitlement Date.

“**Cumulative Condition**” of the RCPS-i C means on any particular Preferential Dividend Entitlement Date, our Company:

- (i) has sufficient Profits that is at least equivalent to the aggregate of the Declared Sum and any Deferred Dividends accumulated as at and on such Preferential Dividend Entitlement Date;
- (ii) has maintained books and records that evidence our Company having Profits that is at least equivalent to the aggregate of the Declared Sum and any Deferred Dividends accumulated as at and on such Preferential Dividend Entitlement Date; and
- (iii) makes an announcement on the Main Market of Bursa Securities that such amount of Deferred Dividends on such Preferential Dividend Entitlement Date shall be cumulative.

The Deferred Dividends shall not be payable to the RCPS-i C holders if our Company has not declared it as a preferential dividend. For clarity, the Deferred Dividends that are not declared will be waived by the RCPS-i C holders and will not be payable in the following circumstances:

- (i) upon the winding-up, liquidation or dissolution of our Company. Accordingly, the RCPS-i C holders shall (in and for compliance with Shariah, and by the decision of our Board at the relevant time on their behalf) waive all Deferred Dividends that our Company has not declared; and
- (ii) upon the RCPS-i C holders converting the RCPS-i C into new Shares. Accordingly, the RCPS-i C holders shall (in and for compliance with Shariah) waive all Deferred Dividends that our Company has not declared.

Where there is no Profit available for the declaration and payment of dividends (in accordance with our Constitution and the Act (or such applicable legislation for the time being)), our Company shall have no obligation to declare or distribute any preferential dividends on the relevant Preferential Dividend Entitlement Date. Such preferential dividends shall not be cumulative.

Each RCPS-i C holder shall cease to receive any preferential dividends from and including the date the RCPS-i C is converted into new Shares save for preferential dividends declared but unpaid up to the date of conversion notice.

Subject to the rights to the preferential dividends declared and distributed as our Board deems fit, by subscribing to the RCPS-i C, the RCPS-i C holders agree (in and for compliance with Shariah) to waive their rights attached to the RCPS-i C to participate in the surplus profits of our Company (if any) remaining at such time after the payment of the preferential dividends, with such waiver to be decided by our Board at the point of declaration of the preferential dividends, on their behalf.

Conversion Rights : The fully paid-up RCPS-i C shall be convertible, at the option of the RCPS-i C holders, at any time commencing from the Issue Date and up to such date no later than nine (9) Market Days prior to the Redemption Date, into such number of fully-paid new Shares, without payment of any consideration and in accordance with the Conversion Ratio (as defined below).

For the avoidance of doubt, no payment is required for the conversion of RCPS-i C into new Shares.

Conversion Ratio : The conversion ratio shall be 32 new Shares for every 67 RCPS-i C held.

If the conversion results in a fractional entitlement to Shares, such fractional entitlement shall be disregarded and no refund or credit, whether in the form of RCPS-i C, cash or otherwise, shall be given in respect of the disregarded fractional entitlement.

The Conversion Ratio shall be subject to adjustments from time to time, at the determination of our Board, in the event of any alteration to our Company's share capital, whether by way of rights issue, capitalisation issue, consolidation of shares, subdivision of shares or reduction of capital howsoever being effected, in accordance with the provisions of our Constitution. Our Company shall give notice in writing to the RCPS-i C holders of our intention to make such adjustments to the Conversion Ratio.

Redemption : (i) Our Company may at any time on or after the 5th anniversary of the Issue Date, at our discretion, redeem all (and not part) of the outstanding RCPS-i C by giving not less than 30 days' notice in writing to the RCPS-i C holders of our intention to do so, subject to compliance with the Act including where such RCPS-i C is intended to be redeemed out of the capital of our Company, such notice of redemption shall be subject to all directors of our Company having made a solvency statement in relation to such redemption in accordance with the provisions of the Act. The redemption of the RCPS-i C shall take effect on the 30th day from the date of the notice or such other later date as may be specified in the notice ("**Redemption Date**"). The notice shall state the Redemption Date and the book closure date to be used to determine the RCPS-i C holders who are entitled to receive the redemption payment.

(ii) On the Redemption Date, our Company shall redeem all (and not part) of the outstanding RCPS-i C (that do not form part of any RCPS-i C to be converted into new Shares prior to the book closure date stated in the redemption notice) in cash at a redemption price, which shall be the aggregate of: (i) the issue price of the RCPS-i C; (ii) any preferential dividends declared but unpaid as at the Redemption Date; and (iii) any Deferred Dividends as at the Redemption Date.

- (iii) From the period beginning from the last dividend declaration date preceding the Redemption Date up to the Redemption Date, subject to the availability of Profits, our Company may, at its discretion, declare and pay any amount of preferential dividends, up to an amount equal to the Profits, based on the Expected Preferential Dividend Rate. Such declaration and payment of preferential dividends to the RCPS-i C holders (being the last distribution prior to the Redemption Date, if declared) shall not affect the declaration and distribution of preferential dividends to the RCPS-i A holders and RCPS-i B holders on their respective next preferential dividend entitlement date (in accordance with their terms), so long as the RCPS-i A and/or RCPS-i B remain unredeemed. For avoidance of doubt, no additional preferential dividend shall be declared in respect of RCPS-i A and RCPS-i B under this sub-clause so long as the RCPS-i A and/or RCPS-i B remain unredeemed when such last preferential dividend is declared for RCPS-i C. Similarly, no additional preferential dividend shall be declared in respect of RCPS-i C, so long as the RCPS-i C remain unredeemed when such last preferential dividend is declared for RCPS-i A and/or RCPS-i B in the event of redemption of RCPS-i A and/or RCPS-i B.

Rights to receive notices, reports and attend meetings and voting rights : The RCPS-i C holders shall be entitled to the same rights as our Company's ordinary shareholders as regards to the receipt of notices (including that of general meetings), reports and audited financial statements, to attend meetings and to receive shareholders' resolutions in writing, but shall not be entitled to vote or approve any shareholders' resolutions or vote at any general meeting of our Company, save and except in respect of any resolution made:

- (i) when the preferential dividends or any part thereof is in arrears and unpaid for more than six (6) months;
- (ii) on a proposal to reduce our Company's share capital;
- (iii) on a proposal for the disposal of substantially the whole of our Company's property, business and undertaking;
- (iv) on a proposal to wind up our Company;
- (v) during the winding up of our Company; or
- (vi) on any proposal that affects the rights and privileges attached to the RCPS-i C, including the amendments to our Constitution.

In any of the aforesaid circumstances, each RCPS-i C holder shall be entitled to vote at all general meetings of the members of its class, and on a poll at any such general meetings to one (1) vote for each RCPS-i C held.

Listing status : The RCPS-i C and the new Shares to be issued arising from the conversion of the RCPS-i C will be listed and quoted on the Main Market of Bursa Securities.

- Ranking of RCPS-i C : The RCPS-i C shall rank equally amongst themselves and with other preference shares issued by our Company (including the RCPS-i A and RCPS-i B) without discrimination, preference or priority amongst themselves in all respects, save as in the event of a redemption as set out in item (iii) of the redemption term above, and will rank ahead in point of priority to the holders of the Shares and all other classes of shares (if any, save as the RCPS-i A and RCPS-i B) in our Company, in respect of payment of dividends and payment out of assets of our Company upon any liquidation, dissolution, or winding up of our Company, provided always that our Board approves such payment of dividends and payment out of assets of our Company on this basis and further affirms the priority of payment to the holders of the RCPS-i C.
- Rating : The RCPS-i C will not be rated.
- Governing law : Laws and regulations of Malaysia.

Notes:

- (1) *Amanie Advisors had pronounced that the RCPS-i C is in compliance with the principles of Shariah. Please refer to **Appendix III** of this Abridged Prospectus for the Shariah Pronouncement Letter.*
- (2) *The tenure of the RCPS-i C is not fixed for purposes of classifying the RCPS-i C as an equity instrument in accordance with the Malaysian Financial Reporting Standards.*

2.3 Basis and justification for determining the issue price and conversion ratio for the RCPS-i C

Our Board has fixed the issue price of the RCPS-i C at RM0.38 each, after taking into consideration, among others, the following:

- (i) the intended gross proceeds to be raised by our Company under the Rights Issue of RM1,038.00 million, which will primarily be used to redeem all the 1,176,383,600 RCPS-i B amounting to RM1,035.22 million;
- (ii) the total number of Shares in issue as at the price-fixing date of the Rights Issue of 18 October 2022 ("**Price-Fixing Date**");
- (iii) the five (5)-day VWAMP of our Shares immediately preceding the Price-Fixing Date; and
- (iv) a discount ranging from 25% to 45% to the five (5)-day VWAMP of our Shares immediately preceding the Price-Fixing Date.

The issue price of the RCPS-i C of RM0.38 per RCPS-i C represents a discount of approximately 28.02% to the five (5)-day VWAMP of our Shares up to and including 17 October 2022, being the Market Day immediately preceding the Price-Fixing Date, of RM0.5279.

In addition, our Board has also fixed the conversion ratio for the RCPS-i C at 32 new Shares for every 67 RCPS-i C held.

Based on the issue price and conversion ratio for the RCPS-i C, the implied conversion price for the RCPS-i C (i.e. $RM0.38 \times 67/32$) is approximately RM0.7956 for every new Share ("**Implied Conversion Price**"). The Implied Conversion Price represents a premium of approximately 34.21% over the theoretical ex-rights price of our Shares of RM0.5928, based on the five (5)-day VWAMP of our Shares immediately preceding the Price-Fixing Date.

The Implied Conversion Price on the other hand, was determined by our Board after taking into consideration the following:

- (i) the convertible feature of the RCPS-i C which allows the holders the option to convert the RCPS-i C held by them into new Shares based on the conversion ratio for the RCPS-i C at any time prior to our Company exercising the redemption option;
- (ii) the historical trading price of our Shares; and
- (iii) the prospects of our Group.

2.4 Ranking of the RCPS-i C and the new Shares to be issued pursuant to the conversion of the RCPS-i C

Please refer to Section 2.2 of this Abridged Prospectus for ranking of the RCPS-i C.

The new Shares to be issued pursuant to the conversion of the RCPS-i C shall upon allotment and issuance, rank equally in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividend, right, allotment and/or other distribution that may be declared, made or paid to ordinary shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares.

3. MINIMUM SUBSCRIPTION LEVEL AND SHAREHOLDERS' UNDERTAKINGS

Our Board has determined to undertake the Rights Issue on a minimum subscription level basis after taking into consideration the following:

- (i) the intended gross proceeds to be raised by our Company under the Rights Issue of RM1,038.00 million, which will primarily be used to redeem all the 1,176,383,600 RCPS-i B amounting to RM1,035.22 million; and
- (ii) the Undertakings received from the Undertaking Shareholders which will allow our Company to achieve the Minimum Subscription Level.

In relation to item (ii) above, our Company has procured the Undertakings from the Undertaking Shareholders, namely:

- (a) PNB, vide its letter of undertaking dated 26 April 2022, pursuant to which PNB irrevocably undertakes to subscribe in full for its entitlement under the Rights Issue, including any increase in its entitlement arising from the increase in its shareholding in our Company from the date of its letter of undertaking to the Entitlement Date; and
- (b) ART, vide its letter of undertaking dated 27 April 2022, pursuant to which ART, as trustee of the Funds under PNB's management, irrevocably undertakes that the Funds will:
 - (aa) subscribe in full for their entitlements under the Rights Issue, including any increase in their entitlements arising from the increase in their shareholdings in our Company from the date of ART's letter of undertaking to the Entitlement Date; and
 - (bb) apply by way of excess application, additional RCPS-i C not taken up or not validly taken up by other Entitled Shareholders and/or their renounee(s) under the Rights Issue, up to a maximum of 23.5% of the rights issue size.

Details of the Undertakings are as follows:

	Direct shareholdings as at the LPD		No. of RCPS-i C to be subscribed pursuant to the Undertakings		Total RCPS-i C to be subscribed pursuant to the Undertakings		
	No. of Shares (million)	%	Entitlement (million)	Excess RCPS-i C (million)	No. of RCPS-i C (million)	Amount (RM'million)	(¹) %
PNB	1,060.09	26.01	710.26	-	710.26	269.90	30.64
Funds	1,441.86	35.38	966.05	⁽²⁾ 641.69	1,607.73	610.94	69.36
Total	2,501.95	61.39	1,676.31	641.69	2,317.99	880.84	100.00

Notes:

- (1) Based on 2,317.99 million RCPS-i C to be issued under the Minimum Scenario.
- (2) PNB had, on 31 October 2022 informed our Company that it wishes to apply by way of excess application, for all or part of the Excess RCPS-i C contemplated in the irrevocable undertaking provided by ART vide its letter dated 27 April 2022 and had provided our Company with an additional Undertaking, to apply and subscribe for any such remaining Excess RCPS-i C not taken up by the Funds such that PNB and the Funds will collectively apply and subscribe for any Excess RCPS-i C of up to a maximum of 23.5% of the rights issue size.

For the avoidance of doubt, the Undertaking Shareholders are obliged to subscribe in full for their respective entitlements under the Rights Issue and apply by way of excess application, additional RCPS-i C not taken up or not validly taken up by other Entitled Shareholders and/or their renounee(s) under the Rights Issue, up to a maximum of 23.5% of the Rights Issue (as the case may be) even if the Minimum Subscription Level is achieved via the subscription by other Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable).

The Undertaking Shareholders have confirmed, through their respective Undertakings, that they have sufficient financial resources to fulfil their commitments under their respective Undertakings and will make full payment for the RCPS-i C upon subscription. RHB Investment Bank has verified that the Undertaking Shareholders have sufficient financial resources to fulfil their commitments under their respective Undertakings.

In view that the Minimum Subscription Level will be satisfied by the Undertaking Shareholders vide the Undertakings, our Company has not procured any underwriting arrangement for the remaining portion of the Rights Issue for which no irrevocable written undertakings to subscribe is obtained.

The Undertakings will not give rise to any mandatory take-over offer obligation under the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC. Please refer to Section 8.2 of this Abridged Prospectus for the pro forma effects of the Rights Issue on the shareholdings of these Undertaking Shareholders.

Under the Minimum Scenario, our Company is also expected to remain in compliance with the public shareholding spread requirement as stipulated under Paragraph 8.02(1) of the Listing Requirements which requires us to ensure that at least 25% of our total listed Shares (excluding treasury shares, if any) are in the hands of public shareholders.

4. UTILISATION OF PROCEEDS

Our Company intends to utilise the gross proceeds raised from the Rights Issue in the following manner:

Details of utilisation	Notes	Minimum Scenario		Maximum Scenario		Timeframe for utilisation [^]
		(RM'000)	%	(RM'000)	%	
Redemption of the RCPS-i B	(i)	880,837	100.00	809,133	69.38	Within three (3) months
Payment of existing bank loan and financing facility	(ii)	-	-	355,060	30.44	Within six (6) months
Estimated expenses in relation to the Corporate Exercises	(iii)	-	-	2,100	0.18	Within one (1) month
Total estimated proceeds		880,837	100.00	1,166,293	100.00	

Notes:

[^] From the date of completion of the Rights Issue.

- (i) As at the LPD, our Company has 1,176.38 million RCPS-i B amounting to RM1,035.22 million in issue. In accordance with the terms of the RCPS-i B, our Company may at any time on or after the 5th anniversary of the issue date of the RCPS-i B, i.e. 29 December 2017, at our discretion, redeem all (and not part) of the outstanding RCPS-i B by giving not less than 30 days' notice in writing to the holders of RCPS-i B of our intention to do so, subject to compliance with the Act. The redemption of the RCPS-i B shall take effect on the 30th day from the date of the said notice or such other later date as may be specified in the said notice.

As it is the intention of our Company to redeem all the outstanding RCPS-i B upon the 5th anniversary of the issue date of the RCPS-i B, our Company intends to utilise up to RM1,035.22 million of the gross proceeds to be raised from the Rights Issue for the said redemption.

In the event that the gross proceeds to be raised under the Rights Issue are insufficient to fully redeem the outstanding RCPS-i B, our Company will fund the remaining balance required to fully redeem the outstanding RCPS-i B using our internal funds.

For information purpose, the RCPS-i B were issued pursuant to the 2017 Rights Issue. The 2017 Rights Issue raised gross proceeds of RM2,133.25 million which have been fully utilised for the following purposes:

- (a) to part-finance the I&P Acquisition;
- (b) to part-finance of the property development costs of new and on-going projects of our then enlarged Group (after the I&P Acquisition);
- (c) for the working capital requirements of our then enlarged Group (after the I&P Acquisition); and
- (d) to defray expenses incurred for the I&P Acquisition and the 2017 Rights Issue.

Based on the preferential dividend rate of 5.43% per annum for the RCPS-i C and the amount of RCPS-i C to be issued under each scenario, the redemption of all the outstanding RCPS-i B will result in the following annual gross savings in preferential dividend payments if compared to the prevailing preferential dividend rate of 5.93% per annum for the RCPS-i B and the stepped-up preferential dividend rate of 6.93% per annum (as detailed in Note 2 below):

		Minimum Scenario	Maximum Scenario
Value of RCPS-i C to be issued		RM880.84 million	RM1,166.29 million
Value of RCPS-i B to be redeemed		RM1,035.22 million	RM809.13 million
Gross proceeds used to redeem the RCPS-i B		⁽¹⁾ RM880.84 million	RM809.13 million
Preferential dividend rates			
(i) RCPS-i C (per annum)		5.43%	5.43%
(ii) RCPS-i B (per annum)		5.93% and ⁽²⁾ 6.93%	5.93% and ⁽²⁾ 6.93%
Annual preferential dividend payments			
(i) RCPS-i C	A	RM47.83 million	RM63.33 million
(ii) RCPS-i B			
- Based on 5.93%	B	RM61.39 million	RM47.98 million
- Based on 6.93%	C	RM71.74 million	RM56.07 million
Annual gross savings in preferential dividend payments			
(i) 5.43% compared to 5.93%	B - A	⁽¹⁾ RM10.09 million	n.a
(ii) 5.43% compared to 6.93%	C - A	⁽¹⁾ RM20.44 million	n.a

Notes:

- n.a. Not applicable. Under the Maximum Scenario, it is assumed that all the outstanding securities in our Company as at the LPD including the RCPS-i B (save for those RCPS-i B held by the Undertaking Shareholders who had vide their respective Undertakings undertaken not to convert) are exercised or converted (as the case may be) before the Entitlement Date. As such, the proceeds to be raised from the issuance of the RCPS-i C and the annual preferential dividend payable thereon will exceed the amount required for the redemption of the RCPS-i B and the annual preferential dividend payments for the RCPS-i B respectively.
- (1) Assuming that our Company will fund the remaining balance required to fully redeem the outstanding RCPS-i B using our internal funds. As such, the calculation of annual gross savings in preferential dividend payments has taken into consideration our Group's potential loss of interest income of RM3.47 million from our internal funds used to part finance the redemption of the RCPS-i B, calculated at the rate of 2.25% per annum based on our Group's average interest rate for our prevailing one (1) month fixed deposits.
- (2) Based on the terms of the RCPS-i B, an additional stepped-up preferential dividend rate of 1.0% per annum above the expected preferential dividend rate of 5.93% per annum, shall be payable on the RCPS-i B on an annual basis, from the period commencing on and including the 5th anniversary of the issue date of the RCPS-i B i.e. from 29 December 2022 onwards until the redemption date.

- (ii) In line with our Company's de-gearing initiatives and plans to optimise our Group's capital structure, our Company intends to utilise RM355.06 million of the proceeds to be raised under the Maximum Scenario for the payment of our existing floating rate bank loan and financing facility. As at 30 September 2022, the total borrowings of our Group stood at RM12.50 billion and our Company has identified the following bank loan and financing facility to be paid:

	Type of facility	Purpose of the facility	All in interest/ profit rate (%)	Maturity date	Outstanding amount as at 30 September 2022 (RM'000)	Amount to be paid using the proceeds raised from the Rights Issue (RM'000)
(a)	Term loan	To fund development projects and other investments undertaken by our Group	4.67 ^	April 2024	150,000	150,000
(b)	Commodity Murabahah Term Financing-i	To part finance our Company's acquisition of the remaining 50% equity interest in Setia Federal Hill Sdn Bhd from Mekar Gemilang Sdn Bhd	4.35 ^	October 2024	294,000	205,060
Total					444,000	355,060

Note:

^ Based on the prevailing cost of funds of the respective banks plus a credit spread.

Based on the prevailing interest/profit rates of the bank loan and financing facility to be paid, the payment of the aforementioned bank loan and financing facility is expected to result in annual gross interest/profit savings of RM15.93 million.

- (iii) The estimated expenses in relation to the Corporate Exercises consist of the following:

	(RM'000)
Professional fees	1,516
Fees payable to regulatory authorities	267
Printing and despatch costs for the circulars to shareholders and holders of the RCPS-i A and RCPS-i B in relation to the Corporate Exercises as well as the Documents, cost to convene the EGMs and other incidental expenses relating to the Corporate Exercises	317
Total	2,100

Under the Minimum Scenario, our Company will defray the estimated expenses in relation to the Corporate Exercises using our internal funds.

On the other hand, under the Maximum Scenario, any excess/shortfall in the amount allocated for the defrayment of estimated expenses in relation to the Corporate Exercises will be adjusted to/from the gross proceeds which have been earmarked for payment of existing bank loan and financing facility.

In the event our Company raises gross proceeds of between RM880.84 million (under the Minimum Scenario) and RM1,166.29 million (under the Maximum Scenario), our Company will utilise the gross proceeds raised in the following order of priority:

- (i) to redeem all the outstanding RCPS-i B;
- (ii) to defray the estimated expenses in relation to the Corporate Exercises; and
- (iii) the balance to pay for our Group's existing bank loan and financing facility.

For the avoidance of doubt, proceeds raised from the Rights Issue will be used in Shariah-compliant manner.

Pending utilisation of the proceeds to be raised from the Rights Issue, such proceeds will be placed in deposits with licensed Islamic bank(s)/Islamic financial institution(s) and/or Islamic short-term money market instrument(s). The profit derived from the deposits with licensed Islamic bank(s)/Islamic financial institution(s) and/or any gain arising from the Islamic short-term money market instrument(s) will be used for our Group's working capital requirements.

There will be no proceeds raised from the conversion of the RCPS-i C into new Shares as the conversion will be satisfied through the surrender of such number of RCPS-i C at its conversion ratio.

5. RATIONALE FOR THE RIGHTS ISSUE

The Rights Issue is undertaken to raise gross proceeds to finance the redemption of all the outstanding RCPS-i B which were issued on 29 December 2017 and bears a preferential dividend rate of 5.93% per annum. In addition, based on the terms of the RCPS-i B, the additional stepped-up preferential dividend rate of 1.0% per annum shall be payable on the RCPS-i B on an annual basis, from the period commencing on and including the 5th anniversary of the issue date of the RCPS-i B, i.e. from 29 December 2022 onwards until the redemption date. The payment of such stepped-up preferential dividend rate is, however, subject to the aggregate of the expected preferential dividend rate (including the stepped-up preferential dividends) not exceeding a total rate of 20% per annum. In the event our Company raises insufficient gross proceeds to fully redeem the outstanding RCPS-i B, our Company will fund the remaining balance required to fully redeem the outstanding RCPS-i B using our internal funds.

For information purpose, the RCPS-i B were issued in conjunction with our Company's 2017 Rights Issue which raised gross proceeds of RM2,133.25 million and have been fully utilised to, among others, part-finance the I&P Acquisition, part-finance the property development costs of new and on-going projects of our then enlarged Group (after the I&P Acquisition) as well as to finance the working capital requirements of our then enlarged Group (after the I&P Acquisition).

In accordance with the terms of the RCPS-i B, our Company may at any time on or after the 5th anniversary of the issue date of the RCPS-i B, at our discretion, redeem all (and not part) of the outstanding RCPS-i B by giving not less than 30 days' notice in writing to the holders of RCPS-i B of our intention to do so, subject to compliance with the Act. The RCPS-i B shall be redeemed in cash at a redemption price which shall be the aggregate of (i) the issue price of the RPCS-i B; (ii) any preferential dividends declared but unpaid as at the redemption date; and (iii) any deferred dividends as at the redemption date. As at the LPD, there is no outstanding preferential dividends for the RCPS-i B which have been declared but not paid.

The preferential dividend of the RCPS-i B of 5.93% per annum as well as the additional stepped-up preferential dividend rate of 1.0% per annum was determined by our Board in 2017 after taking into consideration, among others, the then prevailing interest rates. Our Board believes that the additional stepped-up preferential dividend rate would be excessive amid the country's current low interest rate environment and could be detrimental to our Group in the longer run as any savings could instead be channelled to fund our Group's general working capital requirement, capital expenditures and/or continuing growth and expansion plans of our Group. In this regard, our Company intends to redeem all the outstanding RCPS-i B upon the 5th anniversary of the issue date of the RCPS-i B using the proceeds raised from the issuance of the RCPS-i C under the Rights Issue which will bear a lower preferential dividend rate of 5.43% per annum, with a stepped-up due only on the 5th anniversary of the issue date of the RCPS-i C.

Further, based on the issue price of the RCPS-i B of RM0.88 each and the conversion ratio of the RCPS-i B of five (5) new Shares for every 21 RCPS-i B held, the implied conversion price for the RCPS-i B would be approximately RM3.70 per Share which presently represents a steep premium of 549.12% over the prevailing share price of our Company, which closed at RM0.57 on the LPD. Hence, holders of RCPS-i B are unlikely to convert their RCPS-i B into new Shares, in which case our Company will be required to continue paying preferential dividends until the RCPS-i B are fully redeemed.

For information purpose, the RCPS-i A were issued on 2 December 2016 and bears a preferential dividend of 6.49% per annum with a similar stepped-up preferential dividend rate of 1.0% per annum above the preferential dividend rate commencing from the 15th anniversary of the issue date of the RCPS-i A until the redemption date. Similar to the RCPS-i B, the payment of the said stepped-up preferential dividend rate is subject to the aggregate of the expected preferential dividend rate (including the stepped-up preferential dividends) not exceeding a total rate of 20% per annum. Although the RCPS-i A bears a higher preferential dividend rate than the RCPS-i B, pursuant to our Constitution, the outstanding RCPS-i A can only be redeemed on or after the 15th anniversary of the issue date of the RCPS-i A, i.e. from 2 December 2031 onwards, subject to compliance with the Act.

Our Board is of the view that the Rights Issue is an appropriate avenue to raise the necessary funding for our Group premised on the following reasons:

- (i) similar to the existing RCPS-i B, the RCPS-i C will be classified as an equity instrument on the statements of financial position of our Group, hence maintaining a similar equity capital structure for our Group upon redemption of the RCPS-i B;
- (ii) the issuance of the RCPS-i C will enable our Company to secure funding of up to RM1,166.29 million at preferential dividend rate of 5.43% per annum, redeemable at the option of our Company on or after the 5th anniversary of its issue date, and also reduce our Company's exposure to interest rate fluctuation which would otherwise arise from bank borrowings;
- (iii) the issuance of the RCPS-i C will not have an immediate dilutive effect on the EPS of our Group, which would otherwise arise from the issuance of new Shares, as the conversion of the RCPS-i C is expected to occur over a period of time;
- (iv) the issuance of the RCPS-i C will provide our Entitled Shareholders with an opportunity to increase their equity participation in our Company through conversion of the RCPS-i C into new Shares at an implied conversion price which is more reflective of the prevailing share price of our Company (as opposed to RCPS-i B), and further participate in the prospects and future growth of our Group, while allowing them to benefit from the expected preferential dividend rate of 5.43% per annum (subject to declaration by our Board) prior to conversion of the RCPS-i C into new Shares;

- (v) the RCPS-i C will be listed and traded on the Main Market of Bursa Securities and depending on the future performance of our Group, our Entitled Shareholders and/or potential investors may be able to benefit from the future capital appreciation of the RCPS-i C and/or new Shares; and
- (vi) the enlarged share base arising from the conversion of the RCPS-i C is also expected to enhance the liquidity of our Shares on the Main Market of Bursa Securities.

6. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS

6.1 Overview and outlook of the Malaysian economy

Malaysia's economy expanded by 6.9% in the first half ("1H") of 2022 underpinned by favourable momentum in the domestic economy and steady expansion in the external sector, as well as continued improvement of the labour market conditions. The strong performance is expected to sustain, backed by an increase in private consumption and business activities as the economy transitions to endemicity phase of COVID-19 with the surging tourist arrivals. Furthermore, the growth momentum was attributed to the Malaysian government's consistent policy support, particularly with the implementation of initiatives under the Budget 2022 since the start of the year, as well as the spillover effects from the Budget 2021 measures coupled with various assistance and stimulus packages.

In tandem with continued implementation of development programmes and projects, the economy is expected to expand further in the second half ("2H") of the year. The growth prospects have been supported by the resumption of economic and social activities and improvement in international travel activities following the relaxation of COVID-19 restrictions regionally. With better prospects as indicated by the Leading Index, the economy is anticipated to gain its growth momentum in 2H 2022 attributed to strong domestic demand as the country transitions into endemicity. For the full year of 2022, the economic growth is expected to register a higher growth within the range of 6.5% – 7% (2021: 3.1%).

Malaysia's economy will remain in a positive growth trajectory in 2023 mainly driven by domestic demand following the transition to the endemic phase and the reopening of international borders. The Malaysian government continues to support the economy through implementing policies and measures to ensure a conducive business environment that facilitates economic activities and meet the needs of the *rakyat*. In enhancing economic resilience and sustainable growth, the Malaysian government will prioritise the structural reform agenda to sustain the post-COVID-19 economic recovery momentum, amid the challenges arising from geopolitical uncertainties and climate change. The Malaysian economy is therefore forecasted to expand between 4% – 5% in 2023. Nevertheless, the pace of economic recovery is also dependent on other factors, including successful containment of the pandemic, support for cost of living and efforts in mitigating the downside risks such as geopolitical uncertainties, global inflation as well as tightening financial conditions.

(Source: Economic Outlook 2023, Ministry of Finance Malaysia)

6.2 Overview and outlook of the property and construction sectors in Malaysia

6.2.1 Property sector

The property market performance recorded an increase in 1H 2022 compared to the same period last year (1H 2021). A total of 188,002 transactions worth RM84.40 billion were recorded, indicating an increase of 34.5% in volume and 36.1% in value as compared to the same period last year. Of the total transactions, 34.3% (64,479) and 62.6% (117,655) were transfers dated in 2021 and 2022 respectively while the remaining percentage share was for prior years' transfers.

Volume of transactions across the sub-sectors showed upward movements. Residential, commercial, industrial, agriculture and development land sub-sectors recorded year-on-year growths in transaction volume of 26.3%, 45.4%, 49.5%, 57.4% and 35.0% respectively. Value of transactions moved in tandem with residential, commercial, industrial, agriculture and development land sub-sectors each recording growths of 32.2%, 28.3%, 66.0%, 56.2% and 17.6% respectively.

The residential sub-sector led the overall property market with 61.8% contribution in volume. This was followed by agriculture sub-sector (22.1%), commercial (8.1%), development land and others (6.0%) and industrial (2.0%). In terms of value, residential took the lead with 54.1% share, followed by commercial (16.6%), industrial (12.7%), agriculture (10.2%) and development land and others (6.4%).

In the residential property sub-sector, there were 116,178 transactions worth RM45.62 billion recorded in the review period, denoting an increase of 26.3% in volume and 32.2% in value year-on-year. Performance across the states improved in the review period. All states recorded higher market volume. The four (4) major states namely Penang, WP Kuala Lumpur, Johor and Selangor recorded an increase of 37.8%, 28.4%, 20.2% and 16.0% respectively. Combined, these states formed about 47% of the total national residential volume.

The primary market saw fewer new launches in 1H 2022, reflecting the cautionary sentiment among developers. There were 10,552 units launched, down by 66.7% against 31,687 units (revised) in 1H 2021. Against 2H 2021, the new launches were lower by 13.3% (2H 2021: 12,173 units). Sales performance for new launches recorded at 20.3%, slightly lower compared to 1H 2021 (revised 20.6%) and 2H 2021 (28.1%).

In 1H 2022, the residential overhang situation improved as the numbers reduced. A total of 34,092 overhang units worth RM21.73 billion was recorded, showing a decrease of 7.5% and 4.6% in volume and value respectively against 2H 2021. Likewise, the unsold under construction residential units saw a decrease of 11.1% to 62,404 units compared to 2H 2021 (70,231 units).

The property market performance recorded a rebound in 1H 2022, a reflection of normalising economic activity as the country moved towards endemicity. With the positive projection on economic growth by Bank Negara Malaysia of between 5.3% to 6.3% in 2022, supported by the implementation of various government initiatives and assistance, the property market performance is expected to be on track. The property sector would also benefit from the improving labour market conditions and higher tourist arrivals as well as continued implementation of multi-year investments projects such as the East Coast Rail Link (ECRL).

(Source: Property Market Report First Half 2022, Valuation and Property Services Department, Ministry of Finance Malaysia)

6.2.2 Construction sector

The construction sector contracted by 2.1% in the 1H 2022, mainly due to lower construction activities in civil engineering and residential buildings sub-sectors. In contrast, non-residential buildings and specialised construction activities sub-sectors registered a growth during the same period, in line with expansion in business activities, albeit rising prices of construction-related materials. The sector is expected to turn around in 2H 2022 with an expansion rate of 6.9%, supported by positive growth in all sub-sectors. Improvement in private investment and robust domestic economic activities are anticipated to increase demand for more industrial buildings. In addition, the acceleration of major infrastructure projects will continue to drive the sector's performance. The development of residential property is expected to remain active supported by continuous implementation of measures under the Budget 2022 including a total government guarantee of up to RM2 billion to banks via *Skim Jaminan Kredit Perumahan* (SJKP) as well as housing projects for low income group with an allocation of RM1.5 billion. In 2022, the sector is projected to rebound by 2.3%.

The construction sector is forecasted to expand by 4.7% in 2023 following a better performance in all sub-sectors. Civil engineering sub-sector is anticipated to rebound buoyed by implementation of new projects such as Mass Rapid Transit Line 3 (MRT3) Circle Line and acceleration of ongoing infrastructure projects which include Rapid Transit System (RTS) Link, East Coast Rail Link (ECRL) and Light Rail Transit Line 3 (LRT3).

In addition, the approved investment projects in the manufacturing sector are anticipated to come onstream and subsequently creating a greater demand for industrial buildings. Hence, the non-residential buildings sub-sector is projected to expand further. Meanwhile, the residential buildings sub-sector is expected to grow steadily supported by more construction of affordable houses, in line with the strategy under the 12th Malaysia Plan (12MP). In addition, incentive offered by the Malaysian government to encourage home ownership through the i-MILIKI programme is expected to spur demand for residential buildings while addressing the property overhang issue.

(Source: Economic Outlook 2023, Ministry of Finance Malaysia)

6.3 Prospects of our Group

The operations of our Group are primarily organised into three (3) main segments, namely property development, construction and other operations which comprise manufacturing, trading and operation of investment properties.

Property development segment

Property development is the main driver of our Group's operations. It focuses on four (4) key segments, namely township developments, integrated mixed developments, eco-themed developments and niche developments.

Our Group's development projects in Malaysia are primarily in the Klang Valley, Johor Bahru and Penang. Notable projects include Setia Alam, Setia EcoHill 1 & 2, Setia Alamsari, Setia Mayuri, Setia AlamImpian, Setia Bayuemas, Bandar Kinrara, Setia Eco Park, Precinct Arundina @ Setia Eco Park, Setia Eco Glades, Setia Safiro, Setia Warisan Tropika, Setia Eco Templer, Trio by Setia, KL Eco City and Setia Sky Seputeh within the Klang Valley; Setia Tropika, Setia Indah, Setia Eco Gardens, Setia Business Park I & II, Taman Pelangi and Bukit Indah in Johor; and Setia Fontaines and Setia Greens in Penang.

Our Group has presence in six (6) foreign countries, namely Singapore, Australia, Vietnam, China, Japan and the United Kingdom. Among the on-going international projects are Daintree Residence, a low-density residential project in Singapore; UNO Melbourne and Sapphire by the Gardens in Melbourne, Australia; EcoLakes township and EcoXuan boutique strata development in proximity to Ho Chi Minh City, Vietnam; and the mixed development on the iconic Battersea Power Station in London, United Kingdom.

For the FYE 31 December 2021, our Group recorded property sales¹ of RM4.26 billion, which represented an increase of RM0.44 billion or 11.52% as compared to property sales of RM3.82 billion in the preceding financial year. The main contribution was from the Central region of Malaysia with RM2.92 billion sales recorded, followed by RM0.56 billion from the Southern region of Malaysia, while the international regions collectively registered property sales of RM0.76 billion. Notably in the Klang Valley, our Group's residential properties in established townships such as Bandar Setia Alam and Bandar Kinrara garnered solid take-up rates in the fourth quarter ("4Q") of 2021. The Malaysian government's move in heeding the *rakyat's* needs by extending the House Ownership Campaign ("HOC") to end-2021 also augured well for our Group as we managed to clear RM754 million worth of completed inventories during the FYE 31 December 2021.

¹ For information purpose, property sales refer to the sales amount stated in the sale and purchase agreements, which may be different from the revenue recorded in the audited financial statements of our Group where revenue is recognised as and when the performance obligation is satisfied.

In 4Q 2021, our Group launched more landed properties with a total gross development value (“**GDV**”) of RM729 million, which includes, among others, the first phase of the exclusive two- and three-storey semi-detached homes of Setia Greens in Penang which garnered a take-up rate of more than 80%. On the global front, our Group gained a stronger brand foothold when all the units in the Daintree Residence project in Singapore were fully sold. Similarly, the third phase residential properties in Eco Lakes, Vietnam which was launched in 4Q 2021 with a combined GDV of RM133 million garnered a full take-up rate.

Our Group recorded total revenue of RM3.76 billion for the FYE 31 December 2021, representing an increase of 17% over the preceding financial year’s revenue of RM3.23 billion. In tandem with the higher revenue recorded for the FYE 31 December 2021, our Group recorded profit before tax of RM542 million, marking a significant improvement over the loss before tax of RM157 million recorded in the preceding financial year which was negatively affected by the COVID-19 pandemic. The improvement in our financial performance during the FYE 31 December 2021 is primarily attributable to the recovery in the property market which benefitted from fiscal measures such as the HOC as well as the gradual relaxation of movement restrictions globally.

For the six (6)-month FPE 30 June 2022, our Group recorded revenue of RM1.89 billion and profit before tax of RM253 million on the back of property sales amounting to RM1.67 billion. Property sales were mainly contributed from local projects amounting to RM1.38 billion or 83% of the property sales whilst the remaining RM294 million or 17% were contributed from international projects. On the local front, property sales were mainly from the Central region of Malaysia with RM944 million sales recorded, followed by RM286 million and RM149 million from the Southern region and Northern region of Malaysia respectively. The total property sales secured were also complemented by the concerted effort in selling RM272 million worth of completed inventories during the six (6)-month FPE 30 June 2022.

During the six (6)-month FPE 30 June 2022, our Group launched landed residential and commercial projects with a total GDV of RM806 million. These included bungalows and semi-detached houses at Setia Eco Park and Setia Mayuri both in the Klang Valley, which witnessed more than 90% take-up rates. The take-up rate for the new phase in Setia Eco Templer, Rawang which comprises double-storey terraces, semi-detached houses and bungalows, also hovered above 90%. Successful launches were also observed in other townships such as Setia Eco Glades, Cyberjaya, with a commendable take-up rate of 56% achieved within a month from its launching.

In February 2022, our Group announced our first venture into healthcare as part of our strategy to explore a business which complements our core property development segment. Through our wholly-owned subsidiary, Setia HC Ventures Sdn Bhd, we have signed an agreement with Qualitas Medical Group Sdn Bhd, to jointly develop and operate an ambulatory care centre (“**ACC**”) in Setia Alam, Shah Alam via the incorporation of Setia City Healthcare Sdn Bhd which we own 49% interest. At this juncture, the total capital investment of the ACC in the Setia Alam township is expected to be RM10 million where our portion will be funded from our internal funds. The establishment of the ACC in the Setia Alam township, which is expected to commence operations in the first quarter of 2023, is in line with our Group’s overall objective of creating sustainable value through place-making by providing ancillary services and reshaping spaces to be more usable and beneficial to the communities living within the township. If successful, we anticipate to emulate the same in other townships and projects developed by our Group in the near future.

Continuous efforts are also made to enhance the environmental, social and governance (ESG) aspects into conceptualisation, design and construction stages of our Group’s projects following the increased emphasis on sustainability and climate change mitigation. For instance, the strategic partnership with Tenaga Nasional Berhad to provide electrical vehicle (EV) port and renewable energy solutions to potential home buyers are in line with our Group’s commitment to promote green energy and reduce carbon emissions. In addition, cost reduction initiatives are being deployed across group-wide operations in parallel to the various promotional campaigns to boost sales and clear unsold inventories.

As at 30 June 2022, our Group has 47 on-going projects and effective remaining landbanks of 7,042 acres with GDV of RM120.88 billion. Backed by an unbilled property sales amounting to RM8.71 billion as at 30 June 2022, this will provide earnings visibility in the short to mid-term to our Group.

Construction segment and other operations

Our Group's construction segment mainly supports the property development activities of our Group. Our Group's construction segment also derives some revenue from the supply of ready-mix concrete to external contractors which serve our Group's property development activities.

Our Group's other operations include wood-based manufacturing, trading activities, and the operation of investment properties such as office towers, retail malls and convention centres.

However, the revenue contributions from our Group's construction segment's external sales and other operations have been relatively small, as illustrated below:

Segments	FYE 31 December						For the six (6)-month FPE 30 June 2022	
	2019		2020		2021		Revenue (RM'000)	% to total revenue
	Revenue (RM'000)	% to total revenue	Revenue (RM'000)	% to total revenue	Revenue (RM'000)	% to total revenue		
Property development	3,667,861	93.36	3,047,272	94.40	3,577,105	95.07	1,791,419	95.01
Construction	60,755	1.54	26,094	0.81	17,409	0.46	7,667	0.41
Other operations	200,258	5.10	154,751	4.79	168,234	4.47	86,457	4.58
Total	3,928,874	100.00	3,228,117	100.00	3,762,748	100.00	1,885,543	100.00

After having considered the above, our Group is confident that with our proven track record, strong brand names under our stable, established townships and right product strategies, our Group will remain resilient.

7. RISK FACTORS

In addition to other information contained in this Abridged Prospectus, you should carefully consider the following risk factors before subscribing for or investing in the Rights Issue:

7.1 Risks relating to our business

7.1.1 Our business is subject to the prevailing market conditions of the property sector in Malaysia and other countries in which we operate

Our performance depends to a large extent on the buoyancy of the property markets in Malaysia and other countries in which we operate. This, in turn, is affected by domestic and global economies, political uncertainties and changes in demographic trends, employment, income and inflation levels, among other factors. Political and economic uncertainties include, but are not limited to, the risk of war, terrorism, riots, change in political leadership and/or change in the government legislations and policies. In addition, the property industry is also affected by the regulatory environment such as change in interest rates, property tax assessments, currency exchange control, introduction of regulatory measures to curb speculative investments in the property market and other statutory changes. Any change in government's policy, regulatory changes or any political instability in Malaysia and in other countries in which we operate may lead to price instability and an imbalance between supply of, and demand for, properties in such countries. Other factors beyond our control such as the sudden outbreak of disease (e.g. the COVID-19 pandemic) may also have an impact on the property market condition.

The economy and property development activities in Malaysia as well as other countries in which we operate were negatively affected by the COVID-19 pandemic. At the peak of the COVID-19 pandemic, we experienced disruptions in our Group's operations both in Malaysia and overseas, which led to, among others, site works for all projects coming to a standstill, as well as reduced workforce and strict adherence to standard operating procedures where activities have been permitted, and consequently, delay in the timeline of our property development projects. Further, the COVID-19 pandemic and resulting uncertainties had also influenced buyers' behavior and resulted in lower demand for the purchase of properties. As a result, our Group recorded loss before tax of RM156.52 million for the FYE 31 December 2020. While our Group recorded better financial results in the FYE 31 December 2021 with profit before tax of RM542.46 million, the recovery rates of our business segments varied due to the different adaptations and compliance requirements imposed by the authorities for different economic sectors as a result of further targeted lockdowns that were sporadically imposed in 2021 arising from emerging variants of the COVID-19 viruses, thereby hindering the full recovery of the economy.

While we will continue to monitor the development and changes within the local and international property markets in planning our future developments, take precautionary measures such as diversifying our operations in various countries and implement prudent business, financial and risk management and efficient operating procedures, there can be no assurance that any material changes in political, economic and regulatory conditions or any outbreak of diseases in jurisdictions or countries where our Group's projects are based will not materially affect our operations and financial performance.

7.1.2 The property development business is highly competitive

Our Group faces competition from both local and international property developers in terms of pricing of properties, design and quality of properties, facilities and supporting infrastructure as well as sale and marketing of properties. Future success will depend significantly on the ability of our Group to respond to ever changing economic conditions and market demands, as well as the progress of development, construction and launch of our property development projects.

While we continue to leverage on our established brand name, track record and strategic locations of our developments, we will also seek to remain competitive in terms of pricing, as well as design and continuously implement strategic marketing and attractive promotional campaigns. We will also adjust our development products and marketing strategies based on our understanding of evolving economic conditions, home buyers' needs and market demands. Notwithstanding the measures undertaken by our Group, we are still susceptible to the potential adverse effects of competition on our future financial performance and position.

7.1.3 Our Group is exposed to the risk of property overhang and/or unsold properties

Property overhang is commonly caused by oversupply and/or low take-up rate of new property launches by property developers. Other factors contributing to property overhang may include economic downturn and unfavourable market conditions. Any prolonged rise in the property overhang situation would inevitably result in our Group potentially holding a high number of unsold properties. Apart from the general property overhang situation, an increase in the number of unsold properties in the property market may also be due to other factors such as weak response to the launched properties, location of the development and changes in consumer preferences.

While we continue to closely monitor the development in the property market in the countries in which we operate, carefully select the type of property products to be built in order to better anticipate and respond to requirements and needs of the buyers as well as to meet or exceed their evolving expectations in terms of design, material specifications and lifestyle preferences, the occurrence of property overhang in the future may be prevalent and there can be no assurance that the occurrence of property overhang will not materially and adversely impact our Group's financial performance.

7.1.4 Our Group is dependent on the services of third-party contractors

We engage and will continue to engage third-party contractors to undertake construction, infrastructure and landscaping works for our property development projects. Generally, one main contractor is engaged for each development project, depending on the size of the development, to supervise the performance and progress of various sub-contractors. Hence, we are dependent on our main contractors and are subject to the inherent risk relating to such contractors, including construction defects, potential delay in completing our projects, shortage of workers and/or failure to obtain relevant permits.

Our Group implements stringent selection criteria to ensure that only contractors with proven track record and adequate financial resources are engaged to undertake construction work for our property development projects. We are also not dependent on any single contractor as we engage the services of various contractors for the development of our projects. In addition, our Group closely monitors the work progress of our contractors in order to ensure the timely completion of the property development projects. As at the LPD, our Group has not experienced any delay or non-completion of our development projects which could have materially and adversely affected our business and financial performance. Notwithstanding this, we are still susceptible to unsatisfactory services rendered by these contractors. The occurrence of any of the abovementioned risks could adversely affect our Group's projects, including the ability of our Group to complete the construction of our projects on time and within budget. Any prolonged delays to the construction of our projects due to the services of our contractors could result in additional costs and/or penalties payable by our Group.

7.1.5 Our business is subject to shortages and/or fluctuations in the costs of construction materials, labour and equipment

As our Group engages third-party contractors to undertake construction, infrastructure and landscaping works for our property development projects, they will supply the construction materials, labour and equipment for the work undertaken. These contractors may be subject to supply risks relating to the availability and costs of construction materials, labour and equipment.

As construction contracts are generally quoted by contractors based on prevailing rates, any material increase in the costs of construction materials and equipment may result in construction contracts inevitably being awarded to our contractors at values which are not favourable to us, especially if our contractors are unable to secure alternative supply at costs acceptable to us. If our Group is unable to pass such additional costs to our customers, our margins from such projects may be reduced and consequently, our profitability and financial performance will be adversely affected.

The construction of our property projects also requires a relatively large number of skilled and unskilled labour. Hence, any shortage of skilled and/or unskilled labour or increase in costs of labour could cause increases in construction costs and construction delay in completing our projects.

For the six (6)-month FPE 30 June 2022, our Group was affected by sector-wide labour shortages and increase in the cost of materials. As a result of labour shortages, the progress of our Group's projects were slower and this, in turn resulted in lower progress billings and consequently, lower revenue being recorded during the period. In addition, our projects are also expected to experience compression in profit margins as a result of new construction contracts being awarded at higher costs based on prevailing market rates.

7.1.6 Our Group is subject to risks inherent to investing in joint ventures

We are exposed to the inherent risk of disputes with, or the breach of obligations by, our joint venture partners that may lead to the termination of a joint venture. There are however provisions and procedures to manage such disputes and breaches to secure a resolution of the issues before they become critical. If we are unable to resolve such issues, and in the absence of other commercially viable options, a decision to terminate a joint venture that relates to a material property development project may materially and adversely affect our business, financial condition, results of operations and prospects.

Based on our past track record, we have not faced termination or abortion of any joint venture development project undertaken by us as a result of any dispute or default in obligations or breach of responsibilities by us or our joint venture partners. We generally play a key role, and have management and operational control, in our joint ventures. Further, we have an established selection criteria to identify viable joint venture partners including their financial standing, reputation and quality of management.

Notwithstanding the above, the occurrence of any dispute or breach of obligations in our joint ventures may materially and adversely affect the performance of the joint ventures, which in turn may materially and adversely affect our business, financial condition, results of operations and prospects.

7.1.7 Our Group is exposed to foreign currency exchange risk

Our Group's reporting currency is denominated in RM whilst the functional and reporting currencies of our foreign operations are denominated in GBP, AUD, SGD, USD, RMB, JPY and VND. The cash flows of our foreign operations are affected by purchases of land, investment, development and operating costs, financing as well as revenues. Consequently, our revenues, costs, profits and asset values are affected by fluctuations in the foreign currency exchange rates of the abovementioned currencies. We are also exposed to foreign currency exchange risk as we may provide additional capital/funds to our foreign subsidiaries or jointly controlled entities and/or repatriate our profits from these entities, if such need arises from time to time.

However, our Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located. Notwithstanding our Group's hedging strategy, our Group's financial performance may still be adversely and materially affected by any foreign currency exchange rate fluctuations.

7.1.8 Our property development business is capital intensive in nature and subject to our ability to raise financing

Our Group's ability to develop properties depend on our continued capital expenditures, including the acquisition of land. To meet continued capital requirements, we will need to raise sufficient financing, whether through external debt financing, equity financing and/or internally generated funds. Although we seek to maintain good relationship with financial institutions, there can be no assurance that financing, either on a short-term or a long-term basis, will be made available to us, or if available, such financing will be obtained on terms favourable to us.

If our Group is unable to secure the necessary financing or secure such financing on terms which are favourable to us, this could adversely affect our business, financial condition, results of operations and prospects.

7.1.9 Our Group's development or project lands may be compulsorily acquired by the respective governments of the states and/or countries in which they are located

There is an inherent risk that our Group's development or project lands may be compulsorily acquired by the respective governments of the states and/or countries in which they are located for, among others, public use or due to public interest.

If all or any portion of our development or project lands are compulsorily acquired by the respective governments at any point in time, the amount of compensation paid to our Group may be less than the market value of such lands and/or the purchase consideration that we have paid in acquiring such lands. Accordingly, our Group's business, financial condition, results of operations and prospects could be adversely affected.

7.2 Risks relating to the Rights Issue

7.2.1 The RCPS-i C is subject to capital market risks

The market price of the RCPS-i C, like other securities traded on Bursa Securities, is subject to fluctuations and will be influenced by, among others, prevailing market sentiments, volatility of the stock market, interest rate movements, trades of substantial amount of our Company's securities on Bursa Securities, corporate developments and future profitability of our Group as well as the prospects of the industry and countries in which our Group operates. Hence, there is no assurance that the RCPS-i C will trade at or above the issue price of the RCPS-i C upon or subsequent to the listing and quotation of the RCPS-i C on the Main Market of Bursa Securities.

The RCPS-i C is a new class of security for our Company and there is no prior market for it. As such, there is also no assurance that an active market for the RCPS-i C will develop upon or subsequent to the listing and quotation of the RCPS-i C on the Main Market of Bursa Securities or, if developed, such market can be sustained or will be adequately liquid.

7.2.2 Failure or delay in completing the Rights Issue

The Rights Issue is exposed to the risk that it may be terminated or delayed in the event a material adverse change of events or circumstances (such as force majeure events including without limitation, acts of government, natural disasters such as the occurrence of a tsunami and/or earthquakes, acts of terrorism, strikes, national disorder, declaration of a state of war or accidents, or any change in law, regulation, policy or ruling), which is beyond the control of our Company, RHB Investment Bank and/or other advisers, arises prior to the completion of the Rights Issue.

Our Company has procured the Undertakings from the Undertaking Shareholders to subscribe in full for their respective entitlements under the Rights Issue and to apply for the Excess RCPS-i C of up to 23.5% of the rights issue size. The successful implementation of the Rights Issue is also dependent on the fulfilment by the Undertaking Shareholders of their obligation under their respective Undertakings.

There can be no assurance that the abovementioned factors or events will not cause a failure or delay in completing the Rights Issue. In the event the Rights Issue is terminated, all subscription monies received pursuant to the Rights Issue will be refunded without interest to the subscribing Entitled Shareholders and/or their renounee(s) or transferee(s) (if applicable).

Where prior to the issuance and allotment of the RCPS-i C to the successful Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable):

- (i) the SC issues a stop order under Section 245(1) of the CMSA, all applications shall be deemed to be withdrawn and cancelled and we shall repay all monies paid in respect of the applications for the RCPS-i C within 14 days of the stop order, failing which we shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or
- (ii) our Rights Issue is terminated other than pursuant to a stop order by the SC under Section 245(1) of the CMSA, all monies paid in respect of the applications for the RCPS-i C will be refunded free of interest.

In the event that the RCPS-i C have been allocated to the successful Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) and:

- (i) the SC issues a stop order under Section 245(1) of the CMSA, any issue of the RCPS-i C shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, we shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or
- (ii) our Rights Issue is aborted other than pursuant to a stop order by the SC under Section 245(1) of the CMSA, a return of monies to all applicants may only be achieved by way of a cancellation of our share capital as provided under the Act and its related rules. Such cancellation can be implemented by the sanction of our shareholders by way of special resolution in a general meeting and supported by either:
 - (a) consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances; or
 - (b) a solvency statement from our directors.

There can be no assurance that such monies can be returned within a short period of time under such circumstances.

(The rest of this page has been intentionally left blank)

8. EFFECTS OF THE RIGHTS ISSUE

The pro forma effects of the Rights Issue in this section are presented purely for illustration purposes based on the following scenarios:

Minimum Scenario : Assuming that:

- (i) none of the 122,136,352 outstanding ESOS Options are exercised into new Shares before the Entitlement Date;
- (ii) none of the 1,088,657,886 RCPS-i A and 1,176,383,600 RCPS-i B are converted into new Shares before the Entitlement Date; and
- (iii) save for the Undertaking Shareholders, none of the other Entitled Shareholders and/or their renounee(s) and/or transferee(s) subscribe for their respective entitlements under the Rights Issue.

Maximum Scenario : Assuming that:

- (i) all the 122,136,352 outstanding ESOS Options are fully exercised into new Shares before the Entitlement Date;
- (ii) all the 1,088,657,886 RCPS-i A and 256,914,678[^] RCPS-i B are fully converted into new Shares before the Entitlement Date; and
- (iii) all the Entitled Shareholders and/or their renounee(s) and/or transferee(s) subscribe in full for their respective entitlements under the Rights Issue.

Note:

[^] For information purpose, a total of 919,468,922 RCPS-i B which are held by the Undertaking Shareholders as at the LPD have been excluded from this scenario as the Undertaking Shareholders had vide their respective Undertakings undertaken not to convert any of their RCPS-i B.

(The rest of this page has been intentionally left blank)

8.1 Issued share capital

For illustrative purpose only, the pro forma effects of the Rights Issue on the issued share capital of our Company under the respective scenarios are set out below:

Ordinary share capital

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Issued share capital as at the LPD	4,075,488,387	8,499,642,015	4,075,488,387	8,499,642,015
Add : Shares to be issued pursuant to the full exercise of the ESOS Options	-	-	122,136,352	(2) 416,617,526
Add : Shares to be issued pursuant to the full conversion of the RCPS-i A	-	-	(3) 322,088,131	1,087,362,697
Add : Shares to be issued pursuant to the full conversion of the RCPS-i B	-	-	(4), (5) 61,170,161	226,084,917
Add : Shares to be issued pursuant to the full conversion of the RCPS-i C (1)	1,107,101,020	878,737,249	4,580,883,031	10,229,707,155
Enlarged issued share capital	5,182,589,407	9,378,379,264	6,046,765,600	11,393,899,974

Notes:

- (1) Assuming all the RCPS-i C are fully converted into new Shares at the conversion ratio of 32 new Shares for every 67 RCPS-i C held.
- (2) Calculated based on the exercise prices of the ESOS Options ranging between RM0.77 to RM3.03 per Share.
- (3) Calculated based on the current conversion ratio of 50 new Shares for every 169 RCPS-i A held.
- (4) Calculated based on the current conversion ratio of five (5) new Shares for every 21 RCPS-i B held.
- (5) For information purpose, a total of 919,468,922 RCPS-i B which are held by the Undertaking Shareholders as at the LPD have been excluded as the Undertaking Shareholders had vide their respective Undertakings undertaken not to convert any of their RCPS-i B.

Preference share capital

	Minimum Scenario		Maximum Scenario	
	No. of preference shares	RM	No. of preference shares	RM
Issued share capital as at the LPD	2,265,041,486	2,122,580,265	2,265,041,486	2,122,580,265
Less : Full conversion of the RCPS-i A into new Shares	-	-	(1,088,657,886)	(1,087,362,697)
Less : Full conversion of the RCPS-i B into new Shares	-	-	(2) (256,914,678)	(226,084,917)
Add : RCPS-i C to be issued pursuant to the Rights Issue	2,265,041,486	2,122,580,265	919,468,922	809,132,651
	2,317,992,761	(1) 878,737,249	3,069,191,630	(1) 1,164,192,819
Less : Full redemption of the RCPS-i B	4,583,034,247	3,001,317,514	3,988,660,552	1,973,325,470
	(1,176,383,600)	(1,035,217,568)	(919,468,922)	(809,132,651)
Less : Full conversion of the RCPS-i C into new Shares	3,406,650,647	1,966,099,946	3,069,191,630	1,164,192,819
	(2,317,992,761)	(878,737,249)	(3,069,191,630)	(1,164,192,819)
Enlarged issued share capital	1,088,657,886	1,087,362,697	-	-

Notes:

- (1) After deducting the estimated expenses in relation to the Corporate Exercises of RM2.10 million.
- (2) For information purpose, a total of 919,468,922 RCPS-i B which are held by the Undertaking Shareholders as at the LPD have been excluded as the Undertaking Shareholders had vide their respective Undertakings undertaken not to convert any of their RCPS-i B.

For information purpose, in compliance with Paragraph 6.50 of the Listing Requirements, the maximum number of new Shares which will arise from the conversion of all the outstanding RCPS-i A and RCPS-i B as at the LPD as well as from the conversion of all the new RCPS-i C to be issued pursuant to the Rights Issue will not exceed 50% of the total number of issued Shares of our Company before the conversion of the RCPS-i A, RCPS-i B and RCPS-i C (as the case may be) at all times, as illustrated below:

	Minimum Scenario	Maximum Scenario
No. of issued Shares as at the LPD	4,075,488,387	4,075,488,387
Add: No. of new Shares to be issued pursuant to the full conversion of the RCPS-i A	-	⁽¹⁾ 322,088,131
Add: No. of new Shares to be issued pursuant to the full conversion of the RCPS-i B	-	^{(2), (3)} 280,091,333
No. of enlarged issued Shares	4,075,488,387	4,677,667,851
<u>Outstanding convertible equity securities as at the LPD</u>		
▪ No. of new Shares to be issued arising from full conversion of the RCPS-i A and RCPS-i B ⁽⁴⁾	⁽³⁾ 702,172,493	-
▪ No. of new Shares to be issued arising from full conversion of the new RCPS-i C to be issued pursuant to the Rights Issue	1,107,101,020	1,465,882,569
Total no. of new Shares to be issued from the conversion of all outstanding convertible equity securities	1,809,273,513	1,465,882,569
% of total issued Shares	44.39%	31.34%
	(A)	(B)
		(B/A)

Notes:

- (1) Calculated based on the current conversion ratio of 50 new Shares for every 169 RCPS-i A held.
- (2) Calculated based on the current conversion ratio of five (5) new Shares for every 21 RCPS-i B held.
- (3) Includes the 919,468,922 RCPS-i B held by the Undertaking Shareholders as at the LPD.
- (4) Computed based on the respective adjusted conversion ratios of the RCPS-i A and RCPS-i B as a result of the Rights Issue. Please refer to Section 8.5 of this Abridged Prospectus for further details on the said adjustments.

8.2 Substantial shareholders' shareholdings

The Rights Issue will not have an immediate effect on the shareholdings of the substantial shareholders of our Company until such time the RCPS-i C are converted into new Shares, the potential effect of which is also dependent on the total number of issued Shares of our Company at the relevant point in time.

For illustrative purpose only, the pro forma effects of the Rights Issue on the shareholdings of the substantial shareholders of our Company under the respective scenarios are as follows:

Minimum Scenario

	(I)				(II)								
	As at the LPD				After the Rights Issue				After (I) and assuming full conversion of the RCPS-i C				
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->		
No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
Substantial shareholders													
PNB	1,060,093	26.01	-	-	1,060,093	26.01	-	-	1,399,322	27.00	-	-	-
ART-Amanah Saham Bumiputera ("ASB")	1,007,602	24.72	-	-	1,007,602	24.72	-	-	(3) 1,775,474	34.26	-	-	-
Kumpulan Wang Persaraan (Diperbadankan) ("KWAP")	356,705	8.75	35,543	(1) 0.87	356,705	8.75	35,543	(1) 0.87	356,705	6.88	35,543	(1) 0.69	(1) 0.69
Employees Provident Fund Board ("EPF")	223,048	5.47	-	-	223,048	5.47	-	-	223,048	4.30	-	-	-
Yayasan Pelaburan Bumiputra	-	-	1,060,093	(2) 26.01	-	-	1,060,093	(2) 26.01	-	-	1,399,322	(2) 27.00	(2) 27.00

Notes:

- (1) Deemed to have indirect interest by virtue of the Shares held by its fund managers.
- (2) Deemed to have indirect interest through its shareholding of 100% less one share in PNB by virtue of Section 8 of the Act.
- (3) Notwithstanding that PNB had, vide its additional Undertaking dated 31 October 2022, informed our Company of its intention to apply for all or part of the Excess RCPS-i C not applied and subscribed for by the Funds (as contemplated in the irrevocable undertaking provided by ART vide its letter dated 27 April 2022) such that PNB and the Funds will collectively apply and subscribe for any Excess RCPS-i C of up to a maximum of 23.5% of the rights issue size, the actual proportion of such Excess RCPS-i C to be subscribed by PNB and each of the Funds cannot be determined at this juncture. As such, for the purpose of illustrating the pro forma effects of the Rights Issue on the shareholdings of the substantial shareholders of our Company under the Minimum Scenario, we have assumed that ART-ASB will apply for the entire Excess RCPS-i C committed under the Funds' Undertakings as detailed in Section 3 of this Abridged Prospectus.

Maximum Scenario

	(I)					
	As at the LPD		Assuming full exercise or conversion of the convertible securities			
	<-----Direct----->	<-----Indirect----->	<-----Direct----->	<-----Indirect----->		
No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	
Substantial shareholders						
PNB	1,060,093	26.01	-	-	1,140,980	24.91
ART-ASB	1,007,602	24.72	-	-	1,117,805	24.40
KWAP	356,705	8.75	35,543	(1) 0.87	409,672	8.94
EPF	223,048	5.47	-	-	262,930	5.74
Yayasan Pelaburan Bumiputra	-	-	1,060,093	(2) 26.01	-	-
					1,140,980	(2) 24.91
	(II)					
	After (I) and the Rights Issue					
<-----Direct----->	<-----Indirect----->	<-----Direct----->	<-----Indirect----->	<-----Direct----->	<-----Indirect----->	
No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	
Substantial shareholders						
PNB	1,140,980	24.91	-	-	1,506,094	24.91
ART-ASB	1,117,805	24.40	-	-	1,475,502	24.40
KWAP	409,672	8.94	37,368	(1) 0.82	540,767	8.94
EPF	262,930	5.74	-	-	347,068	5.74
Yayasan Pelaburan Bumiputra	-	-	1,140,980	(2) 24.91	-	-
					1,506,094	(2) 24.91
	(III)					
	After (II) and assuming full conversion of the RCPS-i C					
<-----Direct----->	<-----Indirect----->	<-----Direct----->	<-----Indirect----->	<-----Direct----->	<-----Indirect----->	
No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	
Substantial shareholders						
PNB	1,140,980	24.91	-	-	1,506,094	24.91
ART-ASB	1,117,805	24.40	-	-	1,475,502	24.40
KWAP	409,672	8.94	37,368	(1) 0.82	540,767	8.94
EPF	262,930	5.74	-	-	347,068	5.74
Yayasan Pelaburan Bumiputra	-	-	1,140,980	(2) 24.91	-	-
					1,506,094	(2) 24.91

Notes:

- (1) Deemed to have indirect interest by virtue of the Shares held by its fund managers.
- (2) Deemed to have indirect interest through its shareholding of 100% less one share in PNB by virtue of Section 8 of the Act.

8.3 NA per Share and gearing

For illustrative purpose only, based on the latest unaudited consolidated statement of financial position of our Company as at 30 June 2022 and on the assumption that the Rights Issue had been effected on that date, the pro forma effects of the Rights Issue on the consolidated NA per Share and gearing of our Company under the respective scenarios are as follows:

Minimum Scenario

	Unaudited as at 30 June 2022 (RM'000)	(I)	(II)	(III)
		Subsequent events up to the LPD ⁽⁴⁾ (RM'000)	After (I) and the Rights Issue ⁽⁵⁾ (RM'000)	After (II) and assuming full conversion of the RCPS-i C ⁽⁶⁾ (RM'000)
Share capital	8,490,365	8,499,642	8,499,642	9,378,379
Share capital – RCPS-i A	1,087,363	1,087,363	1,087,363	1,087,363
Share capital – RCPS-i B	1,035,218	1,035,218	-	-
Share capital – RCPS-i C	-	-	878,737	-
Share-based payment reserve (<i>non- distributable</i>)	91,161	82,754	82,754	82,754
Reserve on acquisition arising from common control (<i>non- distributable</i>)	(1,295,884)	(1,295,884)	(1,295,884)	(1,295,884)
Exchange translation reserve (<i>non- distributable</i>)	11,350	11,350	11,350	11,350
Retained earnings (<i>distributable</i>)	4,719,651	4,718,781	4,718,781	4,718,781
NA/Equity attributable to owners of our Company	14,139,224	14,139,224	13,982,743	13,982,743
Non-controlling interests	1,457,100	1,457,100	1,457,100	1,457,100
Total equity	15,596,324	15,596,324	15,439,843	15,439,843
Number of Shares in issue (‘000)	4,068,112	4,075,488	4,075,488	5,182,589
NA per Share (RM) ⁽¹⁾	2.95	2.95	2.95	2.49
Interest-bearing borrowings	12,684,773	12,684,773	12,684,773	12,684,773
Redeemable cumulative preference shares	37,693	37,693	37,693	37,693
Short-term deposits	956,237	956,237	956,237	956,237
Cash and bank balances	1,791,278	1,791,278	1,634,797	1,634,797
Gearing (times) ⁽²⁾	0.82	0.82	0.82	0.82
Net gearing (times) ⁽³⁾	0.64	0.64	0.66	0.66

Notes:

- (1) Calculated based on NA/equity attributable to owners of our Company (excluding the share capital relating to the RCPS-i A, RCPS-i B and/or RCPS-i C (as the case may be)) over number of Shares in issue.
- (2) Calculated based on total borrowings (comprises the interest-bearing borrowings and redeemable cumulative preference shares) over total equity.
- (3) Calculated based on total net borrowings (comprises the interest-bearing borrowings and redeemable cumulative preference shares net of short-term deposits and cash and bank balances) over total equity.

- (4) *After taking into consideration the following:*
- (i) *share based payment on the ESGP Shares amounting to RM0.87 million between 1 July 2022 and the LPD which has been charged to profit and loss; and*
 - (ii) *issuance of 7,376,071 new Shares from the vesting of ESGP Shares between 1 July 2022 and the LPD.*
- (5) *After taking into consideration the following:*
- (i) *issuance of RCPS-i C at the issue price of RM0.38 per RCPS-i C which gives rise to gross proceeds of RM880.84 million;*
 - (ii) *redemption of all the outstanding RCPS-i B amounting to RM1,035.22 million using the gross proceeds raised from the Rights Issue of RM880.84 million while the remaining balance of RM154.38 million is funded using our internal funds; and*
 - (iii) *payment of estimated expenses in relation to the Corporate Exercises amounting to RM2.10 million using our internal funds.*
- (6) *Assuming all the RCPS-i C are fully converted into new Shares at the conversion ratio of 32 new Shares for every 67 RCPS-i C held and no preferential dividend is declared prior to the full conversion of the RCPS-i C.*

(The rest of this page has been intentionally left blank)

	(I)	(II)	(III)	(IV)
	Subsequent events up to the LPD ⁽⁴⁾ (RM'000)	After (I) and assuming full exercise or conversion of the convertible securities ⁽⁵⁾ (RM'000)	After (II) and the Rights Issue ⁽⁶⁾ (RM'000)	After (III) and assuming full conversion of the RCPS-i C ⁽⁷⁾ (RM'000)
Unaudited as at 30 June 2022 (RM'000)				
Share capital	8,499,365	10,229,707	10,229,707	11,393,900
Share capital – RCPS-i A	1,087,363	-	-	-
Share capital – RCPS-i B	1,035,218	809,133	-	-
Share capital – RCPS-i C	-	-	1,164,193	-
Share-based payment reserve (<i>non-distributable</i>)	91,161	5,759	5,759	5,759
Reserve on acquisition arising from common control (<i>non-distributable</i>)	(1,295,884)	(1,295,884)	(1,295,884)	(1,295,884)
Exchange translation reserve (<i>non-distributable</i>)	11,350	11,350	11,350	11,350
Retained earnings (<i>distributable</i>)	4,719,651	4,728,202	4,728,202	4,728,202
NA/Equity attributable to owners of our Company	14,139,224	14,488,267	14,843,327	14,843,327
Non-controlling interests	1,457,100	1,457,100	1,457,100	1,457,100
Total equity	15,596,324	15,945,367	16,300,427	16,300,427
Number of Shares in issue ('000)	4,068,112	4,580,883	4,580,883	6,046,766
NA per Share (RM) ⁽¹⁾	2.95	2.99	2.99	2.45
Interest-bearing borrowings	12,684,773	12,684,773	12,329,713	12,329,713
Redeemable cumulative preference shares	37,693	37,693	37,693	37,693
Short-term deposits	956,237	956,237	956,237	956,237
Cash and bank balances	1,791,278	2,140,321	2,140,321	2,140,321
Gearing (times) ⁽²⁾	0.82	0.80	0.76	0.76
Net gearing (times) ⁽³⁾	0.64	0.60	0.57	0.57

Notes:

- (1) Calculated based on *NA/equity attributable to owners of our Company (excluding the share capital relating to the RCPS-i A, RCPS-i B and/or RCPS-i C (as the case may be)) over number of Shares in issue.*
- (2) Calculated based on *total borrowings (comprises the interest-bearing borrowings and redeemable cumulative preference shares) over total equity.*
- (3) Calculated based on *total net borrowings (comprises the interest-bearing borrowings and redeemable cumulative preference shares net of short-term deposits and cash and bank balances) over total equity.*
- (4) After taking into consideration the following:
 - (i) share based payment on the ESGP Shares amounting to RM0.87 million between 1 July 2022 and the LPD which has been charged to profit and loss; and
 - (ii) issuance of 7,376,071 new Shares from the vesting of ESGP Shares between 1 July 2022 and the LPD.
- (5) After taking into consideration the following:
 - (i) exercise of all the 122,136,352 outstanding ESOS Options as at the LPD at exercise prices ranging between RM0.77 to RM3.03 per Share and the forfeiture of 17,923,045 ESOS Options as at the LPD;
 - (ii) conversion of all the 1,088,657,886 RCPS-i A based on the current conversion ratio of 50 new Shares for every 169 RCPS-i A held; and
 - (iii) conversion of 256,914,678 RCPS-i B based on the current conversion ratio of five (5) new Shares for every 21 RCPS-i B held.
- (6) After taking into consideration the following:
 - (i) issuance of RCPS-i C at the issue price of RM0.38 per RCPS-i C which gives rise to gross proceeds of RM1,166.29 million;
 - (ii) redemption of the remaining 919,468,922 RCPS-i B held by the Undertaking Shareholders as at the LPD amounting to RM809.13 million and payment of existing bank loan and financing facility amounting to RM355.06 million using the gross proceeds raised from the Rights Issue; and
 - (iii) payment of estimated expenses in relation to the Corporate Exercises amounting to RM2.10 million using the gross proceeds raised from the Rights Issue.
- (7) Assuming all the RCPS-i C are fully converted into new Shares at the conversion ratio of 32 new Shares for every 67 RCPS-i C held and no preferential dividend is declared prior to the full conversion of the RCPS-i C.

8.4 Earnings and EPS

As the Rights Issue is expected to be completed in the fourth quarter of 2022, the Rights Issue is not expected to have any material effect on the earnings and EPS of our Group for the FYE 31 December 2022.

The Rights Issue may, however, result in dilution of the EPS of our Group arising from the increase in the number of Shares in issue as and when the RCPS-i C are converted into new Shares.

For illustrative purpose only, based on the latest audited consolidated statements of comprehensive income of our Group for the FYE 31 December 2021 and on the assumption that the Rights Issue (and the proposed redemption of all the RCPS-i B) had been effected at the beginning of the said financial year, the pro forma effects of the Rights Issue on the earnings and EPS of our Group under the respective scenarios are as follows:

	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
Adjusted profit after tax (" PAT ") attributable to ordinary shareholders of our Company ⁽¹⁾	152,323	152,323
Add : Expected annual gross interest/profit savings arising from the payment of bank loan and financing facility	-	⁽²⁾ 15,925
Less : Potential loss of interest income from the use of our internal funds to part finance the redemption of the RCPS-i B	⁽³⁾ (3,474)	-
Add : Savings in the payment of RCPS-i B preferential dividends upon its full redemption (<i>based on preferential dividend rate of 5.93% per annum</i>)	61,388	61,388
Less : RCPS-i C preferential dividends (<i>based on preferential dividend rate of 5.43% per annum</i>)	(47,829)	(63,330)
Pro forma adjusted PAT attributable to ordinary shareholders of our Company after the Rights Issue ⁽⁴⁾	162,408	166,306
Weighted average number of Shares in issue ('000)		
(i) As at 31 December 2021		
- Basic	4,062,023	4,062,023
- Diluted	4,076,731	4,076,731
(ii) After the Rights Issue and full conversion of the RCPS-i C		
- Basic	5,169,124	5,527,906
- Diluted	5,173,601	5,532,383
EPS (sen) ⁽⁵⁾		
(i) As at 31 December 2021		
- Basic	3.75	3.75
- Diluted	3.74	3.74
(ii) After the Rights Issue and full conversion of the RCPS-i C		
- Basic	3.14	3.01
- Diluted	3.14	3.01

Notes:

(1) Derived in the following manner, as extracted from our Company's Annual Report 2021:

	(RM'000)
PAT attributable to owners of our Company	284,365
Less: RCPS-i A preferential dividends	(70,654)
Less: RCPS-i B preferential dividends	(61,388)
Adjusted PAT attributable to ordinary shareholders of our Company	152,323

- (2) Under the Maximum Scenario, the payment of the bank loan and financing facility using the proceeds raised from the Rights Issue is expected to result in annual gross interest/profit savings of RM15.93 million based on the prevailing interest/profit rates of the bank loan and financing facility as set out in Note (ii) of Section 4 of this Abridged Prospectus.
- (3) Calculated at the rate of 2.25% per annum based on our Group's average interest rate for our prevailing one (1) month fixed deposits.
- (4) For information purpose, in accordance with the Malaysian Financial Reporting Standards and our Company's accounting policy, the proceeds to be received from the Rights Issue net of any directly attributable transaction costs will be credited to share capital. In this regard, the estimated expenses in relation to the Corporate Exercises will not be charged to profit or loss and hence, will not have any impact on the consolidated earnings and EPS of our Group. The breakdown of the estimated expenses for the Corporate Exercises is set out in Note (iii) of Section 4 of this Abridged Prospectus.
- (5) Calculated based on the relevant PAT attributable to ordinary shareholders of our Company over the relevant weighted average number of Shares in issue. For information purpose, the effects of conversion of the RCPS-i A and RCPS-i B have not been included in the computation of the dilutive consolidated EPS of our Company as they do not have a dilutive effect.

8.5 Convertible securities

Save for the following, our Company does not have any other convertible security in issue as at the LPD:

(i) ESOS Options

As at the LPD, there are 122,136,352 ESOS Options which have been vested but not exercised. For information purpose, our Board had undertaken that our Company will not grant any further ESOS Options prior to the Entitlement Date, save for the allocation of up to 642,800 ESOS Options to Datuk Choong Kai Wai, the President and Chief Executive Officer of our Company, which was approved by our shareholders at the 47th annual general meeting of our Company held on 27 April 2022 and all the 642,800 ESOS Options were subsequently granted to him on 18 May 2022.

In accordance with the provisions of the by-laws governing, among others, the ESOS Options, the Rights Issue may give rise to adjustments to the exercise price and/or number of ESOS Options which are vested but not yet exercised.

(ii) RCPS-i A and RCPS-i B

As at the LPD, there are 1,088,657,886 RCPS-i A and 1,176,383,600 RCPS-i B which remain in issue and are convertible into new Shares based on the following conversion ratios:

- RCPS-i A : 50 new Shares for every 169 RCPS-i A held; and
- RCPS-i B : five (5) new Shares for every 21 RCPS-i B held.

Under the Constitution of our Company, the Rights Issue may give rise to adjustments to the conversion ratios for the RCPS-i A and RCPS-i B.

For information purpose, the conversion ratios for the RCPS-i A and RCPS-i B shall be adjusted by multiplying them by the following formulae:

$$\frac{C - D}{C}$$

where,

C = RM1.23, being the market price per Share based on the five (5)-day VWAMP of the Shares (rounded down to the nearest RM0.01 per Share) on the Market Day immediately preceding the date on which the Rights Issue is publicly announced to Bursa Securities (i.e. the five (5)-day VWAMP of the Shares up to and including 26 April 2022);

D = Value of rights attributable to one (1) Share which shall be calculated in accordance with the following formulae:

$$\frac{C - E}{F + 1}$$

E = RM0.7956, being the implied conversion price for the RCPS-i C; and

F = 1.49 Shares, being the number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) RCPS-i C

Based on the formulae set out above, the adjustments to the conversion ratios for the RCPS-i A and RCPS-i B are as follows:

$$\text{Adjusted conversion ratio} = \frac{1.23 - \left(\frac{1.23 - 0.7956}{1.49 + 1} \right)}{1.23} \times \text{Current conversion ratio}$$

For RCPS-i A:

$$\begin{aligned} \text{Adjusted conversion ratio} &= \frac{1.23 - 0.1745}{1.23} \times 169/50 \\ &= 2.90 \\ &= \underline{\underline{10 \text{ new Shares for every 29 RCPS-i A}}} \end{aligned}$$

For RCPS-i B:

$$\begin{aligned} \text{Adjusted conversion ratio} &= \frac{1.23 - 0.1745}{1.23} \times 21/5 \\ &= 3.60 \\ &= \underline{\underline{Five (5) new Shares for every 18 RCPS-i B}} \end{aligned}$$

Based on the above, the adjustments to the conversion ratios for the RCPS-i A and RCPS-i B are summarised below:

	RCPS-i A	RCPS-i B
Current conversion ratio	50 new Shares for every 169 RCPS-i A held	Five (5) new Shares for every 21 RCPS-i B held
Adjusted conversion ratio	10 new Shares for every 29 RCPS-i A held	Five (5) new Shares for every 18 RCPS-i B held

For avoidance of doubt, the effective date of the aforesaid adjustments shall be on the next Market Day following the Entitlement Date.

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENTS AND MATERIAL TRANSACTIONS

9.1 Working capital and sources of liquidity

We have financed our operations through a combination of cash generated from operating activities, credit extended by suppliers, credit facilities from financial institutions as well as our Group's existing cash and bank balances and short-term deposits. As at 30 September 2022, we have cash and bank balances and short-term deposits of RM2,538.63 million (in aggregate) and unutilised limit of credit facilities of RM2,943.80 million.

Our Board confirms that, after taking into consideration the funds generated from our Group's operations, existing cash and bank balances, short-term deposits, the banking facilities available to our Group as well as the proceeds to be raised from the Rights Issue, our Group will have sufficient working capital for a period of 12 months from the date of this Abridged Prospectus.

9.2 Borrowings

As at 30 September 2022, our Group's total outstanding borrowings (all of which are interest-bearing/in profit rates) are set out below:

	(RM'million)
Short-term borrowings	
<i>Secured:</i>	
Term loans	1,989.55
Revolving credits	672.18
Medium term notes and commercial paper	71.51
Hire purchase and finance lease	0.48
<i>Unsecured:</i>	
Term loans	2,783.92
Revolving credits	51.00
Bank overdrafts	1.49
Long-term borrowings	
<i>Secured:</i>	
Term loans	2,773.89
Bridging loans	7.55
Medium term notes and commercial paper	774.32
Hire purchase and finance lease	0.31
<i>Unsecured:</i>	
Term loans	1,384.00
Sukuk Wakalah	1,994.85
Total	12,505.05

The currency exposure profile of our Group's borrowings as at 30 September 2022 is as follows:

	Amount in foreign currency ⁽¹⁾ (million)	Amount in RM (million)
RM	-	8,647.43
GBP	300.57	1,562.42
AUD	631.22	1,905.39
SGD	61.44	199.01
USD	33.64	155.86
JPY	1,088.69	34.94
Total		12,505.05

Note:

(1) Based on the exchange rate of GBP1.00 : RM5.1982, AUD1.00 : RM3.0186, SGD1.00 : RM3.2389, USD1.00 : RM4.6340 and JPY100 : RM3.2124, being the 5:00 p.m. middle rates as set forth in the statistical release of Bank Negara Malaysia as at 30 September 2022.

We have not been in default on payments of either interest and/or principal sum in respect of any of our borrowings for the FYE 31 December 2021 and the subsequent financial period up to the LPD.

9.3 Contingent liabilities

As at the LPD, our Board confirms that there are no contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the financial position of our Group.

9.4 Material commitments

Save as disclosed below, as at 30 September 2022, we do not have any other material commitment for capital expenditure, which upon becoming enforceable, may have a material effect on the financial position of our Group:

	(RM'000)
Commitments of our subsidiary companies:	
- Contractual commitments for construction of investment properties	9,777
- Contractual commitments for acquisition and construction of property, plant and equipment	45,202
Share of commitments of joint ventures:	
- Contractual commitments for acquisition of development land	110,050
Total	165,029

We expect to fund the above capital commitments through a combination of our internal funds and/or bank borrowings.

9.5 Material transactions

Our Board confirms that save for the Rights Issue, there are no other transactions which may have a material effect on our Group's operations, financial position and results since our Company's most recent announced unaudited consolidated interim financial results for the six (6)-month FPE 30 June 2022.

10. INSTRUCTIONS FOR ACCEPTANCE, SALE/TRANSFER, EXCESS APPLICATION AND PAYMENT FOR THE RCPS-i C

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RCPS-i C, THE PROCEDURES TO BE FOLLOWED BY YOU AND/OR YOUR RENOUNCEE(S) AND/OR TRANSFEREE(S) (IF APPLICABLE) SHOULD YOU AND/OR YOUR RENOUNCEE(S) AND/OR TRANSFEREE(S) (IF APPLICABLE) WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT AS WELL AS THE INSTRUCTIONS FOR APPLICATION AND PAYMENT FOR THE EXCESS RCPS-i C ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF.

YOU ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY. IN ACCORDANCE WITH SECTION 232(2) OF THE CMSA, THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS ABRIDGED PROSPECTUS.

ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RCPS-i C AND/OR APPLICATION AND PAYMENT FOR THE EXCESS RCPS-i C WHICH DO NOT STRICTLY CONFORM TO THE TERMS OF THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN OR WHICH ARE ILLEGIBLE MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.

10.1 General

As an Entitled Shareholder, you will find enclosed with this Abridged Prospectus, a NPA notifying you of the crediting of such Provisional RCPS-i C into your CDS Account and a RSF to enable you to subscribe for such Provisional RCPS-i C as well as to apply for Excess RCPS-i C if you wish to do so.

This Abridged Prospectus and the RSF can be obtained from our registered office, our Share Registrar or from Bursa Malaysia Berhad's website at <https://www.bursamalaysia.com>.

10.2 NPA

The Provisional RCPS-i C are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the Provisional RCPS-i C will be by way of book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your renounee(s) and/or transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making applications to subscribe for the Provisional RCPS-i C and/or to apply for Excess RCPS-i C.

10.3 Methods of acceptance and application

You may subscribe for the Provisional RCPS-i C as well as apply for Excess RCPS-i C, if you wish to do so, using either of the following methods:

Method	Category of Entitled Shareholders
RSF	All Entitled Shareholders
e-Subscription	All Entitled Shareholders

10.4 Last time and date for acceptance/application and payment

The last time and date for the acceptance of and payment for the Provisional RCPS-i C (whether in full or in part) as well as for the application and payment for the Excess RCPS-i C is at **5:00 p.m. on 17 November 2022, being the Closing Date.**

We shall make an announcement on Bursa Securities on the results of the allocation of the RCPS-i C after the Closing Date.

10.5 Procedures for acceptance and payment

10.5.1 By way of RSF

If you wish to accept your entitlement to the Provisional RCPS-i C, either in full or in part, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Thereafter, please send the completed and signed RSF together with remittance in RM for the full and exact amount payable for the Provisional RCPS-i C accepted in the reply envelope enclosed with this Abridged Prospectus, by **ORDINARY POST, COURIER or DELIVERY BY HAND** (at your own risk) to our Share Registrar at the following address:

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
Malaysia

Tel. No.: +603 2783 9299
Fax. No.: +603 2783 9222

or alternatively at:

Tricor Customer Service Centre

Unit G-3, Ground Floor, Vertical Podium
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

so as to arrive **not later than 5:00 p.m. on the Closing Date**.

If you and/or your renounee(s) and/or transferee(s) (if applicable) have lost, misplaced or for any other reasons require another copy of the RSF, you and/or your renounee(s) and/or transferee(s) (if applicable) may obtain additional copies from your/their stockbrokers, our Share Registrar at the address stated above, at our registered office or from the website of Bursa Malaysia Berhad at <https://www.bursamalaysia.com>

One (1) RSF can only be used for acceptance of the Provisional RCPS-i C standing to the credit of one (1) CDS Account. Separate RSF(s) must be used for the acceptance of Provisional RCPS-i C standing to the credit in more than one (1) CDS Account. If successful, the Provisional RCPS-i C subscribed for will be credited into your CDS Account(s) as stated in the completed RSF(s).

The minimum number of Provisional RCPS-i C that can be accepted is one (1) RCPS-i C. However, you should note that a trading board lot of the RCPS-i C comprises 100 RCPS-i C. Fractions of RCPS-i C, if any, shall be disregarded, and dealt with in such manner and on such terms and conditions as our Board shall in its absolute discretion deem fit or expedient and in the best interest of our Company.

Each completed RSF must be accompanied by the appropriate remittance made in RM for the full and exact amount payable for the Provisional RCPS-i C accepted, in the form of Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia and made payable to "**S P SETIA RCPS-I C ACCOUNT**" for the Provisional RCPS-i C accepted.

The Banker's Draft or Cashier's Order or Money Order or Postal Order should be crossed "**A/C PAYEE ONLY**" and **endorsed on the reverse side with your name in block letters, contact number and CDS Account number**. The payment must be made for the full and exact amount payable for the Provisional RCPS-i C accepted. Any acceptance accompanied by excess or insufficient payment or payment other than in the manner prescribed in this Abridged Prospectus may or may not be accepted at the absolute discretion of our Board. Details of the remittance must be filled in the appropriate boxes in the RSF.

10.5.2 By way of e-Subscription

You and/or your renounee(s) and/or transferee(s) (if applicable) can have the option to accept your or their entitlement to the Provisional RCPS-i C and make payment for the Provisional RCPS-i C through e-Subscription available from TIIH Online website at <https://tiih.online>. The e-Subscription is available to all Entitled Shareholders including individuals, corporations or institutional shareholders.

Subsequent to the Entitlement Date, we will, at our discretion, authorise our Share Registrar to send an electronic notification to the Registered Entitled Shareholders. If you are a Registered Entitled Shareholder, you will be notified on the availability of e-Subscription for the Rights Issue on TIIH Online website.

The electronic NPA and the electronic RSF ("**e-RSF**") are available to you upon your login to TIIH Online. You are advised to read the instructions as well as the terms and conditions of the e-Subscription.

Registered Entitled Shareholders who wish to subscribe for the Provisional RCPS-i C and apply for Excess RCPS-i C by way of e-Subscription shall take note of the following:

- (i) any e-Subscription received by our Share Registrar after the Closing Date shall be regarded as null and void and of no legal effect unless our Board in its absolute discretion determines otherwise. Any e-Subscription, once received by our Share Registrar from you, is irrevocable and shall be binding on you;
- (ii) you will receive notification to login to TIIH Online in respect of your shareholding in your CDS Account(s). Accordingly, for each CDS Account, you can choose to subscribe the Rights Issue which you are entitled to, in full or in part thereof, as stipulated in this Abridged Prospectus;
- (iii) the e-Subscription made must be in accordance with the procedures of submitting e-Subscription using TIIH Online, the terms and conditions of e-Subscription, this Abridged Prospectus and the e-RSF. Any e-Subscription submitted that does not conform to the terms and conditions of TIIH Online, this Abridged Prospectus and the e-RSF may not be accepted at our sole discretion. We reserve the right at our absolute discretion to reject any e-Subscription which are incomplete or incorrectly completed;
- (iv) the number of Provisional RCPS-i C which you are entitled to under the Rights Issue is set out in the e-RSF. You are required to indicate the number of Provisional RCPS-i C you wish to accept and number of Excess RCPS-i C you wish to apply in the e-RSF;
- (v) the e-Subscription must be accompanied by remittance in RM which is to be made through online payment gateway or telegraphic transfer;
- (vi) a handling fee of RM5.00 per e-RSF is payable should you make e-Subscription. You will also need to pay a stamp duty of RM10.00 for each e-RSF; and

- (vii) the new RCPS-i C arising from the Provisional RCPS-i C accepted and Excess RCPS-i C applied (if successful pursuant to the procedure for Excess RCPS-i C application as set out in Section 10.7 of this Abridged Prospectus) will be issued and credited into your CDS Account as stated in our Record of Depositors as at the last date for transfer of Provisional RCPS-i C.

All Entitled Shareholders who wish to opt for e-Subscription (either in full or in part) of your Provisional RCPS-i C, please read and follow the procedures as set out below:

(i) Sign up as a user of TIIH Online

- (a) Access TIIH Online at <https://tiih.online>;
- (b) Under e-Services, select "Sign Up" – "Create Individual Account" (applicable for individual shareholders) or "Create Corporate Holder Account" (applicable for corporation or institutional shareholders). You may refer to the tutorial guide posted on the homepage for assistance;
- (c) Registration will be verified and you will be notified by email within two (2) Market Days; and
- (d) Proceed to activate your account with the temporary password given in the email and reset your own password.

Note: An email address is allowed to be used once to register as a new user account, and the same email address cannot be used to register another user account. If you are already a user of TIIH Online, you are not required to sign up again. If you are signing up to represent a Corporate Holder Account(s), please contact our Share Registrar for further details and requirements.

(ii) Procedures to make e-Subscription

Individual Registered Entitled Shareholders

- (a) Login to TIIH Online at <https://tiih.online>;
- (b) Select the corporate exercise name: **S P SETIA RIGHTS ISSUE RCPS-i C**;
- (c) Read and agree to the Terms and Conditions and confirm the Declaration;
- (d) Preview your CDS Account details and your Provisional RCPS-i C;
- (e) Select the relevant CDS Account and insert the number of Provisional RCPS-i C to subscribe and the number of Excess RCPS-i C to apply (if applicable) in the e-RSF;
- (f) Review and confirm the number of Provisional RCPS-i C which you are subscribing and the number of Excess RCPS-i C which you are applying (if applicable) and the total amount payable for the Provisional RCPS-i C and Excess RCPS-i C (if applicable);
- (g) Review the payment of stamp duty at RM10.00 for each e-RSF and handling fee of RM5.00 for each e-RSF which is included in the total amount payable;
- (h) Proceed to pay via online payment gateway either through Maybank2U or any Financial Process Exchange (FPX) participating bank which you have an internet banking account;

- (i) As soon as the online payment is completed, a confirmation message with details of your subscription and payment from TIIH Online and the relevant payment gateway will be sent to your registered e-mail address: and
- (j) Print the payment receipt and your e-RSF for your reference and record.

Corporation or institutional Registered Entitled Shareholders

- (a) Login to TIIH Online at <https://tiih.online>;
- (b) Select the corporate exercise name: **S P SETIA RIGHTS ISSUE RCPS-i C**;
- (c) Read and agree to the Terms and Conditions and confirm the Declaration;
- (d) Proceed to download the “e-RSF file of Provisional RCPS-i C”;
- (e) Preview the respective CDS Account details and its Provisional RCPS-i C;
- (f) Arrange to pay for the subscription of Provisional RCPS-i C and Excess RCPS-i C via telegraphic transfer into our designated bank accounts as follows:

Account name:	S P SETIA RCPS-I C ACCOUNT	S P SETIA RCPS-I C EXCESS ACCOUNT
Bank:	RHB Bank Berhad	RHB Bank Berhad
Bank account no.:	2-64317-0005709-5	2-64317-0005710-9

- (g) Arrange to pay stamp duty at RM10.00 for each e-RSF and handling fee of RM2.00 for each e-RSF into our Share Registrar’s bank account as follows:

Account name:	Tricor Investor & Issuing House Services Sdn Bhd
Bank:	Malayan Banking Berhad
Bank account no.:	514012025081

- (h) Once payments are completed, prepare the submission of your subscriptions by translating the data into the “e-RSF file of Provisional RCPS-i C”;
- (i) Login to TIIH Online, select corporate exercise name: **S P SETIA RIGHTS ISSUE RCPS-i C** and proceed to upload the subscription file duly completed;
- (j) Select "Submit" to complete your submission; and
- (k) Print the confirmation report of your submission for your record.

(iii) Terms and conditions for e-Subscription

The e-Subscription of Provisional RCPS-i C and Excess RCPS-i C (if successful), shall be made on and subject to the terms and conditions appearing herein:

- (a) after login to TIIH Online, you are required to confirm and declare the following information given are true and correct:
 - (aa) you have attained 18 years of age as at the last day for subscription and payment;
 - (bb) you have, prior to making the e-Subscription, received a printed copy of this Abridged Prospectus and/or have had access to this Abridged Prospectus from Bursa Malaysia Berhad's website at <https://www.bursamalaysia.com>, the contents of which you have read and understood; and
 - (cc) you agree to all the terms and conditions for the e-Subscription as set out in this Abridged Prospectus and have carefully considered the risk factors as set out in Section 7 of this Abridged Prospectus, in addition to all other information contained in this Abridged Prospectus, before making the e-Subscription application;
- (b) you agree and undertake to subscribe for and to accept the number of Provisional RCPS-i C and Excess RCPS-i C applied for (if applicable) as stated in the e-RSF. Your confirmation of your subscription will signify, and will be treated as, your subscription of the number of RCPS-i C that may be allotted to you;
- (c) by making and completing your e-Subscription, you, if successful, request and authorise our Share Registrar or our Company to credit the RCPS-i C allotted to you into your CDS Account;
- (d) you acknowledge that your e-Subscription is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company or our Share Registrar and irrevocably agree that if:
 - (aa) our Company or our Share Registrar does not receive your e-Subscription; or
 - (bb) data relating to your e-Subscription application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Share Registrar,

you will be deemed not to have made an e-Subscription and you may not make any claim whatsoever against our Company or our Share Registrar for the Provisional RCPS-i C accepted and/or Excess RCPS-i C applied for or for any compensation, loss or damage relating to the e-Subscription;
- (e) you will ensure that your personal particulars recorded with TIIH Online and Bursa Depository are correct. Otherwise, your e-Subscription may be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification on the outcome of your e-Subscription will be sent to your address last maintained with Bursa Depository;

- (f) by making and completing an e-Subscription, you agree that:
 - (aa) in consideration of our Company agreeing to allow and accept your e-Subscription for the Provisional RCPS-i C and Excess RCPS-i C applied (if applicable), your e-Subscription is irrevocable and cannot be subsequently withdrawn; and
 - (bb) our Share Registrar will not be liable for any delay, failures or inaccuracies in the processing of data relating to your e-Subscription due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control; and
- (g) our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

If acceptance of and payment for the Provisional RCPS-i C allotted to you are not received (whether in full or in part) by our Share Registrar by **5:00 p.m. on the Closing Date**, such Provisional RCPS-i C will be deemed to have been declined and will be cancelled. Our Board will then have the right to allot such RCPS-i C not taken up to applicants who have applied for Excess RCPS-i C in the manner as set out in Section 10.7 of this Abridged Prospectus.

YOU SHOULD NOTE THAT ALL RSF(S) AND REMITTANCES LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

PROOF OF TIME OF POSTAGE SHOULD NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR. NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR THE APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE.

Applications for the Provisional RCPS-i C shall not be deemed to have been accepted by reason of the remittance being presented for payment. Our Board reserves the right at its absolute discretion not to accept any application (in full or in part) without assigning any reason thereof.

Notification on the outcome of your application for the Provisional RCPS-i C will be despatched to you by ordinary post to the address last shown in our Record of Depositors at your own risk within the timelines as follows:

- (i) for successful application – a notice of allotment will be despatched to you within eight (8) Market Days from the Closing Date (or such other period as may be prescribed by Bursa Securities) and the Provisional RCPS-i C will be allotted and credited directly into your CDS Account within eight (8) Market Days from the Closing Date; or
- (ii) for unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded to you without interest within 15 Market Days from the Closing Date.

WHERE AN APPLICATION FOR THE PROVISIONAL RCPS-i C IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. ANY REFUND WILL BE CREDITED DIRECTLY INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/DISTRIBUTION. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY, THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPACHED TO YOU BY ORDINARY POST TO THE ADDRESS LAST SHOWN IN OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

ALL RCPS-i C TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WILL BE ALLOTTED BY WAY OF CREDITING THE RCPS-i C INTO THE CDS ACCOUNTS OF THE SUCCESSFUL APPLICANTS. NO PHYSICAL CERTIFICATES IN RESPECT OF THE RCPS-i C WILL BE ISSUED.

10.6 Procedures for sale or transfer of the Provisional RCPS-i C

The Provisional RCPS-i C are renounceable. If you wish to sell or transfer all or part of your entitlement to the Provisional RCPS-i C to one (1) or more persons, you may do so through your stockbrokers without first having to request for a split of the Provisional RCPS-i C standing to the credit of your CDS Account.

You may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository for the period up to the last date and time for the sale or transfer of the Provisional RCPS-i C (as the case may be) in accordance with the Rules of Bursa Depository.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING OR TRANSFERRING ALL OR PART OF YOUR PROVISIONAL RCPS-i C, YOU NEED NOT DELIVER ANY DOCUMENT (INCLUDING THE RSF) TO YOUR STOCKBROKERS. HOWEVER, YOU MUST ENSURE THAT YOU HAVE SUFFICIENT NUMBER OF PROVISIONAL RCPS-i C STANDING TO THE CREDIT OF YOUR CDS ACCOUNT BEFORE SUCH SALE OR TRANSFER.

If you have sold or transferred only part of your Provisional RCPS-i C, you may still accept the balance of your Provisional RCPS-i C not sold or transferred by completing Parts I(A) and II of the RSF. Please refer to Section 10.5 of this Abridged Prospectus for the procedures for acceptance and payment.

10.7 Procedures for Excess RCPS-i C application

10.7.1 By way of RSF

If you wish to apply for additional RCPS-i C in excess of your entitlement, you may do so by completing Part I(B) of the RSF (in addition to Parts I(A) and II) in accordance with the notes and instructions contained in the RSF. Thereafter, please send each completed and signed RSF together with a **separate remittance in RM** for the full and exact amount payable for the Excess RCPS-i C applied for in the reply envelope enclosed with this Abridged Prospectus, by the mode of despatch of your choice (at your own risk) to our Share Registrar so as to arrive **not later 5:00 p.m. on the Closing Date**.

The minimum number of Excess RCPS-i C that can be applied for is one (1) RCPS-i C. However, you should note that a trading board lot of the RCPS-i C comprises 100 RCPS-i C.

Payment for the Excess RCPS-i C applied for should be made in the same manner as described in Section 10.5.1 of this Abridged Prospectus, except that the Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia should be made payable to "**S P SETIA RCPS-i C EXCESS ACCOUNT**" for the Excess RCPS-i C applied for.

The Banker's Draft or Cashier's Order or Money Order or Postal Order should be crossed "**A/C PAYEE ONLY**" and **endorsed on the reverse side with your name in block letters, contact number and CDS Account number**. The payment must be made for the full and exact amount payable for the Excess RCPS-i C applied for. Any application accompanied by excess or insufficient payment or payment other than in the manner prescribed in this Abridged Prospectus may or may not be accepted at the absolute discretion of our Board. Details of the remittance must be filled in the appropriate boxes in the RSF.

10.7.2 By way of e-Subscription

As an Entitled Shareholder, renounee(s) and/or transferee(s) (if applicable), you may apply for the Excess RCPS-i C via e-Subscription in addition to your Provisional RCPS-i C. If you wish to do so, you may apply for the Excess RCPS-i C by following the same steps as set out in Section 10.5.2 of this Abridged Prospectus.

It is the intention of our Board to allocate the Excess RCPS-i C, if any, in a fair and equitable manner to our Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) who have applied for the Excess RCPS-i C in the following priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, on a pro-rata basis and in board lots, to our Entitled Shareholders who have applied for the Excess RCPS-i C, calculated based on their respective shareholdings in our Company as at the Entitlement Date;
- (iii) thirdly, on a pro-rata basis and in board lots, to our Entitled Shareholders who have applied for the Excess RCPS-i C, calculated based on the quantum of their respective Excess RCPS-i C applied for; and
- (iv) lastly, on a pro-rata basis and in board lots, to the renounee(s) and/or transferee(s) (if applicable) who have applied for the Excess RCPS-i C, calculated based on the quantum of their respective Excess RCPS-i C applied for.

In the event there is any remaining Excess RCPS-i C after steps (i) to (iv) above are carried out, steps (ii) to (iv) will be repeated in the same sequence to allocate the remaining Excess RCPS-i C to our Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) who have applied for the Excess RCPS-i C.

Nevertheless, our Board reserves the right to allocate any Excess RCPS-i C applied for in such manner as it deems fit or expedient and in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intentions of our Board as set out in steps (i) to (iv) above are achieved.

YOU SHOULD NOTE THAT ALL RSF(S) AND REMITTANCES LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

PROOF OF TIME OF POSTAGE SHOULD NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR. NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF FOR THE EXCESS RCPS-i C APPLICATION OR THE APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR.

Applications for the Excess RCPS-i C shall not be deemed to have been accepted by reason of the remittance being presented for payment. Our Board reserves the right at its absolute discretion not to accept any Excess RCPS-i C application (in full or in part) without assigning any reason thereof.

Notification on the outcome of your application for the Excess RCPS-i C will be despatched to you by ordinary post to the address as shown in our Record of Depositors at your own risk within the timelines as follows:

- (i) for successful application – a notice of allotment will be despatched to you within eight (8) Market Days from the Closing Date (or such other period as may be prescribed by Bursa Securities) and the Excess RCPS-i C will be allotted and credited directly into your CDS Account within eight (8) Market Days from the Closing Date; or

- (ii) for unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded to you without interest within 15 Market Days from the Closing Date.

WHERE AN APPLICATION FOR THE EXCESS RCPS-i C IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. ANY REFUND WILL BE CREDITED DIRECTLY INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/DISTRIBUTION. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY, THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS LAST SHOWN IN OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

ALL RCPS-i C TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WILL BE ALLOTTED BY WAY OF CREDITING THE RCPS-i C INTO THE CDS ACCOUNTS OF THE SUCCESSFUL APPLICANTS. NO PHYSICAL CERTIFICATES IN RESPECT OF THE RCPS-i C WILL BE ISSUED.

10.8 Procedures for acceptance by renounee(s) and/or transferee(s)

If you are a renounee or transferee or if you had purchased any Provisional RCPS-i C, you may obtain a copy of this Abridged Prospectus and the RSF to enable you to accept the Provisional RCPS-i C and/or Excess RCPS-i C, from your stockbroker, our Share Registrar at the address stated in Section 10.5.1 of this Abridged Prospectus or at our registered office. This Abridged Prospectus and the RSF are also available on Bursa Malaysia Berhad's website at <https://www.bursamalaysia.com>.

As a renounee or transferee, the procedures for acceptance/application, payment, selling or transferring of the Provisional RCPS-i C and/or Excess RCPS-i C (as the case may be) are the same as that which are applicable to our Entitled Shareholders as described in Sections 10.1 to 10.7 of this Abridged Prospectus. Please refer to the relevant sections for the procedures to be followed.

RENOUNCEES AND TRANSFEREES ARE ADVISED TO READ, UNDERSTAND AND CAREFULLY CONSIDER THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.

10.9 Form of issuance

Bursa Securities has prescribed the securities of our Company listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the RCPS-i C are prescribed securities and as such, all dealings in the Provisional RCPS-i C will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository.

Failure to comply with these specific instructions for application or inaccuracy in the CDS Account numbers may result in your application being rejected. No physical certificates in respect of the RCPS-i C will be issued. A notice of allotment will be despatched to you and/or your renounee(s) and/or transferee(s) (if applicable) by ordinary post to the address last shown on our Record of Depositors at your own risk within eight (8) Market Days from the Closing Date or such other period as may be prescribed by Bursa Securities.

Your subscription for the Provisional RCPS-i C shall mean that you consent to receive such Provisional RCPS-i C as prescribed or deposited securities which will be credited directly into your CDS Account. No physical certificates in respect of the RCPS-i C will be issued.

All Excess RCPS-i C allotted should also be credited directly into the CDS Account of successful applicants.

If you have multiple CDS Accounts into which the Provisional RCPS-i C have been credited, you cannot use a single RSF to apply for all these Provisional RCPS-i C. Separate RSFs must be used for each CDS Account. If successful, the RCPS-i C that you applied for will be credited into the respective CDS Accounts into which such Provisional RCPS-i C have been credited.

10.10 Laws of foreign jurisdictions

The Documents have not been and will not be made to comply with the laws of any country or jurisdiction other than Malaysia, and have not been and will not be lodged, registered or approved under any applicable securities legislation of any country or jurisdiction other than Malaysia.

The Documents are not intended to and will not be issued, circulated or distributed and the RCPS-i C will not be made or offered or deemed to be made or offered for purchase or subscription, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue to which the Documents relate is only available to persons receiving the Documents electronically or otherwise within Malaysia.

As a result, the Documents have not been and will not be despatched to our Foreign Addressed Shareholders. However, Foreign Addressed Shareholders may collect the Documents from our Share Registrar at the address stated in Section 10.5.1 of this Abridged Prospectus, who will be entitled to request for such evidence as they deem necessary to satisfy themselves as to the identity and authority of the person collecting the Documents.

If you are a Foreign Addressed Shareholder, our Company will not make or be bound to make any enquiry as to whether you have a registered address in Malaysia other than as stated in our Record of Depositors as at the Entitlement Date and will not accept or be deemed to accept any liability, whether or not any enquiry or investigation is made in connection therewith. Our Company will assume that the Rights Issue and the acceptance thereof by you will be in compliance with the terms and conditions of the Rights Issue and would not be in breach of the laws of any jurisdiction. Our Company will further assume that you have accepted the Rights Issue in Malaysia and will at all applicable times be subject to the laws of Malaysia.

As an Entitled Shareholder, you and/or your renounee(s) and/or transferee(s) (if applicable) may only accept or renounce or transfer (as the case may be) all or any part of the Provisional RCPS-i C to the extent that it would be lawful to do so, and our Company, our directors, officers and/or our professional advisers (collectively referred to as the "**Parties**") would not, in connection with the Rights Issue, be in breach of the laws of any foreign country or jurisdiction to which you and/or your renounee(s) and/or transferee(s) (if applicable) is or might be subject. You and/or your renounee(s) and/or transferee(s) (if applicable) must be solely responsible to seek advice from your legal and/or professional advisers as to the laws of the country or jurisdiction to which you are or might be subject to. The Parties will not accept any responsibility or liability whatsoever to any party if any acceptance or renunciation or transfer made by any Entitled Shareholder, his renounee(s) and/or transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions.

Our Company reserves the right, in our absolute discretion, to treat any acceptance as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements. The Provisional RCPS-i C relating to any acceptance which is treated as invalid will be included in the pool of RCPS-i C available for excess application by other Entitled Shareholders and/or their transferee(s) and/or their renounee(s).

In addition, each person, by accepting the Documents, accepting any Provisional RCPS-i C by signing any of the forms accompanying the Documents or subscribing for or acquiring any Provisional RCPS-i C, will be deemed to have represented, warranted, acknowledged and declared in favour of (and which representations, warranties, acknowledgements and declarations will be relied upon by) the Parties as follows:

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which you and/or renounee(s) and/or transferee(s) (if applicable) are or might be subject to;
- (ii) you and/or your renounee(s) and/or transferee(s) (if applicable) have complied with the laws to which you and/or your renounee(s) and/or transferee(s) (if applicable) are or might be subject to in connection with the acceptance or renunciation;
- (iii) you and/or your renounee(s) and/or transferee(s) (if applicable) are not a nominee or agent of a person for whom the Parties would, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which that person is or might be subject to;
- (iv) you and/or your renounee(s) and/or transferee(s) (if applicable) are aware that the Provisional RCPS-i C can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) you and/or your renounee(s) and/or transferee(s) (if applicable) have obtained a copy of this Abridged Prospectus and have read and understood the contents of this Abridged Prospectus and have had access to such financial and other information and have been provided the opportunity to ask such questions to the representatives of the Parties and receive answers thereto as you and/or your renounee(s) and/or transferee(s) (if applicable) deem necessary in connection with your and/or your renounee(s) and/or transferee(s) (if applicable) decision to subscribe for or purchase the RCPS-i C; and
- (vi) you and/or your renounee(s) and/or transferee(s) (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing for or purchasing the RCPS-i C, and are prepared to bear the economic and financial risks of investing in and holding the RCPS-i C.

Foreign Addressed Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes, duties, fees, charges or other requisite payments due in such foreign country or jurisdiction and our Company will be entitled to be fully indemnified and held harmless by such Foreign Addressed Shareholders for any such issue, transfer or any other taxes, duties, fees, charges or other payments as such person may be required to pay. They will have no claims whatsoever against the Parties in respect of their rights or entitlements under the Rights Issue. Such Foreign Addressed Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) should also consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to exercise their rights in respect of the Rights Issue.

PERSONS RECEIVING THE DOCUMENTS (INCLUDING WITHOUT LIMITATION, CUSTODIANS, NOMINEES AND TRUSTEES) MUST NOT, IN CONNECTION WITH THE RIGHTS ISSUE, DISTRIBUTE OR SEND THE DOCUMENTS INTO ANY FOREIGN JURISDICTION, WHERE SUCH ACTION WOULD OR MIGHT CONTRAVENE LOCAL SECURITIES, EXCHANGE CONTROL OR RELEVANT LAWS OR REGULATIONS.

ENTITLED SHAREHOLDERS AND ANY OTHER PERSON HAVING POSSESSION OF THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS ARE ADVISED TO INFORM THEMSELVES OF AND TO OBSERVE ANY LEGAL REQUIREMENTS APPLICABLE THERETO. NO PERSON IN ANY TERRITORY OUTSIDE OF MALAYSIA RECEIVING THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS MAY TREAT THE SAME AS AN OFFER, INVITATION OR SOLICITATION TO SUBSCRIBE FOR OR ACQUIRE ANY RCPS-i C UNLESS SUCH OFFER, INVITATION OR SOLICITATION COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER REGULATORY OR LEGAL REQUIREMENTS IN SUCH TERRITORY.

WE RESERVE THE RIGHT, IN OUR ABSOLUTE DISCRETION, TO TREAT ANY ACCEPTANCE AS INVALID IF WE BELIEVE THAT SUCH ACCEPTANCE MAY VIOLATE APPLICABLE LEGAL OR REGULATORY REQUIREMENTS. THE PROVISIONAL RCPS-i C RELATING TO ANY ACCEPTANCE WHICH IS TREATED AS INVALID WILL BE INCLUDED IN THE POOL OF EXCESS RCPS-i C AVAILABLE FOR EXCESS APPLICATION BY THE OTHER ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S) AND/OR TRANSFEREE(S) (IF APPLICABLE). YOU AND/OR YOUR RENOUNCEE(S) AND/OR TRANSFEREE(S) (IF APPLICABLE) WILL ALSO HAVE NO CLAIMS WHATSOEVER AGAINST THE PARTIES IN RESPECT OF YOUR AND/OR YOUR RENOUNCEE(S)' AND/OR TRANSFEREE(S)' (IF APPLICABLE) ENTITLEMENT UNDER THE RIGHTS ISSUE OR TO ANY NET PROCEEDS THEREOF.

11. TERMS AND CONDITIONS

The issuance of the RCPS-i C pursuant to the Rights Issue is governed by the terms and conditions as set out in this Abridged Prospectus, our Constitution and the enclosed NPA and RSF.

12. FURTHER INFORMATION

You are advised to refer to the ensuing appendices for further information.

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



**Y.A.M. TAN SRI DATO' SERI SYED ZAINOL ANWAR
IBNI SYED PUTRA JAMALULLAIL**
Non-Independent Non-Executive Chairman

APPENDIX I: INFORMATION ON OUR COMPANY**1. SHARE CAPITAL AND OPTIONS****1.1 Share capital**

As at the LPD, the issued share capital of our Company is as follows:

	No. of securities	(RM)
Ordinary shares	4,075,488,387	8,499,642,015
RCPS-i A	1,088,657,886	1,087,362,697
RCPS-i B	1,176,383,600	1,035,217,568
Total		10,622,222,280

1.2 Options to subscribe for our Shares

As at the LPD, save for the Provisional RCPS-i C and Excess RCPS-i C, and as disclosed below, no option to subscribe for our Shares has been granted or is entitled to be granted to any person:

- (i) up to 15% of the issued share capital of our Company (excluding treasury shares, if any) may be made available to the Executive Directors and employees of our Group who meet the criteria and eligibility for participation, pursuant to our long term incentive plan (“**LTIP**”). The LTIP, which comprises the employee share grant plan (“**ESGP**”) and employee share option scheme (“**ESOS**”), allows our Company to grant Shares and Share options under the ESGP and ESOS respectively. The LTIP was established on 10 April 2013 and shall remain in force until 9 April 2023. For further details, please refer to the Additional Compliance Information (pages 206 to 209) and Note 24 of the Notes to the Financial Statements (pages 294 to 296) of our Company’s Annual Report 2021.

As at the LPD, 103,026,866 ESGP Shares (excluding number of ESGP Shares lapsed) have been granted to the Executive Director/Chief Executive Officer, Senior Management and other eligible employees of our Group pursuant to the ESGP since the commencement of the LTIP and there are 4,476,669 ESGP Shares which are pending vesting in the FYE 31 December 2022.

In addition, as at the LPD, 278,945,486 ESOS Options have been granted to the Executive Director/Chief Executive Officer, Senior Management and other eligible employees of our Group pursuant to the ESOS since the commencement of the LTIP and there are 122,136,352 ESOS Options which have been vested but not exercised as at the LPD. Each of these ESOS Options carries the entitlement to subscribe for one (1) new Share at exercise prices ranging between RM0.77 to RM3.03 per Share which are exercisable any time until 9 April 2023;

- (ii) our holders of RCPS-i A, who are entitled to convert their RCPS-i A into new Shares at any time commencing from its issuance date and up to such date no later than nine (9) Market Days prior to the redemption date of the RCPS-i A (being on or after the 15th anniversary of the said issue date), without payment of any consideration (cash or otherwise) and in accordance with the conversion ratio of the RCPS-i A.

As at the LPD, there are 1,088,657,886 RCPS-i A which remain in issue and are convertible into new Shares based on the conversion ratio of 50 new Shares for every 169 RCPS-i A held, representing an implied conversion price of RM3.38 for every new Share. The number of new Shares to be issued upon full conversion of these RCPS-i A is 322,088,131 new Shares; and

APPENDIX I: INFORMATION ON OUR COMPANY (Cont'd)

- (iii) our holders of RCPS-i B, who are entitled to convert their RCPS-i B into new Shares at any time commencing from its issuance date and up to such date no later than nine (9) Market Days prior to the redemption date of the RCPS-i B (being on or after the 5th anniversary of the said issue date), without payment of any consideration (cash or otherwise) and in accordance with the conversion ratio of the RCPS-i B.

As at the LPD, there are 1,176,383,600 RCPS-i B which remain in issue and are convertible into new Shares based on the conversion ratio of five (5) new Shares for every 21 RCPS-i B held, representing an implied conversion price of approximately RM3.70 for every new Share. The number of new Shares to be issued upon full conversion of these RCPS-i B is 280,091,333 new Shares.

In accordance with the provisions of the by-laws governing the LTIP, the Rights Issue will give rise to the following adjustments:

- (i) in respect of the ESGP, the number of Shares which are the subject of the ESGP award to the extent not yet vested; and
- (ii) in respect of the ESOS Options,
- (a) the exercise price and/or number of ESOS Options which are the subject of an ESOS award to the extent not yet exercised or vested; and/or
- (b) the exercise price and/or number of ESOS Options in respect of which future ESOS awards may be granted under the ESOS.

In addition, under our Constitution, the Rights Issue will also give rise to adjustments to the conversion ratios for the RCPS-i A and RCPS-i B. Please refer to Section 8.5 of this Abridged Prospectus for further details on the said adjustments.

2. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Please refer to Section 8.2 of this Abridged Prospectus for information on our substantial shareholders' shareholdings in our Company before and after the Rights Issue.

3. DIRECTORS**3.1 Particulars of our Directors**

The details of our Directors as at the LPD are as follows:

Name (Designation)	Age	Address	Nationality
Y.A.M. Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail <i>(Non-Independent Non-Executive Chairman)</i>	70	Lot 75, Sri Cemerlang Jalan 16/9 46350 Petaling Jaya Selangor Darul Ehsan Malaysia	Malaysian
Datuk Choong Kai Wai <i>(President and Chief Executive Officer)</i>	62	12-G, Jalan Dungun Damansara Heights 50490 Kuala Lumpur Malaysia	Malaysian
Dato' Ahmad Pardas Bin Senin <i>(Senior Independent Non-Executive Director)</i>	70	No. 35, Jalan Athinahapan 4 Taman Tun Dr Ismail 60000 Kuala Lumpur Malaysia	Malaysian

APPENDIX I: INFORMATION ON OUR COMPANY (Cont'd)

Name (Designation)	Age	Address	Nationality
Dato' Halipah Binti Esa <i>(Independent Non-Executive Director)</i>	73	No. 1, Jalan P10/9 Presint 10 62250 Putrajaya Malaysia	Malaysian
Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob <i>(Independent Non-Executive Director)</i>	68	No. 9, Jalan K6 Taman Melawati 53100 Kuala Lumpur Malaysia	Malaysian
Dato' Zuraidah Binti Atan <i>(Independent Non-Executive Director)</i>	63	R5C Rumbia Kampung Warisan Condominium Jalan Jelatek 54200 Kuala Lumpur Malaysia	Malaysian
Tengku Dato' Ab. Aziz Bin Tengku Mahmud <i>(Non-Independent Non-Executive Director)</i>	65	No. 3, Jalan SS18/28A 47500 Subang Jaya Selangor Darul Ehsan Malaysia	Malaysian
Philip Tan Puay Koon <i>(Independent Non-Executive Director)</i>	65	No. 115, Jalan Terasek 1 Bangsar Baru 59100 Kuala Lumpur Malaysia	Malaysian
Dato' Azmi Bin Mohd Ali <i>(Non-Independent Non-Executive Director)</i>	62	No. 61, Jalan Keramat Hujung Bukit Keramat 54000 Kuala Lumpur Malaysia	Malaysian
Dato' Merina Binti Abu Tahir <i>(Independent Non-Executive Director)</i>	56	36, Jalan UP 3/3 Ukay Perdana 68000 Ampang Selangor Darul Ehsan Malaysia	Malaysian
Dato' Tengku Marina Binti Tunku Annuar <i>(Independent Non-Executive Director)</i>	60	9 Elitis Arca Belantara Valencia 47000 Sungai Buloh Selangor Darul Ehsan Malaysia	Malaysian
Sheranjiv A/L M Sammanthan <i>(Independent Non-Executive Director)</i>	54	No. 8, Flora Murni Jalan Kiara 3, Mont Kiara 50480 Kuala Lumpur Malaysia	Malaysian

(The rest of this page has been intentionally left blank)

APPENDIX I: INFORMATION ON OUR COMPANY (Cont'd)**4. HISTORICAL FINANCIAL INFORMATION**

Our audited consolidated financial statements for the FYE 31 December 2019 to FYE 31 December 2021, and our latest unaudited consolidated financial results for the six (6)-month FPE 30 June 2022 together with the relevant notes are disclosed in the following documents which have been published on the website of Bursa Malaysia Berhad (<https://www.bursamalaysia.com>):

	Pages
Our annual report for the FYE 31 December 2019:	
Statements of financial position	177 to 178
Statements of comprehensive income	179
Consolidated statement of changes in equity	180 to 181
Statement of changes in equity	182 to 183
Statements of cash flows	184 to 187
Notes to the financial statements	188 to 309
Our annual report for the FYE 31 December 2020:	
Statements of financial position	205 to 206
Statements of comprehensive income	207
Consolidated statement of changes in equity	208 to 209
Statement of changes in equity	210
Statements of cash flows	211 to 213
Notes to the financial statements	214 to 332
Our annual report for the FYE 31 December 2021:	
Statements of financial position	218 to 219
Statements of comprehensive income	220
Consolidated statement of changes in equity	221 to 222
Statement of changes in equity	223
Statements of cash flows	224 to 226
Notes to the financial statements	227 to 339
Our interim financial report for the six (6)-month FPE 30 June 2022:	
Condensed consolidated statement of financial position	1
Condensed consolidated statement of comprehensive income	2
Condensed consolidated statement of changes in equity	3
Condensed consolidated statement of cash flows	4 to 5
Notes to the interim financial report	6 to 9
Each of the said consolidated financial statements/results is incorporated by reference to this Abridged Prospectus and forms part of this Abridged Prospectus.	

APPENDIX I: INFORMATION ON OUR COMPANY (Cont'd)**5. HISTORICAL SHARE PRICES**

The monthly highest and lowest market prices of our Shares as traded on the Main Market of Bursa Securities for the past 12 months from November 2021 to October 2022 are as follows:

	High (RM)	Low (RM)
<u>2021</u>		
November	1.512	1.213
December	1.333	1.164
<u>2022</u>		
January	1.293	1.204
February	1.412	1.213
March	1.373	1.114
April	1.300	1.160
May	1.180	0.775
June	0.855	0.660
July	0.790	0.630
August	0.825	0.720
September	0.755	0.570
October	0.620	0.410
Last transacted market price of our Shares as at 26 April 2022 (being the last trading day prior to the first announcement of the Corporate Exercises on 27 April 2022)		1.240
Last transacted market price of our Shares as at the LPD		0.570
Last transacted market price of our Shares on 31 October 2022, being the last trading day prior to the ex-date for the Rights Issue		0.480

(Source: Bloomberg)

6. MATERIAL CONTRACTS

Our Group has not entered into any material contract, not being contract in the ordinary course of business, within the past two (2) years preceding the date of this Abridged Prospectus.

7. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, our Board confirms that our Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has or would have a material and adverse effect on the financial position or business of our Group, and our Board confirms that there are no proceedings, pending or threatened against our Group, or of any fact likely to give rise to a proceeding which may materially and adversely affect the financial position or business of our Group.

APPENDIX II: ADDITIONAL INFORMATION

1. CONSENTS

Our Principal Adviser, Solicitors for the Rights Issue, Company Secretary and Share Registrar have given and have not subsequently withdrawn their written consents before the date of issuance of this Abridged Prospectus for the inclusion of their names and all references thereto in the form and context in which they appear in this Abridged Prospectus.

The Shariah Adviser for the Rights Issue has given and has not subsequently withdrawn its written consent before the date of issuance of this Abridged Prospectus for the inclusion of its name, the Shariah Pronouncement Letter as set out in Appendix III of this Abridged Prospectus and all references thereto in the form and context in which they appear in this Abridged Prospectus.

Bloomberg Finance Singapore L.P. has given and has not subsequently withdrawn its written consent before the date of issuance of this Abridged Prospectus for the inclusion of its name as source of our historical share prices and all references thereto in the form and context in which they appear in this Abridged Prospectus.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company at S P Setia Berhad Corporate HQ, No. 12, Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan, Malaysia, during normal office hours from Mondays to Fridays (except public holidays) for a period of at least six (6) months from the date of this Abridged Prospectus:

- (i) our Constitution;
- (ii) the Undertakings;
- (iii) the Shariah Pronouncement Letter referred to in Appendix III of this Abridged Prospectus; and
- (iv) the letters of consent referred to in Section 1 above.

3. RESPONSIBILITY STATEMENT

Our Board has seen and approved all the documentation relating to the Rights Issue, including the Documents. They collectively and individually accept full responsibility for the accuracy of the information contained in the said documentation. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in the Documents false or misleading.

RHB Investment Bank, being the Principal Adviser for the Rights Issue, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue.

APPENDIX III: SHARIAH PRONOUNCEMENT LETTER

SHARIAH PRONOUNCEMENT



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

*All praise is due to Allah, the Cherisher of the world, and peace and blessing
be upon the Prophet of Allah, on his family and all his companions*

S P SETIA BERHAD

**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW CLASS C ISLAMIC
REDEEMABLE CONVERTIBLE PREFERENCE SHARES IN S P SETIA BERHAD**

We, Amanie Advisors Sdn Bhd, as the Shariah Adviser for the above-said proposed renounceable rights issue of new class C Islamic redeemable convertible preference shares in S P Setia Berhad (“**S P Setia**” or the “**Company**”) (“**RCPS-i C**”) (“**Proposed Rights Issue**”), have reviewed the structure and terms and conditions of the RCPS-i C to be issued by the Company as described in the terms and conditions of the RCPS-i C (“**Terms and Conditions**”) to ensure compliance with the Shariah principles.

Except where defined herein, defined terms used in this Shariah Pronouncement have the same meanings given in the Terms and Conditions.

1. Description of the Structure and its Terms and Conditions

- 1.1 The RCPS-i C holders shall invest directly into the Shariah-compliant general business of the Company (“**Business**”) through the subscription of the RCPS-i C to be issued by the Company.
- 1.2 The Company will issue the RCPS-i C to the subscribers of the RCPS-i C. The RCPS-i C shall represent the undivided proportionate interest of the respective RCPS-i C holders in the Business.
- 1.3 The distributable profits of the Company earned from the 1st day of the calendar month following the issue date of the RCPS-i C (“**Issue Date**”) (“**Profits**”), subject to item 1.5 below, shall be distributed as preferential dividends to the RCPS-i C holders in proportion to the respective capital contribution of the RCPS-i C holders in the Business.
- 1.4 The maximum amount of preferential dividends (i.e. the Expected Preferential Dividend Amount (as defined in item 2.2 below)) that can be declared and paid on each Preferential Dividend Entitlement Date (as defined in item 2.2 below) shall be capped at the Expected Preferential Dividend Rate (as defined in item 2.2 below), unless otherwise decided by the board of directors of the Company (“**Board**”) pursuant to item 1.6(ii) below. In the event that the Profits as at such Preferential Dividend Entitlement Date are less than the Expected Preferential Dividend Amount, the Company may, at its discretion, declare and distribute preferential dividends up to the amount of such Profits.

APPENDIX III: SHARIAH PRONOUNCEMENT LETTER (Cont'd)**S P SETIA BERHAD****PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW CLASS C ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i C")**

1.5 In the event that dividends are declared, and subject to the Board approving such declaration, the ordinary shareholders shall waive their right to dividend payment unless and until the Company has paid any preferential dividends declared but unpaid or Deferred Dividends (as defined in item 2.2 below) to the RCPS-i C holders. For avoidance of doubt, it is agreed that the passing of a resolution at an extraordinary general meeting of the ordinary shareholders to amend the constitution of the Company ("**Constitution**") (embedding the rights of the RCPS-i C holders), shall represent their agreement (in and for compliance with Shariah) for the priority of distribution (of dividends) to be decided by the Board at the point of distribution on their behalf.

1.6 On each Preferential Dividend Entitlement Date, the Company:

- (i) may, at its discretion, declare and distribute preferential dividend up to the Expected Preferential Dividend Amount to the RCPS-i C holders, subject to the availability of the Profits; and
- (ii) may utilise any excess Profits for the Business or such other purpose as the Board deems fit, including to declare and distribute Additional Preferential Dividends (as defined below).

By subscribing to the RCPS-i C, the RCPS-i C holders agree (in and for compliance with Shariah) to waive their right attached to the RCPS-i C to receive any Profits over and above the Expected Preferential Dividend Amount that the Board may have declared, with such waiver to be decided by the Board at the point of declaration of the preferential dividends, on their behalf.

1.7 Subject to the approval of the Board for the distribution, the RCPS-i C holders shall have the right to receive cash payment in full which shall be equivalent to all the capital paid up on the RCPS-i C by the respective holder, and any preferential dividends declared but unpaid upon the dissolution, winding-up or liquidation of the Company out of the proceeds of liquidation of the assets of the Company. The holders of the ordinary shares and all other classes of shares in the Company (if any, save in respect of the Islamic redeemable convertible preference shares of the Company which were issued on 2 December 2016 ("**RCPS-i A**") and the Class B Islamic redeemable convertible preference shares of the Company which were issued on 29 December 2017 ("**RCPS-i B**")) shall waive their right to receive proceeds from liquidation, dissolution or winding up in favour of the RCPS-i C holders until the RCPS-i C holders have received their payment in full on all the capital paid up on the RCPS-i C by the respective holder, and any preferential dividends declared but unpaid. For avoidance of doubt, it is agreed that the passing of a resolution at an extraordinary general meeting of the ordinary shareholders to amend the Constitution (embedding the rights of the RCPS-i C holders), shall represent their agreement (in and for compliance with Shariah) for the priority of distribution (of assets upon the liquidation, dissolution or winding up of the Company) to be decided by the Board at the point of distribution on their behalf.

By subscribing to the RCPS-i C, the RCPS-i C holders agree (in and for compliance with Shariah) to waive their rights to receive:

APPENDIX III: SHARIAH PRONOUNCEMENT LETTER (Cont'd)

S P SETIA BERHAD

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW CLASS C ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i C")

- (i) any remaining preferential dividends declared but is unpaid or cannot be paid if the available amount of proceeds from the liquidation of the assets of the Company is insufficient to pay in full the preferential dividends that have been declared but remains unpaid; and
 - (ii) any Deferred Dividends (as defined in item 2.2 below) that have not been declared by the Company, with such waiver to be decided by the Board at the relevant time on their behalf.
- 1.8 The RCPS-i C holders undertake to sell the undivided proportionate interest of the respective RCPS-i C holders in the Business on the Redemption Date (as defined in item 2.5(i) below) at the Redemption Price (as defined below) which sale shall be concluded by way of conduct upon payment of the Redemption Price by the Company.
- 1.9 Any RCPS-i C holder may exercise his Conversion Right (as defined in item 2.4 below) and without payment of any consideration, convert his RCPS-i C to fully paid ordinary shares in the Company ("**Shares**") in accordance with the Conversion Ratio (as defined in item 2.4 below).

(The rest of this page has been intentionally left blank)

APPENDIX III: SHARIAH PRONOUNCEMENT LETTER (Cont'd)**S P SETIA BERHAD****PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW CLASS C ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i C")****2. Shariah conformity**

Based on our review of the proposed issuance of the RCPS-i C, below are conformation of the RCPS-i C with Shariah rules and principles as guided by Shariah Advisory Council ("SAC") of the Securities Commission Malaysia ("SC") and other acceptable international Shariah standards:

2.1 Islamic Redeemable Convertible Preference Shares.

The RCPS-i C is structured based on the basic structure of preference shares. Preference shares shall be referred as one type of equity whose period of holding by the investor is permanent and similar to ordinary shares except that most preferential dividends are fixed and paid to the preference shareholders before dividends to the ordinary shareholders are paid out. Preference shareholders also typically do not hold any voting rights, but ordinary shareholders usually do.

The SAC of the SC had resolved that preference shares are classified as Shariah-compliant securities provided that: (i) The underlying shares are classified as Shariah-compliant securities; (ii) The preference shares are non-cumulative; and (iii) Endorsement from the SAC of the SC has been obtained.

(Refer Resolutions of the SAC of the SC, 2021, page 143).

Even though the RCPS-i C consist of cumulative features, the cumulative herein does not suggest to any profit guarantee since the payment of the Expected Preferential Dividend and the Additional Preferential Dividends are derived from the Profits of the Company. This can be shown in the declaration made by the Company which shall read as follows:

"Where there is no Profit available for the declaration and payment of dividends (in accordance with the Constitution and the Companies Act 2016 (or such applicable legislation for the time being) ("**Act**")), the Company shall have no obligation to declare or distribute any preferential dividends on the relevant Preferential Dividend Entitlement Date. Such preferential dividends shall not be cumulative."

2.2 Expected Preferential Dividend and Waiver of the Profits by the RCPS-i C Holders.

The RCPS-i C shall carry the right to receive preferential dividends, out of the Profits, when declared and approved by the Board. Any declaration of preferential dividend shall be subject to the approval of the Board and such approval shall include an affirmation on the priority of payment as described in item 2.3 below.

The declaration of any dividends out of the Profits is in line with the AAOIFI Shariah Standards which reads as follows;

APPENDIX III: SHARIAH PRONOUNCEMENT LETTER (Cont'd)

S P SETIA BERHAD**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW CLASS C ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i C")**

"It is not permitted to start the allocation of profit between the partners unless the operating costs, expenses and taxes are deducted in calculating the profit and the capital of the Sharikah is maintained intact"

(Refer AAOIFI, 1439H-2017 Shariah Standards for Islamic Financial Institutions, Shari'a Standard No.12, Sharikah (Musharakah) and Modern Corporations, p. 333, item 3/1/5/6)

Subject to compliance with item 2.7 below, the Company shall utilise and exhaust the retained earnings of the Company earned for the period prior to the Issue Date ("**Pre-Issue Retained Earnings**") for the payment of dividends to the ordinary shareholders, and if such Pre-Issue Retained Earnings are insufficient for the payment of dividends to the ordinary shareholders, the Company may also utilise the Profits (less any preferential dividends declared but unpaid and any Deferred Dividends (as defined below)) for such payment.

Profits shall be distributed as preferential dividends to the RCPS-i C holders in proportion to the respective capital contribution of the RCPS-i C holders in the Business. This is consistent with the rulings mentioned in AAOIFI Shariah Standards;

"In principle, the shares of profit may be in proportion to the percentage of each partner's contribution to the Sharikah capital..."

(Refer AAOIFI, 1439H-2017 Shariah Standards for Islamic Financial Institutions, Shari'a Standard No.12, Sharikah (Musharakah) and Modern Corporations, p. 332, item 3/1/5/3).

Subject to the availability of Profits, the preferential dividends (if declared) shall be distributable semi-annually (save in respect of the 1st distribution and the last distribution prior to the Redemption Date), with the RCPS-i C holders being entitled to the 1st distribution on such date being the next preferential dividend entitlement date of the RCPS-i A and RCPS-i B (in accordance with their terms) following the Issue Date, and subsequently, at successive intervals of every six (6) months thereafter (each of the aforementioned dates shall be referred to as "**Preferential Dividend Entitlement Date**"). For avoidance of doubt, the preferential dividends for the last distribution prior to the Redemption Date (if declared), may be paid to the RCPS-i C holders on such distribution date and at such amount (in accordance with item 2.5(v) below) as shall be approved by the Board and announced by the Company from time to time on or before the Redemption Date.

The expected preferential dividend rate per annum shall be 5.43% per annum.

From the period commencing on and including the 5th anniversary of the Issue Date until the Redemption Date (as defined in item 2.5(i) below), an additional stepped-up preferential dividend rate of 1.0% per annum above the expected rate mentioned above, shall be payable on the RCPS-i C on an annual basis, provided that the aggregate of the expected preferential dividend rate (including the stepped-up preferential dividends, if

APPENDIX III: SHARIAH PRONOUNCEMENT LETTER (Cont'd)

S P SETIA BERHAD**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW CLASS C ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i C")**

applicable) on any Preferential Dividend Entitlement Date ("**Expected Preferential Dividend Rate**") shall not exceed a total rate of 20% per annum.

The additional stepped-up preferential dividend rate of 1.0% per annum above the Expected Preferential Dividend Rate on annual basis commencing from the 5th anniversary of the Issue Date is allowable from the Shariah perspective. This is in line with the rulings mentioned in AAOIFI Shariah Standards:

"It is permissible for the partners to agree on the adoption of allocation of profit, either permanent or variable, for example, by agreeing that the percentage of profit shares in the first period are one set of percentages, and in the second period are another set of percentages,..."

(Refer AAOIFI, 1439H-2017 Shariah Standards for Islamic Financial Institutions, Shari'a Standard No.12, Sharikah (Musharakah) and Modern Corporations, p. 333, item 3/1/5/5).

Save in respect of the Additional Preferential Dividends (as defined below) that the Board may have declared, the maximum amount of preferential dividends that can be declared and paid on each Preferential Dividend Entitlement Date ("**Expected Preferential Dividend Amount**"), shall be capped at such Expected Preferential Dividend Rate unless otherwise decided by the Board.

On any Preferential Dividend Entitlement Date:

- (i) in the event that the Profits are lower than the Expected Preferential Dividend Amount and the Company does not declare the preferential dividends up to the Expected Preferential Dividend Amount (in whole or in part):
 - (aa) the Company may, at its discretion, declare and pay any amount of preferential dividends up to an amount equal to the Profits as at such Preferential Dividend Entitlement Date (the amount of Profits declared as preferential dividends by the Company on a particular Preferential Dividend Entitlement Date, if any, shall be referred to as "**Declared Sum**"); and
 - (bb) the amount equivalent to the difference between: (A) the Profits as at such Preferential Dividend Entitlement Date; and (B) Declared Sum, shall be cumulative ("**Deferred Dividends 1**"), so long as the RCPS-i C remains unredeemed. In this instance, the amount equivalent to the difference between: (A) the Expected Preferential Dividend Amount; and (B) the Profits as at such Preferential Dividend Entitlement Date, shall not be cumulative.
- (ii) In the event that the Profits are higher than the Expected Preferential Dividend Amount and the Company does not declare the preferential dividends up to the Expected Preferential Dividend Amount (in whole or in part):

APPENDIX III: SHARIAH PRONOUNCEMENT LETTER (Cont'd)**S P SETIA BERHAD****PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW CLASS C ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i C")**

- (aa) the amount equivalent to the difference between: (A) the Expected Preferential Dividend Amount; and (B) the Declared Sum, shall be cumulative ("**Deferred Dividends 2**"), so long as the RCPS-i C remains unredeemed.

Deferred Dividends 1 and Deferred Dividends 2 (as the case maybe) (collectively referred to as "**Deferred Dividends**") may be declared and/or paid, at the discretion of the Company, on any subsequent Preferential Dividend Entitlement Date, provided that the Cumulative Condition is fulfilled on such Preferential Dividend Entitlement Date.

"**Cumulative Condition**" of the RCPS-i C means on any particular Preferential Dividend Entitlement Date, the Company:

- (i) has sufficient Profits that is at least equivalent to the aggregate of the Declared Sum and any Deferred Dividends accumulated as at and on such Preferential Dividend Entitlement Date;
- (ii) has maintained books and records that evidence the Company having Profits that is at least equivalent to the aggregate of the Declared Sum and any Deferred Dividends accumulated as at and on such Preferential Dividend Entitlement Date; and
- (iii) makes an announcement on the Main Market of Bursa Malaysia Securities Berhad that such amount of Deferred Dividends on such Preferential Dividend Entitlement Date shall be cumulative.

Where there is no Profit available for the declaration and payment of dividends (in accordance with the Constitution and the Act (or such applicable legislation for the time being), the Company shall have no obligation to declare or distribute any preferential dividends on the relevant Preferential Dividend Entitlement Date. Such preferential dividends shall not be cumulative.

The Deferred Dividend or the cumulative feature of the preferential dividend is effected by way of deferring the distributable profits (or part thereof) of the Company earned from the Issue Date which are not declared as dividends based on the mutual consent of the parties. This mutual agreement is based on the concept of mutual consent (al-Taraadhi) as mentioned in the following Quranic verse (4:29):

إِلَّا أَنْ تَكُونَ بِحُكْمٍ عَنْ تَرَاضٍ مِّنْكُمْ

"...but let there be amongst you traffic and trade by mutual good-will.."

It should be noted that the dividend cannot be deferred and accumulated if there are no profits realised i.e. if the Company generated no profits for that year, then there is no accumulation of the undeclared dividend to any subsequent Preferential Dividend

APPENDIX III: SHARIAH PRONOUNCEMENT LETTER (Cont'd)**S P SETIA BERHAD****PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW CLASS C ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i C")**

Entitlement Dates. Hence, it can be concluded that there is no guarantee of expected preferential dividend to the RCPS-i C holders.

Therefore, as long as the parties agree to the deferment of their entitlement to the realised profits, there shall be no Shariah objection on that, based on mutual consent of the contracting parties. For avoidance of doubt, the Deferred Dividends shall not accrue any additional dividends and shall not be compounded.

Waiver of the Profits by RCPS-i C Holders

The Deferred Dividends shall not be payable to the RCPS-i C holders if the Company has not declared it as a preferential dividend. For clarity, the Deferred Dividends that are not declared will be waived by the RCPS-i C holders and will not be payable in the following circumstances:

- (i) upon the winding-up, liquidation or dissolution of the Company. Accordingly, the RCPS-i C holders shall (in and for compliance with Shariah, and by the decision of the Board at the relevant time on their behalf) waive all Deferred Dividends that the Company has not declared; and
- (ii) upon the RCPS-i C holders converting the RCPS-i C into new Shares. Accordingly, the RCPS-i C holders shall (in and for compliance with Shariah) waive all Deferred Dividends that the Company has not declared.

By subscribing to the RCPS-i C, the RCPS-i C holders agree (in and for compliance with Shariah) to waive their right attached to the RCPS-i C to receive any Profits over and above the Expected Preferential Dividend Amount that the Board may have declared, with such waiver to be decided by the Board at the point of declaration of the preferential dividends, on their behalf.

On any Preferential Dividend Entitlement Date, in the event that the Profits are higher than the Expected Preferential Dividend Amount and the Company declares and distributes preferential dividends up to the Expected Preferential Dividend Amount, any excess of the Profits after such declaration may be utilised by the Company for the Business or such other purpose as the Board at its sole discretion deems fit and in the interest of the Company, including to declare and distribute additional preferential dividends of such amount as the Board deems fit that is in excess of the Expected Preferential Dividend Amount but not exceeding the Profits on such Preferential Dividend Entitlement Date ("**Additional Preferential Dividends**").

From the Shariah perspective, the Additional Preferential Dividends declared and distributed at the discretion of the Board shall be recognised as *hibah* (gift).

In this structure, each RCPS-i C holder shall cease to receive any preferential dividends from and including the date the RCPS-i C is converted into new Shares save for preferential dividends declared but unpaid up to the date of conversion notice.

APPENDIX III: SHARIAH PRONOUNCEMENT LETTER (Cont'd)**S P SETIA BERHAD****PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW CLASS C ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i C")**

Subject to the rights to the preferential dividends declared and distributed as the Board deems fit, by subscribing to the RCPS-i C, the RCPS-i C holders agree (in and for compliance with Shariah) to waive their rights attached to the RCPS-i C to participate in the surplus profits of the Company (if any) remaining at such time after the payment of the preferential dividends, with such waiver to be decided by the Board at the point of declaration of the preferential dividends on their behalf.

The SAC of the SC at its 20th meeting on 14 July 1999 ruled that non-cumulative preference shares are permissible based on *tanazul* where the right to profit of the ordinary shareholder is willingly given to a preference shareholder. In this context, the contracting parties are allowed to give certain priority to other parties including the distribution of dividends provided that the arrangement is done when the profits is realised and consent is obtained from the contracting parties.

Tanazul shall be agreed upon at an annual general meeting of a company which decides to issue preference shares in an effort to raise new capital. As it is agreed at the meeting to issue preference shares, this means that ordinary shareholders have also agreed to give priority to preference shareholders in dividing the profits, in accordance with *tanazul*. In the context of preference shares, *tanazul* means surrendering the rights to a share of the profits based on partnership, by giving priority to preference shareholders. It is also known as *isqat haq* in Islamic jurisprudence.

(Refer Resolutions of the SAC of the SC, 2nd Edition, page 92-93).

2.3 Ranking of RCPS-i C

The RCPS-i C shall rank equally amongst themselves and with other preference shares issued by the Company (including the RCPS-i A and RCPS-i B) without discrimination, preference or priority amongst themselves in all respects, save as in the event of redemption as set out in item 2.5(v) below and will rank ahead in point of priority to the holders of the Shares and all other classes of shares (if any, save as the RCPS-i A and RCPS-i B) in the Company, in respect of payment of dividends and payment out of assets of the Company upon any liquidation, dissolution, or winding up of the Company, provided always that the Board approves such payment of dividends and payment out of assets of the Company on this basis and further affirms the priority of payment to the RCPS-i C holders.

For avoidance of doubt, it is agreed that the passing of a resolution at an extraordinary general meeting of the ordinary shareholders to amend the Constitution (embedding the rights of the RCPS-i C holders), shall represent their agreement (in and for compliance with Shariah), for the priority of distribution dividends and payment out of assets to be decided by the Board at the point of distribution on their behalf.

APPENDIX III: SHARIAH PRONOUNCEMENT LETTER (Cont'd)**S P SETIA BERHAD****PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW CLASS C ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i C")**

The RCPS-i C is subordinated to all the Company's creditors in respect of payment of debt and payments out of assets of the Company upon any liquidation, dissolution, or winding up of the Company.

The Board shall not issue any preference shares (other than additional RCPS-i A, and/or RCPS-i B issued in accordance with their terms, and/or additional RCPS-i C issued in accordance with its terms herein) which rank equally with or in priority to, the RCPS-i A, RCPS-i B and/or RCPS-i C, unless the issue of such preference shares has first been approved by the holders of the RCPS-i A, RCPS-i B and RCPS-i C by way of an ordinary resolution of such holders.

Consistent with the permissibility of preference shares based on *Tanazul* concept by the SAC of the SC, there should not be any Shariah objection to rank the RCPS-i C holders ahead in point of priority to the holders of the Shares and all other classes of shares (if any, save as the RCPS-i A and RCPS-i B) in the Company, in respect of payment of dividends and payment out of assets of the Company upon any liquidation, dissolution, or winding up of the Company.

2.4 Conversion of RCPS-i C into Shares

The conversion ratio will be determined and announced by the Board ("**Conversion Ratio**").

The fully paid up RCPS-i C shall be convertible, at the option of the RCPS-i C holders, at any time commencing from the Issue Date and up to such date no later than nine (9) market days prior to the relevant Redemption Date (as defined in item 2.5(i) below) of the RCPS-i C, into such number of fully-paid new Shares, without payment of any consideration and in accordance with the Conversion Ratio ("**Conversion Rights**").

Subject to the Act, the Constitution and provided that all the RCPS-i C then in issue have been fully paid up, any RCPS-i C holder may at any time thereafter, exercise the conversion right by giving notice in writing to the Company of his intention to convert and specifying such number of RCPS-i C intended to be converted, into new Shares.

Subject to compliance with all applicable laws and regulations, the Company shall take such requisite steps to allot and issue the new Shares, apply for the listing of and quotation for the new Shares and credit the new Shares into the holder's securities account created with the Central Depository System pursuant to the Securities Industry (Central Depositories) Act 1991 and the Rules of Bursa Malaysia Depository Sdn. Bhd., for the recording of deposit of securities and for dealing in such securities by the depositor. No physical share certificates will be issued to the RCPS-i C holder in respect of the conversion.

The Company shall not be required to convert any RCPS-i C of a holder where conversion of the RCPS-i C would be contrary to the laws of Malaysia.

APPENDIX III: SHARIAH PRONOUNCEMENT LETTER (Cont'd)**S P SETIA BERHAD****PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW CLASS C ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i C")**

By the act of surrendering the RCPS-i C for the purpose of the conversion to the new Shares, the RCPS-i C holders shall (in and for compliance with Shariah) waive all Deferred Dividends that the Company has not declared as preferential dividends up to the point of conversion.

If the conversion results in a fractional entitlement to Shares, such fractional entitlement shall be disregarded and no refund or credit, whether in the form of RCPS-i C, cash or otherwise, shall be given in respect of the disregarded fractional entitlement.

The Conversion Ratio shall be subject to adjustments from time to time, at the determination of the Board, in the event of any alteration to the Company's share capital, whether by way of rights issue, capitalisation issue, consolidation of shares, subdivision of shares or reduction of capital howsoever being effected, in accordance with the provisions of the Constitution. The Company shall give notice in writing to the RCPS-i C holders of its intention to make such adjustments to the Conversion Ratio.

The new Shares shall upon allotment and issue rank equally in all respects with the then issued ordinary shares of the Company including the entitlements to dividends, rights, allotments or other distributions, except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, of which the entitlement date is before the date of allotment of such new Shares.

The RCPS-i C and the new Shares to be issued pursuant to the conversion of the RCPS-i C will be listed and quoted on the Main Market of Bursa Malaysia Securities Berhad and their market price will be influenced by, among others, the prevailing market sentiments, the volatility of the stock market, movements in interest rates, changes in regulatory requirements, the financial performance of the Company and the outlook and prospects of the industries in which the Company operates. In this regard, there can be no assurance that the market value of the new Shares will trade at or above the implied conversion price of the RCPS-i C.

The agreed conversion mechanism is not a capital guarantee as the conversion can only be exercised if the Business is still available and furthermore, the market price of the new Shares arising from the conversion of the RCPS-i C is influenced by the factors mentioned above. Unlike capital guarantee which requires the Company to refund the full capital irrespective of the availability of the profits and assets of the venture, the conversion of RCPS-i C into Shares by the Company will and could only be exercised if the assets of the venture are available to make the conversion valid.

There is also no Shariah objection for the RCPS-i C holders to convert their holdings based on agreed conversion mechanism including the Conversion Ratio provided that the Shares remains Shariah-compliant. This is in line with the following Shariah legal maxims:

APPENDIX III: SHARIAH PRONOUNCEMENT LETTER (Cont'd)**S P SETIA BERHAD****PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW CLASS C ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i C")**

"The original rule of a contract is the mutual consent or agreement by both contracting parties and the consequence of the contract is based on the rights and responsibilities agreed in the contract"

(Source: Sharh al-Qawaid al-Fiqhiyyah, p. 482)

2.5 Redemption

- (i) The Company may at any time on or after the 5th anniversary of the Issue Date, at its discretion, redeem all (and not part) of the outstanding RCPS-i C by giving not less than 30 days' notice in writing to the RCPS-i C holders of its intention to do so, subject to compliance with the Act including where such RCPS-i C is intended to be redeemed out of the capital of the Company, such notice of redemption shall be subject to all directors of the Company having made a solvency statement in relation to such redemption in accordance with the provisions of the Act. The redemption of the RCPS-i C shall take effect on the 30th day from the date of the notice or such other later date as may be specified in the notice ("**Redemption Date**"). The notice shall state the Redemption Date and the book closure date to be used to determine the RCPS-i C holders who are entitled to receive the redemption payment. During such notice period but not later than nine (9) market days prior to the Redemption Date, the RCPS-i C holders shall be entitled to exercise their Conversion Rights.
- (ii) On the Redemption Date, the Company shall redeem all (and not part) of the outstanding RCPS-i C (that do not form part of any RCPS-i C to be converted into new Shares prior to the book closure date stated in the redemption notice) in cash at a redemption price, which shall be the aggregate of: (i) the RCPS-i C issue price; (ii) any preferential dividends declared but unpaid as at the Redemption Date; and (iii) any Deferred Dividends as at the Redemption Date ("**Redemption Price**").
- (iii) The Company shall not redeem any RCPS-i C of a holder where redemption of the RCPS-i C would be contrary to the laws of Malaysia or the Constitution.
- (iv) On the Redemption Date, the RCPS-i C holders shall sell the undivided proportionate interest of the respective RCPS-i C holders in the Business to the Company at the Redemption Price, and pursuant to the redemption and payment of the Redemption Price on the Redemption Date for the RCPS-i C redeemed, all rights, benefits and entitlements accorded to such RCPS-i C holders, shall cease.
- (v) From the period beginning from the last dividend declaration date preceding the Redemption Date up to the Redemption Date, subject to the availability of Profits, the Company may, at its discretion, declare and pay any amount of preferential dividends, up to an amount equal to the Profits, based on the Expected Preferential Dividend Rate. Such declaration and payment of preferential dividends to the RCPS-i C holders (being the last distribution prior to the Redemption Day, if declared) shall not affect the declaration and distribution of preferential dividends to the RCPS-i A

APPENDIX III: SHARIAH PRONOUNCEMENT LETTER (Cont'd)**S P SETIA BERHAD****PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW CLASS C ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i C")**

and RCPS-i B holders on their respective next preferential dividend entitlement date (in accordance with their terms), so long as the RCPS-i A and/or RCPS-i B remain unredeemed. For avoidance of doubt, no additional preferential dividend shall be declared in respect of RCPS-i A and RCPS-i B under this sub-clause so long as the RCPS-i A and/or RCPS-i B remain unredeemed when such last preferential dividend is declared for RCPS-i C. Similarly, no additional preferential dividend shall be declared in respect of RCPS-i C, so long as the RCPS-i C remain unredeemed when such last preferential dividend is declared for RCPS-i A and/or RCPS-i B in the event of redemption of RCPS-i A and/or RCPS-i B.

There is no Shariah objection for the Company to call for redemption of the RCPS-i C from the RCPS-i C holders in accordance to the agreed terms and mechanism of such redemption and subject to the notification made to the holders.

The RCPS-i C holders undertake to sell the undivided proportionate interest of the respective RCPS-i C holders in the Business on the Redemption Date at the Redemption Price.

The undertaking by the RCPS-i C holders via *Wa`d* is permissible.

The SAC of the SC has resolved that:

Wa`d is a promise by a person or a party to perform certain task in the future.

Wa`d is *mulzim* (unilaterally binding) on the promisor if the *wa`d* is attached to any of the following:

- a) A particular action which is done by a party including the promise in the future;
- b) A particular time or date; or
- c) A particular situation which will occur in the future.

The bindingness of *wa`d* shall take effect at the time when the *wa`d* is expressed.

Permissibility of *Wa`d Mulzim*

Wa`d mulzim is permissible based on the view of *fuqaha'* that *wa`d* which is attached to conditions is binding. The types of conditions include a particular action, date/time and situation. This ruling may clarify the types and categories of conditions attached to *wa`d* that lead to the binding effect of *wa`d*, especially in the financial instruments that involve promise to enter into contract that is attached to a particular date/time in the future.

(Refer Resolutions of the SAC of the SC, 2021, p 16 - 17)

The RCPS-i C holders are not devoid of all risks as the performance of the RCPS-i C is still subject to the operation and performance of the Business, as such there are possibilities that there are not enough Profits, or even assets to pay the original invested amount. In addition, the tenure of the RCPS-i C is perpetual and the redemption of the

APPENDIX III: SHARIAH PRONOUNCEMENT LETTER (Cont'd)**S P SETIA BERHAD****PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW CLASS C ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i C")**

RCPS-i C is at the option of the Company. In view of this, the issue of capital and profit guarantee shall not arise in the arrangement of sale undertaking.

2.6 Utilisation of Proceeds

The proceeds to be raised from the issuance of the RCPS-i C will be used in Shariah-compliant manner. The proceeds shall be used for the redemption of the RCPS-i B, payment of existing bank loans and financing facility and defray estimated expenses in relation to the proposals. Pending utilisation of the proceeds to be raised from the Proposed Rights Issue, such proceeds will be placed in deposits with licensed Islamic bank(s)/Islamic financial institution(s) and/or Islamic short-term money market instrument(s). The profit derived from the deposits with licensed Islamic bank(s)/Islamic financial institution(s) and/or any gain arising from the Islamic short-term money market instrument(s) will be used for the Group's working capital requirements.

Based on the above, the proposed utilisation of proceeds is permissible and is not breaching any Shariah requirements.

The Company is classified as Shariah-compliant company based on the list of Shariah - compliant securities issued by the SC's SAC from time-to-time. Hence, there is no Shariah objection for the proceeds to be placed in deposits with licensed Islamic bank(s)/Islamic financial institution(s) and/or Islamic short-term money market instrument(s) and profit derived from such deposits/any gain arising from the Islamic short term money market instrument(s) will be used for the Group's working capital requirements consistent with the requirements set by the SAC of the SC to ensure the Shariah-compliant status of the Company is maintained.

2.7 Restrictions on payment of dividends to ordinary shares

So long as any RCPS-i C remains unredeemed, and in the event that dividends are declared and the preferential treatment is approved by the Board on the day of the dividend declaration, the Company shall not pay or distribute any dividend on its ordinary shares, unless the preferential dividend payable on the RCPS-i C for the period immediately preceding such ordinary share dividend and any preferential dividends declared but unpaid or Deferred Dividends, has been paid or otherwise provided for in full, save in the circumstances where on any particular Preferential Dividend Entitlement Date, there are no Profits available for the declaration and payment of dividends to its ordinary shareholders and preference shareholders, but there are Pre-Issue Retained Earnings available and sufficient for the payment of dividends to the ordinary shareholders, the Company may utilise such Pre-Issue Retained Earnings for the declaration and payment of dividends to the ordinary shareholders.

In the event that dividends are declared, and subject to the Board approving such declaration, payment and affirming the priority of payment as described above, the

APPENDIX III: SHARIAH PRONOUNCEMENT LETTER (Cont'd)**S P SETIA BERHAD****PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW CLASS C ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i C")**

ordinary shareholders shall waive their right to dividend payment, unless and until the Company has paid any preferential dividends declared but unpaid or Deferred Dividends to the RCPS-i C holders. For avoidance of doubt, it is agreed that the passing of a resolution at an extraordinary general meeting of the ordinary shareholders to amend the Constitution (embedding the rights of the RCPS-i C holders), shall represent their agreement (in and for compliance with Shariah) for the priority of distribution (of dividends) to be decided by the Board at the point of distribution on their behalf.

The priority over the payment of dividends over the ordinary shareholder will be approved by the Board at the point of dividend distribution. Hence, the waiver of the ordinary shareholders' rights in respect of distribution of Profits for payment of any preferential dividends shall only be effective upon the approval of the Board at the time of declaration of such preferential dividends. As the waiver of rights to the ordinary shareholders' share of dividend is effective upon realisation of distributable Profits, the ordinary shareholders have the right to give priority to other parties, including RCPS-i C holders. This is in line with the Shariah conformity in item 2.3 above in regards to the *tanazul* where the right to profit of the ordinary shareholder is willingly given to a preference shareholder.

2.8 Rights to Receive Notices, Reports and Attend Meetings and Voting Rights

The RCPS-i C holders shall be entitled to the same rights as the Company's ordinary shareholders as regards to the receipt of notices (including that of general meetings), reports and audited financial statements, to attend meetings and to receive shareholders' resolutions in writing, but shall not be entitled to vote or approve any shareholders' resolutions or vote at any general meeting of the Company, save and except in respect of any resolution made:

- (i) When the preferential dividends or any part thereof is in arrears and unpaid for more than six (6) months;
- (ii) on a proposal to reduce the Company's share capital;
- (iii) on a proposal for the disposal of substantially the whole of the Company's property, business and undertaking;
- (iv) on a proposal to wind up the Company;
- (v) during the winding up of the Company; or
- (vi) on any proposal that affects the rights and privileges attached to the RCPS-i C, including the amendments to the Constitution.

In any of the aforesaid circumstances, each RCPS-i C holder shall be entitled to vote at all general meetings of the members of its class, and on a poll at any such general meeting to one (1) vote for each RCPS-i C held.

Failure by the Company to provide any notice of any document referred to the above (save in respect of the aforesaid exceptions) will not affect the validity of any meeting (or any proceedings at any meeting), transaction or document connected with the document which was not received by a holder of RCPS-i C.

APPENDIX III: SHARIAH PRONOUNCEMENT LETTER (Cont'd)**S P SETIA BERHAD****PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW CLASS C ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i C")**

Consistent with the permissibility of preference shares based on *tanazul* concept by the SAC of the SC, the RCPS-i C holders shall waive their right to vote or to approve any shareholders' resolutions or vote at any general meeting of the Company, save and except in respect of any resolution made as mentioned above. This is also in line with the following Shariah legal maxims:

"The original rule of a contract is the mutual consent or agreement by both contracting parties and the consequence of the contract is based on the rights and responsibilities agreed in the contract"

(Source: Sharh al-Qawaid al-Fiqhiyyah, p. 482)

2.9 Transferability

The RCPS-i C shall be transferable, subject however to the applicable laws, regulations and rules that would apply to the securities of the Company.

There is no Shariah objection for the RCPS-i C to be transferred to the other party through mechanism recognised under Shariah including sale contract or hibah.

2.10 Liquidation, dissolution or winding up preference

On a return of capital on the dissolution, winding-up or liquidation of the Company, the RCPS-i C holders shall have, in priority to the holders of ordinary shares and all other classes of shares (if any, save in respect of other preference shares issued by the Company (including the RCPS-i A and RCPS-i B)) in the Company, the right to payment of: (i) all capital paid up on the RCPS-i C; and (ii) any preferential dividends declared but unpaid, but shall have no right to the residue (if any) of such surplus assets that shall remain after payment of the capital paid up on all other classes of shares in the Company.

Subject to the approval of the Board for the distribution, the holders of ordinary shares and all other classes of shares (if any, save in respect of the RCPS-i A and RCPS-i B) in the Company shall waive their right to receive proceeds from liquidation, dissolution or winding up for the benefit of the RCPS-i C holders until the RCPS-i C holders have received their payment in full on all capital paid up on the RCPS-i C by the respective holder, and any preferential dividends declared but unpaid. For avoidance of doubt, it is agreed that the passing of a resolution at an extraordinary general meeting of the ordinary shareholders to amend the Constitution (embedding the rights of the RCPS-i C holders), shall represent their agreement (in and for compliance with Shariah) for the priority of distribution (of assets upon the liquidation, dissolution or winding up of the Company) to be decided by the Board at the point of distribution on their behalf.

APPENDIX III: SHARIAH PRONOUNCEMENT LETTER (Cont'd)**S P SETIA BERHAD****PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW CLASS C ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i C")**

The Company shall pay in cash and in full, the amount which shall be equivalent to: (i) all the capital paid up on the RCPS-i C by the respective holder; and (ii) any preferential dividends declared but unpaid upon liquidation, dissolution or winding-up of the Company, out of the proceeds of liquidation of the assets of the Company.

By subscribing to the RCPS-i C, the RCPS-i C holders agree (in and for compliance with Shariah) to waive any Deferred Dividends that have not been declared as preferential dividends by the Company up to the point of liquidation, dissolution or winding up of the Company, with such waiver to be decided by the Board at the relevant time on their behalf.

There is no Shariah objection for the Company on the liquidation, dissolution or winding up of preference of the RCPS-i C in accordance to the agreed terms and mechanism of such redemption and subject to the notification made to the holders. This is in line with the concept of *tanazul* in preference shares as discussed in item 2.3 above and the following Shariah legal maxims:

"The original rule of a contract is the mutual consent or agreement by both contracting parties and the consequence of the contract is based on the rights and responsibilities agreed in the contract"

(Source: Sharh al-Qawaid al-Fiqhiyyah, p. 482)

2.11 Changes of compliant-status of the Company

It is to be noted that there is a possibility of the Company being removed from the list of Shariah-compliant securities issued by SC's SAC from time to time, in the future. In view of this, the RCPS-i C holders have the right to dispose the RCPS-i C or the ordinary shares (once converted) by following the SAC of the SC's guide on the timing for the disposal of securities which have been classified as Shariah non-compliant.

The SAC of the SC had resolved that, in respect of Shariah-compliant securities which have been reclassified as Shariah non-compliant securities on the date of the announcement of the List of Shariah-compliant Securities takes effect, the timing for the disposal of such securities are as follows:

- (i) If the market price of the said securities exceeds or is equal to the investment cost, investors who hold such Shariah non-compliant securities must dispose them off. Any dividends received up to date of the announcement and capital gains arising from the disposal of Shariah non-compliant securities on the date of the announcement can be kept by the investors. However, any dividends received and excess capital gain from the disposal of Shariah non-compliant securities after the date of the announcement should be channelled to *baitulmal* and/or charitable bodies; and

APPENDIX III: SHARIAH PRONOUNCEMENT LETTER (Cont'd)

S P SETIA BERHAD

**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW CLASS C ISLAMIC REDEEMABLE
CONVERTIBLE PREFERENCE SHARES ("RCPS-i C")**

- (ii) If the market price of the said securities is below the investment cost, the investors are allowed to hold their investment in the Shariah non-compliant securities until the investors receive the investment cost. It is also permissible for the investors to keep the dividends received during the holding period until such time when the total amount of dividends received and the market value of the Shariah non-compliant securities held equal the investment cost. At this stage, the investors are advised to dispose of their holding.

(Refer Resolution of the SAC of the SC, 2021, p 134 – 135)

(The rest of this page has been intentionally left blank)

APPENDIX III: SHARIAH PRONOUNCEMENT LETTER (Cont'd)

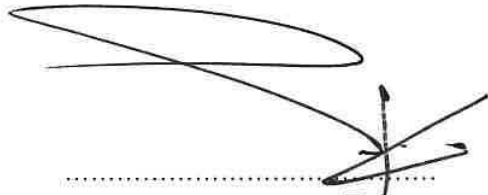
S P SETIA BERHAD

**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW CLASS C ISLAMIC REDEEMABLE
CONVERTIBLE PREFERENCE SHARES ("RCPS-i C")**

3. Approval

Based on our review of the structure and terms and conditions as documented above, and the Shariah considerations contained therein, we hereby confirm that the above proposed RCPS-i C is in compliance with the Shariah principles as well as the relevant guidelines formulated by the SC to regulate the issuance of preference shares and is an allowable preference shares under Shariah.

Yours faithfully,
On behalf of Amanie Advisors Sdn Bhd



Tan Sri Dr. Mohd Daud Bakar
Executive Chairman / Shariah Scholar

Date: **20 SEPTEMBER 2022**