

**THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**THIS NOTICE IS FOR THE INFORMATION OF THE HOLDERS OF CLASS B ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES OF S P SETIA BERHAD ISSUED ON 29 DECEMBER 2017 ("RCPS-i B") ONLY. NO ACTION IS REQUIRED TO BE TAKEN IN RESPECT OF THIS NOTICE.**

If you have sold or transferred all your RCPS-i B, you should at once hand this Notice to the purchaser or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee respectively.

Bursa Malaysia Securities Berhad has not perused the contents of this Notice prior to its issuance, and takes no responsibility for the contents of this Notice, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Notice.



**S P SETIA BERHAD**

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

**NOTICE TO THE HOLDERS OF RCPS-i B**

**IN RELATION TO THE**

**ADJUSTMENT TO THE CONVERSION RATIO OF THE RCPS-i B IN ACCORDANCE WITH CLAUSE 13(K) OF THE CONSTITUTION OF S P SETIA BERHAD ("S P SETIA") ARISING FROM THE RENOUNCEABLE RIGHTS ISSUE OF UP TO 3,069,191,630 NEW CLASS C ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES IN S P SETIA ("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 S P SETIA HELD AS AT 5:00 P.M. ON 2 NOVEMBER 2022**

*Prepared by*



**RHB Investment Bank Berhad**

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

This Notice is dated 4 November 2022

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## DEFINITIONS

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

Adjustment	:	Adjustment to the Conversion Ratio in accordance with Clause 13(k) of our Constitution arising from the Rights Issue
Board	:	Board of Directors of our Company
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
Conversion Ratio	:	Five (5) new Shares for every 21 RCPS-i B held, being the conversion ratio of the RCPS-i B (before the Adjustment) which is subject to adjustments from time to time, at the determination of our Board
EGM	:	Extraordinary general meeting
Entitlement Date	:	2 November 2022 at 5:00 p.m., being the 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
Market Day	:	A day on which Bursa Securities is open for trading in securities
Notice	:	This notice to our RCPS-i B holders dated 4 November 2022, which sets out the details of the Adjustment
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
RHB Investment Bank	:	RHB Investment Bank Berhad, being our Principal Adviser for the Rights Issue
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 Share held on the Entitlement Date
RM and sen	:	Ringgit Malaysia and sen
Rules of Bursa Depository	:	The rules of Bursa Depository issued pursuant to the Securities Industry (Central Depositories) Act 1991
S P Setia or Company	:	S P Setia Berhad
Share(s)	:	Ordinary share(s) in our Company
VWAMP	:	Volume weighted average market price

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**DEFINITIONS (Cont'd)**

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References to “**our Company**” in this Notice are to S P Setia and references to “**we**”, “**us**”, “**our**” and “**ourselves**” in this Notice are to our Company and where the context otherwise requires, shall include our subsidiaries. All references to “**you**” and “**your**” in this Notice are to our RCPS-i B holders.

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 Notice 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 reenactment thereof.

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

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**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

4 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 RCPS-i B holders**

Dear Sir/Madam,

**ADJUSTMENT TO THE CONVERSION RATIO OF THE RCPS-i B IN ACCORDANCE WITH CLAUSE 13(K) OF THE CONSTITUTION OF S P SETIA ARISING FROM THE RIGHTS ISSUE**

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**1. INTRODUCTION**

On 27 April 2022, RHB Investment Bank had, on behalf of our Board, announced that our Company proposes to undertake, among others, the Rights Issue.

On 22 July 2022, RHB Investment Bank had, on behalf of our Board, announced that the Shariah Advisory Council of the Securities Commission Malaysia 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 of Bursa Securities 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,

subject to the conditions stated therein.

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, among others, the Rights Issue on 2 September 2022, and it was our Board's intention to have all the resolutions pertaining to, among others, the Rights Issue (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, among others, the Rights Issue. 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.

As such, our RCPS-i B holders whose names appear in the Record of Depositors of RCPS-i B on the Entitlement Date would be entitled to the Adjustment.

**THE PURPOSE OF THIS NOTICE IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE ADJUSTMENT INCLUDING BRIEF PARTICULARS OF THE EVENT GIVING RISE TO THE ADJUSTMENT, TOGETHER WITH THE COMPUTATION OF THE ADJUSTMENT. NO ACTION IS REQUIRED TO BE TAKEN ON YOUR PART IN RESPECT OF THIS NOTICE.**

## 2. DETAILS OF THE ADJUSTMENT

As at the Entitlement Date, our Company has 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.

Pursuant to Clause 13(k) of our Constitution, the Conversion Ratio is 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.

### 2.1 Adjustment to the Conversion Ratio

The following adjustment to the Conversion Ratio has been agreed by our Board in the event our Company makes:

- (i) any offer or invitation to our shareholders by way of rights under which they may acquire or subscribe for Shares; or
- (ii) any offer or invitation to our shareholders by way of rights under which they may acquire or subscribe for securities convertible into Shares or securities with rights to acquire or subscribe for Shares.

The Conversion Ratio shall be adjusted by multiplying it by the following formulae:

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

where,

C = 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 capital distribution is publicly announced to Bursa Securities or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or, the date on which the subscription price of the offer or invitation is fixed, or immediately preceding the date of the announcement of the record date of the capital distribution or, as the case may be, of the offer or invitation, or immediately preceding the date on which the shares are traded on an "ex entitlement basis" (as prescribed by Bursa Securities) for the capital distribution, or as the case may be, of the offer or invitation;

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 = Being the subscription price of one (1) additional Share under the terms of such offer or invitation or one (1) additional security convertible into Shares or one (1) additional security with rights to acquire or subscribe for Shares; and

F = 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) additional Share or security convertible into one (1) additional Share or right to acquire or subscribe for one (1) additional Share.

## 2.2 Adjustment to the Conversion Ratio arising from the Rights Issue

Based on the formulae set out above, the adjusted Conversion Ratio resulting from the Rights Issue shall be as follows:

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

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:

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

$$= (1.23 - 0.7956) / (1.49 + 1) = 0.1745$$

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.

Accordingly, our Board is of the view that the Conversion Ratio should be adjusted to five (5) new Shares for every 18 RCPS-i B held as a result of the Rights Issue.

## 2.3 Summary of Adjustment

The summary of Adjustment is as follows:

	<b>Adjustment arising from the Rights Issue</b>	
	<b>Before</b>	<b>After</b>
Conversion Ratio	Five (5) new Shares for every 21 RCPS-i B held	Five (5) new Shares for every 18 RCPS-i B held

The Adjustment had been determined and approved by our Board, in consultation with RHB Investment Bank (acting only as experts and not arbitrators). Further, PricewaterhouseCoopers Risk Services Sdn Bhd had, vide its letter to our Board dated 1 November 2022, performed the agreed-upon procedures in accordance with the International Standard on Related Services (ISRS) 4400 (Revised) "Agreed-Upon Procedures Engagements" solely to check that the computations of the Adjustment are in accordance with the formulae as adopted by our Board.



### **3. RATIONALE FOR THE ADJUSTMENT**

The Adjustment was made in accordance with the provision of our Constitution to mitigate any potential equity dilution resulting from the Rights Issue such that the status and rights of the RCPS-i B holders would not be prejudiced after the implementation of the Rights Issue. For the avoidance of doubt, the rights and obligations of each RCPS-i B holder stipulated in our Constitution remain unchanged.

### **4. EFFECTIVE DATE OF THE ADJUSTMENT**

The effective date of the Adjustment is on Thursday, 3 November 2022, being the next Market Day following the Entitlement Date.

### **5. CONSENTS**

RHB Investment Bank, being our Principal Adviser for the Rights Issue, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Notice.

PricewaterhouseCoopers Risk Services Sdn Bhd has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Notice.

### **6. DIRECTORS' RESPONSIBILITY STATEMENT**

This Notice has been seen and approved by our Board who collectively and individually accept full responsibility for the accuracy of the information given herein. Our Board hereby confirms that after having made all reasonable enquiries, and to the best of their knowledge and belief, there is no false or misleading statement or other facts, the omission of which would make any statement herein false or misleading.

### **7. 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, during normal office hours from Mondays to Fridays (except public holidays) from the date of this Notice up to and including the earlier of: (i) the 5<sup>th</sup> anniversary from the date of issuance of the RCPS-i B (being the earliest date for the redemption of RCPS-i B); or (ii) the date of issuance of a new notice to the RCPS-i B holders in relation to any adjustment to the Conversion Ratio:

- (i) our Constitution;
- (ii) letter from PricewaterhouseCoopers Risk Services Sdn Bhd dated 1 November 2022, setting out the agreed-upon procedures performed on, among others, the computation of the Adjustment; and
- (iii) the letters of consent referred to in Section 5 of this Notice.

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