



NOTICE OF SIXTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixtieth Annual General Meeting of Southern Steel Berhad ("the Company") will be held at Training Room C, Level 1, Southern Steel Berhad, 2723 Lorong Perusahaan 12, Prai Industrial Estate, 13600 Prai, Penang, Malaysia on Thursday, 10 November 2022 at 11.00 a.m. in order:

- To lay before the meeting the audited financial statements together with the reports of the Directors and Auditors thereon for the financial year ended 30 June 2022.
- To approve the payment of Director Fees of RM545,220/- (2021: RM503,287/-) for the financial year ended 30 June 2022, to be divided amongst the Directors in such manner as the Directors may determine and Directors' Other Benefits of up to an amount of RM46,000/- from the Sixtieth Annual General Meeting ("AGM") to the Sixty-first AGM of the Company.
- To re-elect the following Directors pursuant to the Company's Constitution:
 - YBhg Datuk Kwek Leng San
 - Ms Chin Siew Siew.
- To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

SPECIAL BUSINESS

As special business, to consider and, if thought fit, pass the following motions as resolutions:

- Ordinary Resolution**
- Authority To Directors To Allot Shares
- Waiver Of Pre-Emptive Rights Over New Ordinary Shares ("Shares") Or Other Convertible Securities In The Company Under Section 85(1) Of The Companies Act 2016 ("Act") Read Together With Clause 50 Of The Constitution Of The Company

"**THAT** subject to the Act, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ["MMLR"], the Company's Constitution and approval of the relevant governmental regulatory authorities, if required, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act to issue and allot new Shares in the Company, grant rights to subscribe for Shares in the Company, convert any security into Shares in the Company, or allot Shares under an agreement or option or offer at any time and from time to time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, to any persons who are not caught by Paragraph 6.04(c) of the MMLR provided that the aggregate number of Shares issued and allotted, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution does not exceed 10% of the total number of issued Shares of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional Shares so allotted on Bursa Securities and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT in connection with the above, pursuant to Section 85(1) of the Act read together with Clause 50 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights over all new Shares, options over or grants of new Shares or any other convertible securities in the Company and/or any new Shares to be issued pursuant to such options, grants or other convertible securities, such new Shares when issued, to rank pari passu with the existing Shares in the Company."

- Ordinary Resolution**
- Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature With Hong Leong Company (Malaysia) Berhad ("HLCM"), GuoLine Capital Assets Limited ("GCA") And Persons Connected With Them

"**THAT** approval be and is hereby given for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.3(A) of the Circular to Shareholders dated 12 October 2022 with HLCLM, GCA and persons connected with them ("Hong Leong Group") provided that such transactions are undertaken in the ordinary course of business, on commercial terms which are not more favourable to the Hong Leong Group than those generally available to and/or from the public, where applicable, and are not, in the Company's opinion, detrimental to the minority shareholders;

AND THAT such approval shall continue to be in force until:

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

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution."

- Ordinary Resolution**
- Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature With Hong Bee Hardware Company, Sdn Berhad ("Hong Bee Hardware") And Its Subsidiary

Proposed ordinary motion is the same as Ordinary Resolution 6 above except that (a) the recurrent related party transactions are as disclosed in Section 2.3(B) of the Circular to Shareholders dated 12 October 2022; and (b) the Related Party is "Hong Bee Hardware and its subsidiary".

- Ordinary Resolution**
- Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature With Hong Leong Investment Holdings Pte. Ltd. ("HLIH") And Persons Connected With HLIH

Proposed ordinary motion is the same as Ordinary Resolution 6 above except that (a) the recurrent related party transactions are as disclosed in Section 2.3(B) of the Circular to Shareholders dated 12 October 2022; and (b) the Related Party is "HLIH and persons connected with HLIH".

9. Ordinary Resolution

- Proposed Establishment Of A New Executive Share Scheme Comprising A Proposed New Executive Share Option Scheme ("Proposed ESOS") And A Proposed New Executive Share Grant Scheme ("Proposed ESGS") Of Up To 10% Of The Total Number Of Issued Ordinary Shares In Southern Steel Berhad ("SSB" or "Company") (Excluding Treasury Shares) For The Eligible Executives And/Or Directors Of SSB And Its Subsidiaries (Collectively, "Eligible Executives") (The Proposed ESOS And The Proposed ESGS Shall Collectively Be Called "Proposed ESS")
- Waiver Of Pre-Emptive Rights Over New Ordinary Shares ("Shares") Or Other Convertible Securities In SSB Under Section 85(1) Of The Companies Act 2016 ("Act") Read Together With Clause 50 Of The Constitution Of SSB

"**THAT**, subject to the approvals of the relevant authorities and/or parties (where applicable) being obtained, approval be and is hereby given to the Directors of SSB ("Board of SSB") to:

- approve the draft bye-laws ("Bye-Laws") of the Proposed ESS as set out in Appendix I of the Circular to Shareholders of SSB in relation to the Proposed ESS and Proposed Allocation (as defined herein) dated 12 October 2022 ("Circular - ESS");
- establish and implement the Proposed ESS in accordance with the provisions of the Bye-Laws; and that the Proposed ESS shall be administered by the Board of SSB or board of directors of the relevant subsidiaries of SSB (as the case may be, in respect of Eligible Executives in the said subsidiary only) or a duly authorised committee thereof or an individual authorised by the relevant board of directors;
- allot and issue such number of new Shares, transfer treasury Shares, transfer existing Shares and/or cash settle, from time to time to the Eligible Executives upon the exercise of options under the Proposed ESOS ("Options") and/or vesting of grants under the Proposed ESGS ("Grants"), subject to the terms and conditions of the Bye-Laws, provided that at any point of time during the existence of the Proposed ESS, the aggregate number of Shares comprised in the Options and/or Grants under the Proposed ESS, and any other executive share schemes established by SSB which are still subsisting, shall not exceed an amount equivalent to 10% of the total number of issued Shares (excluding treasury Shares) at any one time; and that any new Shares which are to be allotted and issued pursuant to the Proposed ESS shall, upon allotment and issue, rank equally in all respects with the existing issued Shares, except that they will not rank for any dividend, right, entitlement and/or distribution, in respect of which the record date precedes the allotment date of the new Shares and will be subject to all the provisions of the Constitution of the Company relating to transfer, transmission or otherwise;
- add, amend, modify and/or delete all or any part of the terms and conditions as set out in the Bye-Laws, from time to time provided that such addition, amendment, modification and/or deletion are effected in accordance with the provisions of the Bye-Laws; and
- do all such acts, execute all such documents and to enter into all such transactions, arrangements and agreements, deeds or undertakings and to make such rules or regulations, or impose such terms and conditions to delegate its power as may be necessary or expedient in order to give full effect to the Proposed ESS;

AND THAT the Board of SSB be and is hereby authorised to give effect to the Proposed ESS with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and take all such steps and do all acts, deeds and things as they may consider necessary and/or expedient to implement, finalise and give full effect to the Proposed ESS as the Board of SSB deems fit, appropriate and in the best interest of the Company;

AND THAT pursuant to Section 85(1) of the Act read together with Clause 50 of the Constitution of SSB, the shareholders of SSB do hereby waive their pre-emptive rights over all Options, Grants and/or any new Shares to be issued pursuant to the exercise of such Options by and/or the vesting of such Grants in the Eligible Executives including the Group Managing Director of SSB, such new Shares, when issued, to rank pari passu with the existing Shares.

10. Ordinary Resolution

- Proposed Allocation Of Options And/Or Grants To The Group Managing Director Of SSB ("Proposed Allocation")

"**THAT** subject to the passing of Ordinary Resolution 9 above and for so long as such approval remains in force and the approvals of all relevant authorities and/or parties (where applicable) being obtained, authority be and is hereby given to the Board of SSB, from time to time, to offer to Mr Yeoh Choon Kwee, the Group Managing Director of SSB, Options to subscribe for/purchase such number of Shares and/or Grants comprising such number of Shares under the Proposed ESS as they shall deem fit PROVIDED THAT not more than 10% of the Maximum Aggregate (as defined in the Bye-Laws) are allotted to him if he, either singly or collectively through persons connected with him, holds 20% or more of the total number of issued Shares (excluding treasury Shares) subject always to such terms and conditions and/or any adjustment which may be made in accordance with the provisions of the Bye-Laws."

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

By Order of the Board

Resolution 7

Wong Wei Fong
SSM PC No. 201908001352
MAICSA 7006751
Zoe Lim Hoon Hwa
SSM PC No. 202108000147
MAICSA 7031771
Company Secretaries
Kuala Lumpur
12 October 2022

Resolution 8**Notes:**

- For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors as at 2 November 2022 shall be entitled to attend this meeting or appoint proxy(ies) to attend and vote on their behalf.
- Save for a member who is an exempt authorised nominee, a member entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his stead. A proxy may but need not be a member of the Company. A member who is an authorised nominee may appoint not more than two (2) proxies in respect of each securities account it holds. A member who is an exempt authorised nominee for multiple beneficial owners in one (1) securities account ("Omnibus Account") may appoint any number of proxies in respect of the Omnibus Account.
- Where two (2) or more proxies are appointed, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which the appointments shall be invalid.
- The Form of Proxy must be deposited at the Registered Office of the Company at Level 31, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur, Malaysia or lodged electronically via email at casec-hlmg@hlmg.com.my, not less than forty-eight (48) hours before the time appointed for holding of the meeting or adjourned meeting.
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to a vote by way of a poll.

Explanatory Notes:**1. Resolution 1 - Director Fees And Directors' Other Benefits**

Director Fees of RM545,220/- are inclusive of Board Committee Fees of RM191,467/-; and Directors' Other Benefits refer to Directors and Officers Liability Insurance coverage based on premium paid/payable and Directors' training benefits of up to an amount of RM46,000/-.

2. Resolutions 2 to 3 - Re-Election Of Directors

The Nominating Committee ("NC") has considered the performance and contribution of each of the retiring Directors and has also assessed the independence of the Independent Non-Executive Director ("ID") seeking for re-election at the Sixtieth Annual General Meeting ("AGM").

Based on the results of the Board Annual Assessment conducted for the financial year ended 30 June 2022, the performance of each of the retiring Directors was found to be satisfactory with the retiring ID complied with the independence criteria as required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Board has endorsed the NC's recommendation on the re-election of the retiring Directors. The retiring Directors had abstained from deliberations and decisions on their own re-election at the NC and Board meetings.

The details and profiles of the Directors who are standing for re-election at the Sixtieth AGM are provided in the Board of Directors section on pages 11 to 14 of the Company's Annual Report 2022.

3. Resolution 5 - Authority To Directors To Allot Shares And Waiver Of Pre-Emptive Rights

The proposed ordinary resolution, if passed, will renew the general mandate given to the Directors of the Company to allot ordinary shares ("Shares") of the Company from time to time and expand the mandate to grant rights to subscribe for Shares in the Company, convert any security into Shares in the Company, or allot Shares under an agreement or option or offer, provided that the aggregate number of Shares issued and allotted, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution does not exceed 10% of the total number of issued Shares of the Company for the time being ("Renewed General Mandate"). In computing the aforesaid 10% limit, Shares issued or agreed to be issued or subscribed pursuant to the approval of shareholders in a general meeting where precise terms and conditions are approved shall not be counted. The Renewed General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, no new Shares in the Company were issued and allotted pursuant to the general mandate given to the Directors at the last AGM held on 1 December 2021 and which will lapse at the conclusion of the Sixtieth AGM. The Renewed General Mandate will enable the Directors to take swift action in case of, inter alia, a need for corporate exercises or in the event business opportunities or other circumstances arise which involve the issuance and allotment of new Shares, grant of rights to subscribe for Shares, conversion of any security into Shares, or allotment of Shares under an agreement or option or offer, and to avoid delay and cost in convening general meetings to approve the same.

Please refer Section 85(1) of the Companies Act 2016 ("Act") and Clause 50 of the Constitution of the Company as detailed below.

4. Resolutions 6 to 8 - Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature

The proposed ordinary resolutions, if passed, will empower the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Southern Steel Berhad ("SSB") Group, subject to the transactions being in the ordinary course of business and on terms which are not more favourable to the related parties than those generally available to and/or from the public and are not, in the Company's opinion, detrimental to the minority shareholders of the Company ("Proposed Shareholders' Mandate").

Detailed information on the Proposed Shareholders' Mandate is set out in the Circular to Shareholders dated 12 October 2022, which is available on the Company's website at www.southsteel.com/gm-current.

5. Resolutions 9 to 10 - Proposed ESS and Proposed Allocation

The Company currently has in place an existing 10-year executive share scheme, comprising executive share option scheme ("Existing ESOS") and executive share grant scheme ("Existing ESGS"), which was implemented on 28 February 2014 ("Existing ESS").

The Existing ESS has a remaining period of less than 2 years up to its expiry on 27 February 2024. In view that most of the options offers and/or grant offers ("Offers") are performance based with performance period straddling 3 years or more, any new Offers would need to be made under a new executive share scheme with a longer expiry period. Notwithstanding the establishment and implementation of the Proposed ESS, the aggregate number of Shares available under the Proposed ESS and Existing ESS shall not, in any event, exceed 10% of the total number of issued Shares (excluding treasury Shares) at any one time.

The proposed ordinary resolutions, if passed, will enable the Company to align the long-term interests of eligible executives and/or directors of SSB and its subsidiaries with those of the shareholders of the Company, as well as to motivate and reward them.

Please refer Section 85(1) of the Act and Clause 50 of the Company's Constitution as detailed below.

Detailed information on the Proposed ESS and Proposed Allocation is set out in the Circular to Shareholders dated 12 October 2022, which is available on the Company's website at www.southsteel.com/gm-current.

Details Of Section 85(1) Of The Act And Clause 50 Of The Company's Constitution

Pursuant to Section 85(1) of the Act read together with Clause 50 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new Shares in the Company which rank equally to the existing issued Shares or other convertible securities.

Section 85(1) of the Act provides as follows:

"85. Pre-emptive rights to new shares

- Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

Clause 50 of the Constitution of the Company provides as follows:

"50. Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities, shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled...
 Subject to the provisions of this Constitution, the Directors may recognise a renunciation of any share by the allottee thereof in favour of some other person."

In order for the Board to issue any new Shares or other convertible securities free of pre-emptive rights, such pre-emptive rights must be waived. The proposed ordinary resolutions, if passed, will exclude your pre-emptive rights over all new Shares, options over or grant of new Shares or any other convertible securities in the Company and/or any new Shares to be issued pursuant to such options, grants or other convertible securities under the Authority To Directors To Allot Shares and pre-emptive rights over options or grants offered or to be offered pursuant to the Proposed ESS and/or any new Shares to be issued by the Company pursuant to the Proposed ESS.

Resolution 10