MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD AT LEVEL 4, SOUTHERN STEEL MESH SDN. BHD., BATU 5, 1/2 MILES, JALAN KAPAR, 42100 KLANG, SELANGOR DARUL EHSAN ON THURSDAY, 7 AUGUST 2025 AT 2:00 P.M. ("THE MEETING")

DIRECTORS PRESENT

Mr. Seah Kiin Peng	*(Non-Independent Non-Executive Chairman)*
Mr. Yeoh Choon Kwee	*(Group Managing Director)*
Mr. Zhang Cheng	*(Executive Director)*
YBhg. Dato' Tan Ang Meng	*(Independent Non-Executive Director)*
Ms. Chin Siew Siew	*(Independent Non-Executive Director)*
YBhg. Datuk Ir. Rosaline Ganendra	*(Independent Non-Executive Director)*

INDIVIDUAL SHAREHOLDERS, REPRESENTATIVES AND PROXIES PRESENT

As per Attendance List

BY INVITATION

As per Attendance List

IN ATTENDANCE

Ms. Yeow Sze Min	*(Company Secretary)*
Mr. Shiek Shawin Bux	*(Assisting the Company Secretary)*

CHAIRMAN

Mr. Seah Kiin Peng ("**Mr. Seah**") welcomed and thanked everyone present at the Meeting.

Mr. Seah introduced his fellow Directors, the Company Secretary, and the representatives of the Principal Adviser, UOB Kay Hian (M) Sdn. Bhd. ("**UOB Kay Hian**") as well as the Independent Adviser, Strategic Capital Advisory Sdn. Bhd. ("**Strategic Capital**) to all present.

Given that Mr. Seah held a vested interest in the sole item on the Agenda for the Meeting, Mr. Yeoh Choon Kwee ("**Mr. Yeoh**"), the Group Managing Director took over as Chair of the Meeting.

QUORUM

With the requisite quorum present pursuant to Clause 66 of the Company's Constitution, Mr. Yeoh declared the Meeting duly convened and called the Meeting to order at 2:00 p.m. The Meeting then proceeded with the business at hand.

NOTICE OF MEETING

With the permission of the Meeting, the Notice convening the Meeting dated 18 July 2025, having been circulated within the prescribed period, was taken as read.

南達鋼鐵
Southern Steel Berhad
196301000443 (5283-X)
2723, Lorong Perusahaan 12,
Prai Industrial Estate,
13600 Prai, Pulau Pinang, Malaysia.
t : +(604) 3906540
f : +(604) 3908060

PROCEEDINGS AND VOTING PROCEDURES

As the voting for the Meeting was to be conducted by way of a poll in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Mr. Yeoh exercised his rights as the Chairman of the Meeting to demand a poll in accordance with Clause 70 of the Company's Constitution for the resolution put forth for voting at the Meeting.

The Meeting was informed that Mr. Yeoh as Chairman of the Meeting had been appointed as proxy for shareholders who were unable to participate in the Meeting and would vote on their behalf. Mr. Yeoh would vote in his capacity as proxy in accordance with the instructions received, where given.

Given that there was no legal requirement for a proposed resolution to be seconded, the Meeting noted that Mr. Yeoh would take the Meeting through the sole item on the Agenda and the poll voting session would be conducted upon completion of the deliberation of the sole item on the Agenda to be transacted at the Meeting.

Mr. Yeoh advised the shareholders and proxies present at the Meeting of their right to request clarifications and raise questions.

The Meeting was further informed that Securities Services (Holdings) Sdn. Bhd. was appointed as the Poll Administrator to conduct the polling process while Commercial Quest Sdn. Bhd. was appointed as the Independent Scrutineer to verify the results of the poll voting.

Following the presentation of a short video on the electronic polling system, the Company Secretary, Ms. Yeow Sze Min, conducted a trial run for all who were voting to familiarise themselves with the electronic polling system.

1.0 ORDINARY RESOLUTION

PROPOSED DISPOSAL OF 12,883,562 EXISTING ORDINARY SHARES IN SOUTHERN STEEL MESH SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF SSB ("SSM"), REPRESENTING APPROXIMATELY 55.0% EQUITY INTEREST IN SSM, BY SSB TO BRC ASIA LIMITED ("BRC") FOR A TOTAL CASH CONSIDERATION OF RM61.05 MILLION ("PROPOSED DISPOSAL")

Mr. Yeoh informed the Meeting that the sole item on the Agenda was to approve the Ordinary Resolution in respect of the Proposed Disposal, with the details and rationale provided in Part A of the Company's Circular to Shareholders dated 18 July 2025 ("**Circular**"). Part B of the Circular had set out the details and recommendation of Strategic Capital, the Independent Adviser to the Proposed Disposal.

Mr. Yeoh highlighted to the Meeting that the Board of Directors was of the view that the Proposed Disposal was in line with the Group's business strategy and the proceeds to be raised from the Proposed Disposal would strengthen the Company's financial position.

The Meeting noted that the interested Directors, Mr. Seah and Mr. Zhang Cheng, had abstained and would continue to abstain from all deliberations and voting in respect of the Ordinary Resolution. Additionally, both interested Directors had undertaken to ensure that persons connected to them would also abstain from voting on the resolution during the Meeting.

The Meeting was further informed that Mr. Yeoh would also vote in his capacity as proxy in accordance with the instructions received from the non-interested shareholders who had duly appointed the Chairman of the Meeting as their proxy.

Mr. Yeoh then invited questions from the floor. The questions raised and the answers provided were as follows:

- What are SSM's products?

  The principal activities of SSM are the production and sales of wire mesh and cut-and-bend bars, being its two main product lines.

- How is the production mix and what is the production capacity as well as revenue contribution of each of these wire mesh and cut-and-bend bar product lines?

  The production is evenly split between wire mesh and cut-and-bend bars. The monthly production capacity ranges from 8,000 to 10,000 tonnes each, with annual revenue of approximately RM300.0 million.

- Does SSM fabricate reinforcement cages?

  SSM does not fabricate steel cages but supplies customised cut-and-bend bars to be assembled on-site, which in turn alleviates contractors of labour costs on site. The customisation also eliminates wastages faced by customers if they were to purchase standard bars to be cut at their sites. SSM does not do pre-assembly.

- How much steel does SSM source from SSB?

  *It varies over time. In the last financial year ended 30 June 2024 ("**previous year**"), SSB supplied more than 50% of the steel used by SSM. SSM also purchases steel from other suppliers as needed.*

- In sourcing steel from other suppliers, is it based on the lowest price?

  Price is a key consideration but other factors such as timing and quality are also considered.

- It was noted that there is a substantial sales volume to Singapore. How is the steel transported?

  Generally transported by trucks.

- What is the current status of SSM's plant located in Kuantan?

  The plant had ceased operations with no machinery left, and hence, the factory space was currently tenanted out. The plant could be revived to be used in future at the discretion of BRC.

- Does the Company have any recurrent related party transaction mandate with BRC?

  Yes, shareholder approval for such mandates had been obtained earlier at the Company's Extraordinary General Meeting held on 21 March 2025.

- Why did the Company forgo the previously contemplated proposed subscription of new shares in SSM by BRC ("**Proposed Subscription**")?

  The decision to forgo the Proposed Subscription came after internal discussions, which concluded that a direct disposal was simpler, more efficient, and aligned with the common ultimate objective. The Proposed Disposal, agreed through negotiations with BRC, was mutually beneficial and provided the Company with immediate cash inflow to support its working capital needs.

  In response to concerns regarding potential dilution if BRC was to inject new capital into SSM post-disposal, the Meeting was informed that such scenarios would be speculative and could arise regardless of the size of BRC's stake. The Meeting noted that the Proposed Disposal is aligned with the broader re-organisation plan of the Company to focus on upstream operations while entrusting downstream activities to more specialised partners such as BRC that has the expertise and market outreach, where the Company could still ride on to grow with its 45% remaining shareholding in SSM.

- Is there any anti-dilution right in the Shareholders' Agreement dated 30 June 2025 ("**SHA**")?

  The SHA had been carefully negotiated to protect the rights of both parties, with safeguards in place to ensure fair participation and oversight.

  The Meeting noted that both the Principal Adviser, UOB Kay Hian, and the Independent Adviser, Strategic Capital, had evaluated the Proposed Disposal. The Independent Adviser specifically assessed the valuation and terms of the SHA and concluded that they were fair and beneficial to shareholders.

- How this Proposed Disposal would affect the Company's financial performance, given that SSM was profitable, while steel operations had been loss-making?

  While SSM made a profit in the previous year, the impact of that profit on the Company's overall financial performance was not significant. The Meeting was informed that the Company's strategy should not be driven solely by short-term profitability and that long-term strategic perspective should also be considered.

The Meeting noted that the Company's core focus moving forward would be its upstream business, while downstream operations would benefit from partnerships with industry experts. The Proposed Disposal is part of the partnership model the Company is pursuing to better allocate its resources and management efforts toward upstream growth.

There being no further questions raised, the Meeting then proceeded with the voting on the Ordinary Resolution via the electronic polling device.

The results of the poll voting for the sole resolution tabled were as follows:-

Type of Resolution	Voted For		Voted Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution	202,808,355	99.9978	4,400	0.0022

Based on the results of the poll voting, as the requisite majority of votes had been obtained for the Ordinary Resolution, Mr. Yeoh declared the following resolution **CARRIED**:-

ORDINARY RESOLUTION

PROPOSED DISPOSAL OF 12,883,562 EXISTING ORDINARY SHARES IN SOUTHERN STEEL MESH SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF SSB ("SSM"), REPRESENTING APPROXIMATELY 55.0% EQUITY INTEREST IN SSM, BY SSB TO BRC ASIA LIMITED ("BRC") FOR A TOTAL CASH CONSIDERATION OF RM61.05 MILLION ("PROPOSED DISPOSAL")

*"**THAT**, subject to the approvals from the relevant regulatory authorities and/or third parties being obtained for the Proposed Disposal, approval be and is hereby given to the Company to undertake the Proposed Disposal in accordance with the terms and conditions stipulated in the conditional share purchase agreement dated 22 April 2025 entered into between SSB and BRC (salient terms of which are set out in **Appendix I** of the circular to shareholders of SSB dated 18 July 2025 in relation to the Proposed Disposal ("**Circular**"));*

***THAT**, the board of directors of the Company ("**Board**") be and is hereby authorised to utilise the proceeds arising from the Proposed Disposal for the purposes as set out in the Circular, and the Board be and is hereby authorised with full powers to vary the manner and/or purposes of utilisation of such proceeds in such manner as the Board may deem fit, necessary, expedient and in the best interest of the Company, subject to the approval of the relevant parties and/or authorities (where required);*

***AND THAT**, the Board be and is hereby authorised to do all acts, deeds and things and to execute, sign and deliver or cause to be delivered, for and on behalf of the Company, all such documents as it may consider necessary and/or expedient in the best interest of the Company in order to implement, finalise and give full effect to and complete the Proposed Disposal with full power to assent to any terms, conditions, modifications and/or amendments in any*

manner as may be required by any relevant authorities and/or parties and as the Board may deem necessary and expedient to finalise, implement and give full effect to the Proposed Disposal."

CONCLUSION

There being no other business to be transacted, Mr. Yeoh declared the Meeting closed. The Meeting concluded at 2:30 p.m. with a vote of thanks to Mr. Yeoh.

SIGNED AS A CORRECT RECORD

- SIGNED -

CHAIRMAN OF THE MEETING
YEOH CHOON KWEE

Dated: 7 August 2025