

THIS CIRCULAR TO SHAREHOLDERS (“CIRCULAR”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has only perused the contents of this Circular in respect of the Proposed New Shareholders’ Mandate (as defined below) on a limited review basis pursuant to the provision of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular, 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 Circular.

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Southern Steel Berhad

SOUTHERN STEEL BERHAD

[Registration No. 196301000443 (5283-X)]

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

**PROPOSED SHAREHOLDERS’ MANDATE FOR
NEW RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE
 (“PROPOSED NEW SHAREHOLDERS’ MANDATE”)**

The Proposed New Shareholders’ Mandate will be tabled as Special Business at Southern Steel Berhad (“**SSB**” or “**the Company**”)’s Sixty-Fourth Annual General Meeting (“**64th AGM**”) to be held at Training Room C, Level 1, Southern Steel Berhad, No. 2723, Lorong Perusahaan 12, Prai Industrial Estate, 13600 Prai, Pulau Pinang, Malaysia, on Thursday, 26 February 2026 at 10:30 a.m. or immediately following the conclusion or adjournment (as the case may be) of the Sixty-Third Annual General Meeting, which will be held at 10:00 a.m. on the same day and at the same venue, whichever is later. The Notice of the 64th AGM together with the Form of Proxy and a copy of this Circular to Shareholders are available on the Company’s website at www.southsteel.com/gm-current.

Should you not be able to attend and vote at the 64th AGM, except for an exempt authorised nominee, you are entitled to appoint not more than two (2) proxies to attend, participate, speak and vote on your behalf. You should complete, sign and lodge the Form of Proxy enclosed in the Company’s Annual Report in respect of the financial period from 1 July 2024 to 30 September 2025 and deposit it at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or lodged it electronically via email at info@sshbsb.com.my, not less than forty-eight (48) hours before the time appointed for holding the 64th AGM or any adjournment thereof as indicated below.

The lodging of the Form of Proxy will not preclude you from attending and voting at the 64th AGM should you subsequently wish to do so, provided that a notice of termination of authority to act as proxy in writing is given to the Company and deposited at the Registered Office of the Company as indicated above, not less than twenty-four (24) hours before the time appointed for holding the 64th AGM or any adjournment thereof.

Date of Record of Depositors for the purpose of : Thursday, 19 February 2026
determining members’ entitlement to attend the 64th AGM

Last date and time for lodging the Form of Proxy : Tuesday, 24 February 2026 at 10:30 a.m.

Date and time of the 64th AGM : Thursday, 26 February 2026 at 10:30 a.m.

This Circular is dated 26 January 2026

Definitions

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

“Act”	: Companies Act 2016
“Advance Venture”	: Advance Venture Investments Limited, our Major Shareholder
“AGM”	: Annual general meeting of our Company
“Board”	: Our Board of Directors
“BRC”	: BRC Asia Limited, a subsidiary of Esteel
“Bright Power”	: Bright Power Ventures Limited, our Major Shareholder
“Bursa Securities”	: Bursa Malaysia Securities Berhad [Registration No.: 200301033577 (635998-W)]
“Circular”	: This Circular to Shareholders dated 26 January 2026 in relation to the Proposed New Shareholders’ Mandate
“Director(s)”	: Shall have the same meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007 and for the purpose of the Proposed New Shareholders’ Mandate, includes any person who is or was within the preceding 6 months of the date on which the terms of the transactions were agreed upon, a director or a chief executive of the Company or any other company which is its subsidiary or holding company, in accordance with the definition in Chapter 10 of the Listing Requirements
“Esteel”	: Green Esteel Pte. Ltd., our Major Shareholder
“Esteel Group”	: Esteel and its subsidiaries, joint venture and associates, collectively
“EGM”	: Extraordinary General Meeting of our Company
“GCA”	: GuoLine Capital Assets Limited
“HLCM”	: Hong Leong Company (Malaysia) Berhad, our substantial shareholder
“HLIH”	: Hong Leong Investment Holdings Pte. Ltd., our substantial shareholder and BRC’s substantial shareholder
“HLIH Group”	: HLIH and its Persons Connected, collectively
“Hong Bee”	: Hong Bee Hardware Company Sdn. Bhd.
“Hong Bee Group”	: Hong Bee and its subsidiaries, collectively
“Hong Leong Group”	: HLCM and GCA as well as the Persons Connected with them, collectively
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities
“LPD”	: 29 December 2025, being the latest practicable date prior to the printing and despatch of this Circular

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Definitions – cont’d

- “Major Shareholder(s)” : A person who has an interest or interests in one or more voting shares in our Company and the number or aggregate number of those shares, is:-
- (i) 10% or more of the total number of voting shares in our Company; or
 - (ii) 5% or more of the total number of voting shares in our Company where such person is the largest shareholder of our Company.
- For the purpose of this definition, “**interest**” shall have the meaning of “**interest in shares**” given in Section 8 of the Act.
- For the purpose of the Proposed New Shareholders’ Mandate, Major Shareholder(s) shall include any person who is or was within the preceding 6 months of the date on which the terms of the transaction(s) were agreed upon, a Major Shareholder of our Company as defined above or any other company which is our subsidiary or our holding company
- “Person(s) Connected” : Person(s) connected to a Director or Major Shareholder as defined under Paragraph 1.01 of the Listing Requirements
- “Proposed New Shareholders’ Mandate” : Proposed shareholders’ mandate for new recurrent related party transactions of a revenue or trading nature
- “Related Party(ies)” : Director(s), Major Shareholder(s) and/or Person(s) Connected
- “RM” and “sen” : Ringgit Malaysia and sen, respectively
- “RRPT(s)” : Recurrent related party transaction(s) of a revenue or trading nature, which are necessary for our day-to-day operations and to be entered into by our Company and/or our subsidiaries and the Related Parties, which are in the ordinary course of business of our Group
- “SSB” or our “Company” : Southern Steel Berhad (Registration No.: 196301000443 (5283-X))
- “SSB Group” or our “Group” : SSB and our subsidiaries and associate companies, collectively
- “Share(s)” : Ordinary shares in our Company
- “Theme International” : Theme International Holdings Limited, our Major Shareholder
- “Wide Bridge” : Wide Bridge Limited, our Major Shareholder
- “2025 Annual Report” : Our Company’s Annual Report in respect of the financial period from 1 July 2024 to 30 September 2025

All references to “we”, “us”, “our” and “ourselves” are to SSB or SSB Group. All references to “you” in this Circular are to our shareholders.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

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26 January 2026

Board of Directors

Seah Kiin Peng	<i>(Non-Executive Chairman/Non-Independent)</i>
Yeoh Choon Kwee	<i>(Group Managing Director/Non-Independent)</i>
Zhang Cheng	<i>(Executive Director/Non-Independent)</i>
Dato' Tan Ang Meng	<i>(Non-Executive Director/Independent)</i>
Chin Siew Siew	<i>(Non-Executive Director/Independent)</i>
Datuk Ir. Rosaline Ganendra	<i>(Non-Executive Director/Independent)</i>

To: Our shareholders

Dear Sir/Madam,

PROPOSED NEW SHAREHOLDERS' MANDATE

1. INTRODUCTION

At the AGM held on 11 November 2024 and EGM held on 21 March 2025, the Company obtained general mandates from its shareholders for the Company and/or its subsidiaries to enter into RRPTs in the ordinary course of business based on commercial terms which are not more favourable to the Related Parties than those generally available to the public ("**2024 and EGM RRPT Mandates**"). The 2024 and EGM RRPT Mandates shall be in force until:

- (i) the conclusion of the next AGM following the general meeting at which such ordinary resolution was passed to effect the said general mandates, at which time it shall lapse, unless the authority is renewed by an ordinary resolution passed at the said next AGM;
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by an ordinary resolution passed by our shareholders in a general meeting,

whichever is the earlier.

The Company changed its financial year end from 30 June 2025 to 30 September 2025, as previously announced to Bursa Securities on 28 May 2025. Pursuant to Section 340(2) of the Act, for the purpose of Section 340(1) of the Act, the Company should hold an AGM in every calendar year within 6 months of the Company's financial year-end and not more than 15 months after the last preceding AGM i.e., by 31 December 2025 being the last day in the calendar year 2025 to hold the 2025 AGM, which is the 63rd AGM. While the Companies Commission of Malaysia had granted the Company an extension of time to the Company to convene the 2025 AGM or 63rd AGM by 31 March 2026 pursuant to Section 340(4) of the Act, the 2024 and EGM RRPT Mandates had expired after 31 December 2025 as the extended period is not allowed for the purpose of the 2024 and EGM RRPT Mandates.

On 7 January 2026, the Company announced to Bursa Securities its intention to seek shareholders' approval in respect of the Proposed New Shareholders' Mandate at the 64th AGM. The Company will not be seeking renewal of the 2024 and EGM RRPT Mandates at the 63rd AGM since it will be held on the same day of the 64th AGM.

The purpose of this Circular is to provide you with relevant information on the Proposed New Shareholders' Mandate and to seek your approval for the ordinary resolution in respect of the Proposed New Shareholders' Mandate to be tabled as Special Business at the forthcoming 64th AGM.

You are advised to read and carefully consider the contents of this Circular together with the Appendix contained herein before voting on the ordinary resolution in respect of the Proposed New Shareholders' Mandate to be tabled at the forthcoming 64th AGM.

2. DETAILS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

2.1 Provisions under the Listing Requirements

Pursuant to Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a shareholders' mandate in respect of the RRPTs which are necessary for its day-to-day operations subject to the following:-

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:-
 - (a) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1.0 million or more; or
 - (b) the percentage ratio of such RRPT is 1% or more,whichever is the higher;
- (iii) the issuance of a circular to shareholders by the listed issuer, which includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (iv) in a meeting to obtain the shareholders' mandate, the relevant Related Party must comply with the following:-
 - (a) a Related Party with any interest, whether direct or indirect, in the RRPT ("**Interested Related Party**"), must not vote on the resolution in respect of the RRPT;
 - (b) an Interested Related Party who is a Director or Major Shareholder must ensure that the Persons Connected abstain from voting on the resolution in respect of the RRPT; and
 - (c) where the Interested Related Party is a Person Connected, such person, as the case may be, must not vote on the resolution in respect of the RRPT; and
- (v) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Accordingly, our Board proposes to seek our shareholders' approval for the Proposed New Shareholders' Mandate at the forthcoming 64th AGM. The Proposed New Shareholders' Mandate will allow our Group, in the ordinary course of business, to enter into the RRPTs with the Related Parties referred to in **Section 2.8** of this Circular, provided that such transactions are made at arm's length, on normal commercial terms and on terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of our minority shareholders.

If approved, the Proposed New Shareholders' Mandate shall be valid for the period described in **Section 2.2** of this Circular.

2.2 Validity period of the Proposed New Shareholders' Mandate

The Proposed New Shareholders' Mandate is subject to annual renewal and if approved by our shareholders at the forthcoming 64th AGM, the Proposed New Shareholders' Mandate shall take effect from the date of passing of the ordinary resolution for the Proposed New Shareholders' Mandate at the forthcoming 64th AGM and shall continue to be in force until:-

- (i) the conclusion of the next AGM following the general meeting at which such ordinary resolution was passed to effect the Proposed New Shareholders' Mandate, at which time it shall lapse, unless the authority is renewed by an ordinary resolution passed at the said next AGM;
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by an ordinary resolution passed by our shareholders in a general meeting, whichever is the earlier.

Thereafter, if the Board decides that the Proposed New Shareholders' Mandate sought herein is desirable, shareholders' approval for such renewal will be sought at each subsequent AGM to enter into the RRPTs.

The RRPTs that are contemplated under the Proposed New Shareholders' Mandate are in compliance with Paragraph 10.09(2) of the Listing Requirements and the relevant provisions under Sections 3.1 and 3.2 of Practice Note 12 of the Listing Requirements.

Notwithstanding the above, our Company is cognisance and mindful of Paragraph 10.09(2) of the Listing Requirements. Hence, in this respect, our Company will observe and closely monitor the actual value of a RRPT to be entered by our Group. Accordingly, we shall make an immediate announcement if the actual value of a RRPT entered into by our Group exceeds the estimated value of the RRPT disclosed in this Circular by 10% or more and shall include the information as may be prescribed by Bursa Securities in the said announcement.

2.3 Principal activities of our Group

We are principally involved in investment holding, manufacturing, sale and trading in steel bars and related products. The principal activities of our subsidiaries and associated companies as at the LPD are as follows:-

Company	Effective equity interest (%)	Principal activities
<u>Our Subsidiaries</u>		
Southern Steel Rod Sdn. Bhd.	100.00	Temporarily ceased operation in manufacturing, sale and trading of billets, wire rods, deformed bar in coils and other related products.
Southern HRC Sdn. Bhd.	100.00	Temporarily ceased operation in manufacturing, sale and marketing of steel billets and other related products.
Southern Steel Properties Sdn. Bhd.	100.00	Rental of properties.
Danstil Sdn. Bhd.	100.00	Rental of properties.
Southern Steel Holdings Sdn. Bhd.	100.00	Investment holding.
Southern Pipe Industry (Malaysia) Sdn. Bhd. ("SPIM")	96.56	Manufacture, sale and processing of steel pipes and other related products.

2.3 Principal activities of our Group – cont’d

Company	Effective equity interest (%)	Principal activities
<u>Our Subsidiaries – cont’d</u>		
Southern PC Steel Sdn. Bhd.	55.00	Manufacture and sale of pre-stressed concrete strands, wires, bars and other related products.
<u>Subsidiary of SPIM</u>		
Southern Steel Pipe Sdn. Bhd.	96.56	Manufacture, sale and processing of steel pipes and other related products.
<u>Associate companies</u>		
Southern Steel Mesh Sdn. Bhd.	45.00	Manufacture, sale and marketing of steel wire mesh, concrete wires, cut and bend bars and other related products.
Steel Industries (Sabah) Sdn. Bhd.	27.50	Manufacture and trading of steel bars.

2.4 Principal activities of Esteel Group

Esteel is principally involved in investment holding activities. The principal activities of the subsidiaries, joint venture and associate companies of Esteel as at the LPD are as follows:-

Company	Effective equity interest (%)	Principal activities
<u>Subsidiaries of Esteel</u>		
ZR Industrial Group Sdn. Bhd.	100.00	Dormant.
Antara Steel Mills Sdn. Bhd.	100.00	Manufacturing and sale of steel and related products.
Eden Flame Sdn. Bhd.	100.00	Dormant.
Esteel Enterprise Sabah Sdn. Bhd. (“ Esteel Sabah ”)	100.00	Dormant.
Esteel Trading Malaysia Sdn. Bhd. (“ Esteel Malaysia ”)	100.00	Investment holding.
Green Energy Mining Sdn. Bhd.	100.00	Dormant.
BRC Asia Limited (“ BRC ”)	61.16	Prefabrication of steel reinforcement.
Enickel Holding Pte. Ltd. (“ Enickel ”)	100.00	Investment holding.
Green Esteel Shipping Pte. Ltd. (“ Esteel Shipping ”)	90.00	Investment holding.
HG Metal Manufacturing Limited (“ HG Metal ”)	52.59	Investment holding and trading of steel products.
UWW Holdings Pte. Ltd. (“ UWW Holdings ”)	51.00	Trading of steel and related products.
PT Sambaki Tambang Sentosa	70.00	Nickel mining.

2.4 Principal activities of Esteel Group – cont'd

Company	Effective equity interest (%)	Principal activities
<u>Subsidiary of Esteel Sabah</u>		
GS Resort Sdn. Bhd.	100.00	Dormant.
<u>Subsidiary of Esteel Malaysia</u>		
Alnar Abadi Sdn. Bhd.	65.00	Dormant.
<u>Subsidiaries of BRC</u>		
BRC Projects Pte. Ltd.	100.00	Dormant.
BRC International Pte. Ltd.	100.00	Inactive.
LMG Realty Pte. Ltd.	100.00	Property development and investment.
BRC Prefab Holdings Sdn. Bhd.	100.00	Prefabrication, trading and manufacturing and sale of steel products.
BRC Prefab Sdn. Bhd.	100.00	Inactive.
Steel Park Malaysia Sdn. Bhd.	100.00	Inactive.
BRC Asia (Australia) (Pty) Ltd.	100.00	Trading and distribution of steel products.
BRC Asia (Thailand) Limited	100.00	Trading and distribution of steel products.
Southern Steel Mesh Sdn. Bhd.	55.00	Manufacture, sale and marketing of steel wire mesh, concrete wires, cut and bend bars and other related products.
<u>Joint venture of BRC</u>		
Anhui BRC & Ma Steel Weldmesh Co., Ltd.	50.00	Manufacture steel welded wire mesh and steel reinforcement.
<u>Subsidiaries of Enickel</u>		
PT Nusa Citra Cakrawala Indonesia	70.00	Inactive.
PT Cahaya Nusa Pertiwi	70.00	Inactive.
PT Sumber Rejeki Halmahera	70.00	Inactive.
<u>Subsidiaries of HG Metal</u>		
Oriental Metals Pte. Ltd.	99.99	Manufacturing and supply of steel material to the construction industry.
HG Metal Investments Pte. Ltd. ("HGMI")	100.00	Investment holding.
Jin Heng Li Hardware Sdn. Bhd.	100.00	Dormant.
PT HG Metal Distribution Indonesia	100.00	Under voluntary liquidation.
<u>Subsidiaries of UWW Holdings</u>		
PT UWW Lintas Totalitas Indonesia	99.00	Trading of steel and related products.
UWW Steel Trading Company Limited	100.00	Trading of steel and related products.
UUU Steel Trading Company Limited	100.00	Trading of steel and related products.

2.4 Principal activities of Esteel Group – cont'd

Company	Effective equity interest (%)	Principal activities
<u>Associate company of Esteel Shipping</u>		
PT Samudera Layar Nusantara	49.00	Shipping services.
<u>Associate companies of Esteel</u>		
EP Development Sdn. Bhd. (“EPD”)	49.00	Dormant.
Esteel Enterprise Labuan Sdn. Bhd. (“Esteel Labuan”)	49.00	Dormant.
Jinnan Middle East Mining SPC	30.00	Manufacture of primary ferrous metal products.
<u>Subsidiary of EPD</u>		
EP Develop Sdn. Bhd.	100.00	Dormant.
<u>Subsidiary of Esteel Labuan</u>		
Eco Tani Sdn. Bhd.	100.00	Dormant.
<u>Subsidiaries of HGMI</u>		
HG Metal Manufacturing Sdn. Bhd. (“HGMM”)	100.00	Dormant.
HG Construction Steel Pte. Ltd.	100.00	Manufacturing and supply of steel material to the construction industry.
HG Yangon Company Limited	100.00	Under voluntary liquidation.
<u>Subsidiary of HGMM</u>		
HG Metal Distribution Sdn. Bhd.	100.00	Under voluntary liquidation.

2.5 Principal activities of Hong Leong Group

HLCM

HLCM is principally involved in investment holding activities. The principal activities of the Persons Connected with HLCM as at the LPD are as follows:-

Company	Effective equity interest (%)	Principal activities
<u>Persons Connected with HLCM</u>		
HL Management Co Sdn. Bhd. and its subsidiaries and/or its related corporations	100.00	Provision of management services and investment holding.
Hong Leong Share Registration Services Sdn. Bhd.	100.00	Provision of share registration services.
Hong Leong Manufacturing Group Sdn. Bhd. (“HLMG”) and its unlisted subsidiaries and associated corporations	100.00	Investment holding; provision of management services; and property investment.

2.5 Principal activities of Hong Leong Group – cont'd

HLCM – cont'd

Company	Effective equity interest (%)	Principal activities
<u>Persons Connected with HLCM – cont'd</u>		
Hong Leong Financial Group Berhad and its unlisted subsidiaries and associated corporations	51.94	Investment holding; provision of services to its subsidiaries to enhance group value; underwriting of life and general insurance businesses; and Family Takaful business including investment-linked business.
Hong Leong Bank Berhad and its subsidiaries and associated corporations	64.37	Commercial banking business and provision of related services which include Islamic banking business, property investment and management, investment holding and nominee services.
Hong Leong Capital Berhad and its subsidiaries and associated corporations	70.40	Investment holding; investment banking, stockbroking business, futures broking and related financial services; nominee and custodian services; investment activities; and unit trust management, fund management including Islamic fund management and sale of unit trusts.
Hong Leong Industries Berhad and its subsidiaries and associated corporations	75.18	Investment holding; manufacturing, procuring and assembling of motorcycles, scooters, motorcycle engines and related parts and products; distribution of motorcycles and motorcycle components; provision of maintenance and repair services for motorcycles; distribution, trading and provision of services in marine related products; manufacturing and sale of ceramic tiles; provision of research and development services for motorcycles and ceramic tiles; trading and distribution of automotive spare parts and components; and provision of information technology related products, solutions and services.
Malaysian Pacific Industries Berhad and its subsidiaries and associated corporations	57.80	Investment holding; and manufacturing services of semiconductor packaging and testing.
Hume Cement Industries Berhad and its subsidiaries and associated corporations	72.78	Investment holding; manufacturing and sale of cement and cement related products; and manufacturing, marketing and sale of concrete and concrete related products.
BIB Insurance Brokers Sdn Bhd and its subsidiaries	30.00	Investment holding; insurance brokers and consultants; commission agents; and rent-a-captive insurance business.

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2.5 Principal activities of Hong Leong Group – cont'd

GCA

GCA is principally involved in investment holding activities. The principal activities of the Persons Connected with GCA as at the LPD are as follows:-

Company	Effective equity interest (%)	Principal activities
<u>Persons Connected with GCA</u>		
GuoLine Group Management Company Pte. Ltd.	100.00	Provision of management services.
GuoLine Intellectual Assets Limited	100.00	Intellectual properties holding company.
Gaia Investment Partners Sdn. Bhd.	100.00	Provision of investment advisory services.
Hong Leong Financial Group Berhad and its unlisted subsidiaries and associated corporations	25.37	Investment holding; provision of services to its subsidiaries to enhance group value; underwriting of life and general insurance businesses; and Family Takaful business including investment-linked business.
Hong Leong Bank Berhad and its subsidiaries and associated corporations	64.50	Commercial banking business and provision of related services which include Islamic banking business, property investment and management, investment holding and nominee services.
Hong Leong Capital Berhad and its subsidiaries and associated corporations	70.40	Investment holding; investment banking, stockbroking business, futures broking and related financial services; nominee and custodian services; investment activities; and unit trust management, fund management including Islamic fund management and sale of unit trusts.
GuocoLand (Malaysia) Berhad and its subsidiaries and associated corporations	65.03	Investment holding; property development; property investment; hotel operations; trading in securities; provision of management and property-related services; and operation of oil palm estates.
Guoco Group Limited and its non-Malaysian subsidiaries and associated corporations	71.88	Investment holding and management; principal investment; property development and investment; hospitality and leisure business; banking and insurance as well as production and distribution of honey and related products.
Lam Soon (Hong Kong) Limited and its subsidiaries and associated corporations	57.53	Investment holding; importing, processing and trading of flour products; manufacturing, processing and trading of edible oils and specialty fats products and processing and trading of home care products.

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2.6 Principal activities of HLIH Group

HLIH is principally involved in investment holding activities. The principal activities of the Persons Connected with HLIH as at the LPD are as follows:-

Company	Effective equity interest (%)	Principal activities
<u>Persons Connected with HLIH</u>		
Hong Leong Asia Ltd. (“ HLA ”) and its subsidiaries and associated corporations	75.24% (in HLA)	HLA, its subsidiaries and associated corporations: Investment holding, manufacturing and distribution of powertrain solutions and related products, building materials, rigid packaging products, air conditioning systems (discontinued operation), investment holding and dealing, prefabrication of steel reinforcement for use in concrete, trading of steel, reinforcing bars, and manufacturing and sale of wire mesh fences, property investment and development, project and property management, hotel development and operation, hotel management and consultancy.

2.7 Principal activities of Hong Bee Group

Hong Bee is principally involved in investment holding activities. The principal activities of the subsidiaries of Hong Bee as at the LPD are as follows:-

Company	Effective equity interest (%)	Principal activities
<u>Subsidiaries of Hong Bee</u>		
Hong Bee Distributors Sdn. Bhd. (“ Hong Bee Distributors ”) and its subsidiaries	60% to 100% (in Hong Bee Distributors)	Hong Bee Distributors, its subsidiaries: Investment holding, digital marketing and communication services and trading of beverage, trading home appliance products, trading in hardware materials, sales of building materials, batteries, car accessories and operation of solar systems and panels for solar energy generation, production and sale of pre-mix cement, general traders, trading in motorcycles, spare parts and also operated as a cafe, trading in lubricant oils, importer, wholesaler and retailer of all kind of batteries for motor vehicle, commission agent for cement, distributors of medical devices and pharmaceutical related products, property developers, trading in building materials and trading of liquor, aerated drinks, distribution of fast-moving consumer goods.

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2.8 Classes of Related Party and nature of the RRPTs

The details of the RRPTs which will be entered into by our Group and the Related Parties are set out below:-

Transacting parties		Nature of the RRPTs	Interested Major Shareholders/Directors	Estimated aggregate value as disclosed in the Circular to Shareholders dated 6 March 2025	Actual value transacted (from date of EGM on 21 March 2025 up to 31 December 2025)	Estimated aggregate value of transaction from the date of the forthcoming 64th AGM to the date of the next AGM
Companies involved	Related Parties					
Our Group	Esteel Group	Purchase of steel products by our Group from Esteel Group	<u>Interested Major Shareholders</u> (a) Esteel (b) You Zhenhua ⁽¹⁾ (c) Advance Venture ⁽²⁾ (d) Theme International ⁽³⁾ (e) Wide Bridge ⁽³⁾ (f) Bright Power ⁽⁴⁾ (g) HLIH ⁽⁵⁾	*Up to RM2.5 billion	RM254.914 million	*Up to RM2.0 billion
		Sale of steel products by our Group to Esteel Group		*Up to RM0.5 billion	RM102.612 million	*Up to RM0.9 billion
		Receipt of group management and/or support services by our Group from Esteel Group in terms of, amongst others, industry insights, technical knowledge as well as inventory, procurement and logistics management	<u>Interested Directors</u> (a) Seah Kiin Peng ⁽⁶⁾ (b) Zhang Cheng ⁽⁷⁾ <u>Interested Major Shareholders</u> (a) Esteel (b) You Zhenhua ⁽¹⁾ (c) Advance Venture ⁽²⁾ (d) Theme International ⁽³⁾ (e) Wide Bridge ⁽³⁾ (f) Bright Power ⁽⁴⁾ <u>Interested Directors</u> (a) Seah Kiin Peng ⁽⁶⁾ (b) Zhang Cheng ⁽⁷⁾	*Up to RM5.0 million	Nil	*Up to RM5.0 million

2.8 Classes of Related Party and nature of the RRPTs – cont'd

The details of the RRPTs which will be entered into by our Group and the Related Parties are set out below (cont'd):-

Transacting parties		Nature of the RRPTs	Interested Major Shareholders/Directors	Estimated aggregate value as disclosed in the Circular to Shareholders dated 6 March 2025	Actual value transacted (from date of EGM on 21 March 2025 up to 31 December 2025)	Estimated aggregate value of transaction from the date of the forthcoming 64th AGM to the date of the next AGM
Companies involved	Related Parties					
Our Group	Esteel Group	Rental of properties by our Group to Esteel Group [#]	<u>Interested Major Shareholders</u> (a) Esteel ⁽¹⁾ (b) You Zhenhua ⁽¹⁾ (c) Advance Venture ⁽²⁾ (d) Theme International ⁽²⁾ (e) Wide Bridge ⁽³⁾ (f) Bright Power ⁽⁴⁾ <u>Interested Directors</u> (a) Seah Kiin Peng ⁽⁶⁾ (b) Zhang Cheng ⁽⁷⁾	(this was not sought at the EGM held on 21 March 2025)	RM251,000	*Up to RM2.5 million

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2.8 Classes of Related Party and nature of the RRPTs – cont'd

The details of the RRPTs which will be entered into by our Group and the Related Parties are set out below (cont'd):-

Transacting parties		Nature of the RRPTs	Interested Major Shareholders/Directors	Estimated aggregate value as disclosed in the Circular to Shareholders dated 11 October 2024	Actual value transacted (from date of AGM on 11 November 2024 up to 31 December 2025)	Estimated aggregate value of transaction from the date of the forthcoming 64th AGM to the date of the next AGM
Companies involved	Related Parties					
Our Group	Hong Leong Group	Sale of steel products by our Group to Hong Leong Group	<u>Interested Major Shareholders</u> (a) HLMG (b) HLCM ⁽⁸⁾ (c) Tan Sri Quek Leng Chan ⁽⁹⁾ (d) Kwek Leng Beng ⁽⁹⁾ (e) Kwek Leng Kee ⁽⁹⁾	RM11.0 million	RM1.633 million	*Up to RM11.0 million
		Receipt of group management and/or support services from Hong Leong Group		RM1.0 million	RM753,000	*Up to RM1.0 million
		Purchase of goods such as motorcycles, motorcycle engines and components, building materials, furniture and other products		RM0.5 million	Nil	*Up to RM0.5 million
	Hong Bee Hardware Group	Sale of steel products by our Group to Hong Bee Group		RM110.0 million	RM50.028 million	*Up to RM110.0 million
	HLIH Group	Sale of steel products by our Group to HLIH Group	<u>Interested Major Shareholders</u> (a) Kwek Leng Beng ⁽¹⁰⁾ (b) Kwek Leng Kee ⁽¹⁰⁾ <u>Interested Major Shareholders</u> (a) Kwek Leng Beng ⁽¹¹⁾ (b) Kwek Leng Kee ⁽¹¹⁾	RM8.0 million	Nil	*Up to RM65.0 million

2.8 Classes of Related Party and nature of the RRPTs – cont'd

Notes:-

* The estimated value as set out above is based on our management's estimates of the value of transactions to be undertaken for the period from the forthcoming 64th AGM to the next AGM. However, the value of transactions may be subject to changes.

The details of the properties rented to Esteel Group are as follows of which the rental is payable on a monthly basis:-

No.	Location of Properties	Size of Properties (square feet)
1.	2427, Tingkat Perusahaan 6, Prai Industrial Estate, 13600 Prai, Pulau Pinang	235,697
2.	2590, Lorong Perusahaan 12, Prai Industrial Estate, 13600 Prai, Pulau Pinang	41,463.7
3.	2624, Lorong Perusahaan 12, Prai Industrial Estate, 13600 Prai, Pulau Pinang	39,118.08

(1) Deemed interested by virtue of his direct shareholdings in Esteel and his controlling interests in Advance Venture, Theme International, Bright Power and Wide Bridge pursuant to Section 4 of the Securities and Futures Act 2001 of Singapore.

(2) Deemed interested by virtue of its direct shareholdings in Esteel pursuant to Section 4 of the Securities and Futures Act 2001 of Singapore.

(3) Deemed interested by virtue of its controlling interest in Theme International.

(4) Deemed interested by virtue of its controlling interests in Wide Bridge and Theme International (which has a direct stake in Esteel).

(5) Deemed interested by virtue of the following:-

(i) its indirect shareholdings in our Company pursuant to Section 8 of the Act; and

(ii) its indirect shareholdings in BRC pursuant to Section 4 of the Securities and Futures Act 2001 of Singapore.

(6) Seah Kiin Peng, our Non-Executive Chairman/Non-Independent, is the Chief Executive Officer/Executive Director of BRC.

(7) Zhang Cheng, our Executive Director/Non-Independent, is the Head of Commercial and Metallic Trading of Esteel.

(8) Deemed interested by virtue of its direct shareholdings in HLMG.

(9) Deemed interested by virtue of his indirect shareholdings in HLMG through HLCM and company(ies) in which he has an interest.

(10) Deemed interested by virtue of their shareholdings, whether direct or indirect, in Hong Bee pursuant to Section 8 of the Act.

(11) Deemed interested by virtue of their shareholdings, whether direct or indirect, in HLIH pursuant to Section 8 of the Act and their directorships in HLIH.

2.9 Amount due and owing to our Group by the Related Parties

The breakdown of the principal sum and interest for the total outstanding amount due to the Group under the RRPTs, which exceeded the credit terms as at 30 September 2025, is as follows:-

Related Party	Principal Sum (RM'000)	Interest (RM'000)	Outstanding Amount which exceeded credit terms (RM'000)			
			A period of 1 year or less	A period of more than 1 to 3 years	A period of more than 3 to 5 years	A period of more than 5 years
Hong Bee Engineering Sdn. Bhd.	175	-	175	-	-	-

No interest and/or late payment charges were imposed, as the Company is committed to maintaining a long-term relationship with the Related Party.

The Company has reviewed the outstanding amounts and is of the opinion that these amounts arose from normal business transactions. Management has continued, and will continue, to meet and discuss with the Related Party to achieve an early settlement of the outstanding amounts.

The Board is of the opinion that there are no recoverability issues, as the Related Party has a long-standing business relationship with the Group.

As at 29 December 2025, being the latest practicable date, the abovementioned overdue amount, which exceeded the credit term granted to the Related Party, has already been settled.

2.10 Review procedures for the RRPTs

Our Board has in place the following internal control procedures to ensure that transactions with the Related Parties are conducted on transaction prices not more favourable to the Related Parties than those generally available to the public, at arm's length basis and based on normal commercial terms consistent with our Group's usual business practices and are not to the detriment of the minority shareholders:-

- (i) the pricing of transactions with a Related Party will take into account the pricing, prevailing market rates and conditions, quality, availability, timing of delivery and other related facts. The final pricing of transactions with a Related Party shall not be at terms more favourable than the prevailing market practices;
- (ii) all transactions entered/to be entered into pursuant to the Proposed New Shareholders' Mandate have been/will be tabled to our Board Audit & Risk Management Committee on a quarterly basis for its review of compliance with the above. In its review of such transactions, our Board Audit & Risk Management Committee may, as it deems fit, request for additional information pertaining to the transactions from independent sources;
- (iii) records will be maintained by our Company to capture all RRPTs entered into pursuant to the Proposed New Shareholders' Mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to;
- (iv) our Board Audit & Risk Management Committee shall continuously review the adequacy and appropriateness of the procedures, as and when required, with the authority to sub-delegate to individuals or committee(s) within our Company as they deem appropriate;

2.10 Review procedures for the RRPTs – cont'd

- (v) where any of our Directors has an interest, whether direct or indirect, in a RRPT, such Director(s) shall abstain from all deliberations and voting on that matter in our Board's deliberations of such transaction. Where any member of our Board Audit & Risk Management Committee is interested in a RRPT, that member shall abstain from voting on any matter relating to any decisions to be taken by our Board Audit & Risk Management Committee with respect to such transaction;
- (vi) immediate announcement will be made when the actual amount of a RRPT exceeds the estimated value of the RRPT disclosed in this Circular by 10% or more;
- (vii) disclosure will be made in our annual report of the aggregate value of transactions conducted pursuant to the Proposed New Shareholders' Mandate; and
- (viii) at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.

In the event that the quotations or comparative pricings from unrelated third parties could not be obtained, the transaction prices will then be based on normal business practice of our Group. There are no thresholds for approval of RRPTs within our Group. However, all RRPTs are reviewed and authorised by two (2) personnel of at least managerial level, provided always that such personnel have no interest in the transaction.

2.11 Statement by our Board Audit & Risk Management Committee

Our Board Audit & Risk Management Committee has reviewed the procedures set out in **Section 2.10** of this Circular and is of the view that the review procedures for the RRPTs are sufficient to ensure that the RRPTs will be entered into at arm's length and in accordance with our Group's normal commercial terms, and on terms which are not more favourable to the Related Party than those generally available to the public, and hence, will not be detrimental to the minority shareholders. Any member of our Board Audit & Risk Management Committee who is interested in any RRPT shall not be involved in the review of the RRPT.

Our Board Audit & Risk Management Committee is satisfied that our Group has in place adequate procedures and processes to monitor, track and identify the RRPTs in a timely and orderly manner, and the review of these procedures and processes will be conducted on an annual basis.

3. RATIONALE FOR THE PROPOSED NEW SHAREHOLDERS' MANDATE

The rationale of the Proposed New Shareholders' Mandate to our Group are as follows:-

- (a) The Proposed New Shareholders' Mandate will facilitate transactions with Related Parties that are carried out in the ordinary course of business of our Group and are made on an arm's length basis and on terms not more favourable to the Related Parties than those generally available to the public and not, in the Company's opinion, detrimental to the interests of minority shareholders.
- (b) The Proposed New Shareholders' Mandate will enhance our Group's ability to pursue business opportunities that may be time-sensitive in nature, where it may not be practical to seek shareholders' approval on a case-by-case basis before entering into such transactions.
- (c) The transactions between the Related Parties will allow our Group to achieve more efficient utilisation of existing resources, prompt delivery and better bargaining power from reliable suppliers.

3. RATIONALE FOR THE PROPOSED NEW SHAREHOLDERS' MANDATE – CONT'D

- (d) The Proposed New Shareholders' Mandate will eliminate the need to make regular announcements or convene separate general meetings from time to time to seek shareholders' approval for a mandate as and when potential RRPTs with mandated Related Parties arise, thereby reducing the administrative time and expenses in convening such meetings, without compromising our Group's corporate objectives or adversely affecting its business opportunities.

The Board is therefore seeking a mandate pursuant to Paragraph 10.09(2) of the Listing Requirements for the RRPTs set out in Section 2.8 above, to allow our Group to enter into such RRPTs on an arm's length basis and on normal commercial terms that are not more favourable to the Related Parties than those generally available to the public, and which are not detrimental to the interests of the minority shareholders of our Company.

4. EFFECTS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

The Proposed New Shareholders' Mandate will not have any effect on our Company's issued share capital and substantial shareholders' shareholdings. The Proposed New Shareholders' Mandate is not expected to have any material effect on the earnings, earnings per Share, net assets, net assets per Share and gearing of our Group.

5. APPROVALS REQUIRED

The Proposed New Shareholders' Mandate is subject to the approval being obtained from our shareholders at the forthcoming 64th AGM or at any adjournment thereof.

6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED

Save as disclosed below, none of our Directors, Major Shareholders and/or Persons Connected have any interest, whether direct or indirect, in the Proposed New Shareholders' Mandate.

The direct and indirect shareholdings of the interested Directors, Major Shareholders and/or Persons Connected in our Company as at the LPD are as follows:-

	Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
<u>Interested Directors</u>				
Seah Kiin Peng	-	-	-	-
Zhang Cheng	-	-	-	-
<u>Interested Major Shareholders</u>				
Estee	752,057,840	50.10		
You Zhenhua	-	-	752,057,840 ⁽²⁾	50.10
Advance Venture	-	-	752,057,840 ⁽³⁾	50.10
Theme International	-	-	752,057,840 ⁽³⁾	50.10
Wide Bridge	-	-	752,057,840 ⁽⁴⁾	50.10
Bright Power	-	-	752,057,840 ⁽⁵⁾	50.10
HLMG	417,236,646	27.80	-	-
HLCM	-	-	417,236,646 ⁽⁶⁾	27.80
HLIH	-	-	424,617,539 ⁽⁷⁾	28.29
Tan Sri Quek Leng Chan	-	-	417,246,046 ⁽⁸⁾	27.80
Kwek Leng Beng	-	-	424,617,539 ⁽⁸⁾	28.29
Kwek Leng Kee	-	-	424,617,539 ⁽⁸⁾	28.29

6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED – CONT'D

Notes:-

- (1) *Based on the total number of issued Shares of our Company of 1,501,113,290 Shares as at the LPD.*
- (2) *Deemed interested by virtue of his direct shareholdings in Esteel and his controlling interests in Advance Venture, Theme International, Bright Power and Wide Bridge pursuant to Section 4 of the Securities and Futures Act 2001 of Singapore.*
- (3) *Deemed interested by virtue of its direct shareholdings in Esteel pursuant to Section 4 of the Securities and Futures Act 2001 of Singapore.*
- (4) *Deemed interested by virtue of its controlling interest in Theme International.*
- (5) *Deemed interested by virtue of its controlling interests in Wide Bridge and Theme International (which has a direct stake in Esteel).*
- (6) *Deemed interested by virtue of its direct shareholdings in HLMG.*
- (7) *Deemed interested by virtue of the following:-*
 - (i) *its indirect shareholdings in our Company pursuant to Section 8 of the Act; and*
 - (ii) *its indirect shareholdings in BRC pursuant to Section 4 of the Securities and Futures Act 2001 of Singapore.*
- (8) *Deemed interested by virtue of his indirect shareholdings in HLMG through HLCM and company(ies) in which he has an interest.*

The interested Directors (i.e., Seah Kinn Peng and Zhang Cheng) do not hold any Shares, whether directly or indirectly, in our Company.

The interested Directors have abstained and will continue to abstain from deliberating and voting at the relevant Board meetings in relation to the Proposed New Shareholders' Mandate. The interested Directors and Major Shareholders will also abstain from voting, in respect of their direct and/or indirect interest, if any, on the resolution pertaining to the Proposed New Shareholders' Mandate to be tabled at the forthcoming 64th AGM of the Company.

In addition, the interested Directors and Major Shareholders have undertaken to ensure that all Persons Connected will abstain from voting in respect of their direct and/or indirect interest, if any, deliberating or approving the resolution pertaining to the Proposed New Shareholders' Mandate to be tabled at the forthcoming 64th AGM of the Company.

7. DIRECTORS' STATEMENT/RECOMMENDATION

After considering all aspects of the Proposed New Shareholders' Mandate, our Board (save for the interested Directors) is of the opinion that the Proposed New Shareholders' Mandate is in the best interest of our Company and recommend that you vote in favour on the resolution pertaining to the Proposed New Shareholders' Mandate to be tabled at the forthcoming 64th AGM of the Company.

8. AGM

Our forthcoming 64th AGM will be held at Training Room C, Level 1, Southern Steel Berhad, No. 2723, Lorong Perusahaan 12, Prai Industrial Estate, 13600 Prai, Pulau Pinang, Malaysia, on Thursday, 26 February 2026 at 10:30 a.m. or immediately following the conclusion or adjournment (as the case may be) of the Sixty-Third Annual General Meeting, which will be held at 10:00 a.m. on the same day and at the same venue, whichever is later, for the purpose of considering, and if thought fit, passing with or without modifications, the ordinary resolution to give effect to the Proposed New Shareholders' Mandate.

Should you not be able to attend and vote at the 64th AGM, except for an exempt authorised nominee, you are entitled to appoint not more than two (2) proxies to attend, participate, speak and vote on your behalf. You should complete, sign and lodge the Form of Proxy enclosed in our Company's 2025 Annual Report and deposit it at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or lodged it electronically via email at info@sshbsb.com.my, not less than forty-eight (48) hours before the time appointed for holding the 64th AGM or any adjournment thereof as indicated below.

9. FURTHER INFORMATION

You are advised to refer to the appendix set out in this Circular for further information.

Yours faithfully,
For and on behalf of
SOUTHERN STEEL BERHAD

YEOH CHOON KWEE
Group Managing Director/Non-Independent

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board, and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular false or misleading.

2. MATERIAL CONTRACTS

Save as disclosed below, neither our Company nor our Group has entered into any contracts which are or may be material (not being contracts entered into the ordinary course of business of our Group) within 2 years immediately preceding the date of this Circular:-

(i) Settlement Agreement

As announced by our Company on 7 November 2024, Southern HRC Sdn Bhd (our wholly-owned subsidiary) ("**SHRC**"), Danieli & C. Officine Meccaniche S.p.A. ("**Danieli**"), Danieli Malaysia Sdn Bhd ("**DMSB**") and Danieli Co. Ltd (a wholly owned subsidiary of Danieli) ("**Danieli Thailand**") (Danieli, DMSB and Danieli Thailand are collectively referred to as the "**Danieli Entities**") had on 6 November 2024 entered into a settlement agreement ("**Settlement Agreement**") to fully and finally settle the legal proceedings commenced in connection with the two arbitration awards made on 28 November 2019, arising from disputes relating to the termination of contract between SHRC and Danieli dated 16 June 2011 for the design, manufacture and supply of a "Thin Slab Casting Unit feeding directly a twin Steckel Mill" ("**Plant**") for the production of hot rolled coils ("**Contract**") and the Service Agreement No. 1 between SHRC, Danieli and DMSB dated 10 May 2014 ("**Service Agreement**").

Pursuant to the Settlement Agreement, SHRC has received the following payments from the Danieli Entities:-

- (a) EUR28,378,376.56 and USD119,233.00 being the first settlement sum in respect of the Plant;
- (b) EUR3,550,000 being 50% of the balance settlement sum of EUR7,100,000 in respect of the Plant; and
- (c) EUR7,000,000 being 100% of the equipment price for the purchase of certain fixed assets comprising unused spare parts and equipment ("**Equipment**") from SHRC.

(ii) Escrow Agreement

As part of the Settlement Agreement, SHRC and the Danieli Entities had also entered into an escrow agreement with an independent escrow stakeholder jointly appointed by SHRC and the Danieli Entities ("**Escrow Stakeholder**") on 6 November 2024 ("**Escrow Agreement**") to set out the escrow arrangements as agreed in the Settlement Agreement. Pursuant to the Escrow Agreement:-

- (a) the Escrow Stakeholder has received EUR3,550,000 in the Escrow Stakeholder's bank account, being the remaining balance settlement sum ("**Second Balance Settlement Payment**");

FURTHER INFORMATION (CONT'D)

2. MATERIAL CONTRACTS – CONT'D

- (b) following the receipt of the abovementioned monies in paragraphs (i) and (ii)(a), the Escrow Stakeholder has released the Escrow Documents to the relevant parties, where:-
 - (aa) lawyers of SHRC and the Danieli Entities shall proceed to withdraw, discontinue and/or terminate, with prejudice, the respective Legal Proceedings initiated by them; and
 - (bb) SHRC has granted access to its site to the Danieli Entities for the Danieli Entities to dismantle and remove the Plant from SHRC's site with such access to last for a period ending on 6 November 2025; and
- (c) the Second Balance Settlement Payment has been released by the Escrow Stakeholder to SHRC, as announced by our Company on 3 February 2025.

As such, SHRC has received full settlement sum under the Settlement Agreement.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, neither our Company nor our Group is engaged in any other material litigation, claims or arbitration, either as a plaintiff or defendant, which has a material effect on the financial position or the business of our Group, and our Board does not have any knowledge of any proceeding pending or threatened against our Group, or of any fact likely to give rise to any proceeding, which may materially or adversely affect the financial position or business of our Group.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our Registered Office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, during normal business hours between Monday and Friday (except public holidays) from the date of this Circular up to and including the date of the forthcoming 64th AGM of the Company:-

- (i) the constitution of our Company;
- (ii) the latest unaudited quarterly report on consolidated results for the fifth quarter ended 30 September 2025;
- (iii) the audited consolidated financial statements of our Group for the past two (2) financial periods ended 30 June 2024 and 30 September 2025; and
- (iv) the material contracts referred to in **Section 2** of this **Appendix I**.