

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Southern Steel Berhad ("the Company") will be held at Level 1, Training Room B, Southern Steel Berhad, 2723 Lorong Perusahaan 12, Prai Industrial Estate, 13600 Prai, Penang on Monday, 27 June 2011 at 11.30 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following motions:

**Ordinary Resolution 1:  
Proposed Shareholders' Mandate on recurrent related party transactions of a revenue or trading nature with Hong Leong Company (Malaysia) Berhad ("HLCM") and persons connected with HLCM**

"THAT approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature referred to in Section 5.1 of Part A of the Circular to Shareholders dated 3 June 2011 with HLCM and persons connected with HLCM ("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
- such approval, unless revoked or varied by the Company in a general meeting, shall continue in force until the conclusion of the next Annual General Meeting of the Company;

AND THAT the Directors of the Company be and are hereby authorised to complete and 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 2:  
Proposed Shareholders' Mandate on recurrent related party transactions of a revenue or trading nature with Su Hock Company Sdn Bhd ("Su Hock") and its subsidiaries**

"THAT approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature referred to in Section 5.2 of Part A of the Circular to Shareholders dated 3 June 2011 with Su Hock and its subsidiaries ("Su Hock Group") provided that:

- such transactions are undertaken in the ordinary course of business, on commercial terms which are not more favourable to the Su Hock 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
- such approval, unless revoked or varied by the Company in a general meeting, shall continue in force until the conclusion of the next Annual General Meeting of the Company;

AND THAT the Directors of the Company be and are hereby authorised to complete and 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 3:  
Proposed Shareholders' Mandate on recurrent related party transactions of a revenue or trading nature with Hong Bee Hardware Company, Sdn Berhad ("HBH") and Hong Bee Engineering Sdn Bhd ("HBE")**

"THAT approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature referred to in Section 5.3 of Part A of the Circular to Shareholders dated 3 June 2011 with HBH and HBE provided that:

- such transactions are undertaken in the ordinary course of business, on commercial terms which are not more favourable to HBH and HBE 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
- such approval, unless revoked or varied by the Company in a general meeting, shall continue in force until the conclusion of the next Annual General Meeting of the Company;

AND THAT the Directors of the Company be and are hereby authorised to complete and 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 4:  
Proposed Shareholders' Mandate on recurrent related party transactions of a revenue or trading nature with Cheah Hong Inn Sdn Bhd ("CHI")**

"THAT approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature referred to in Section 5.4 of Part A of the Circular to Shareholders dated 3 June 2011 with CHI provided that:

- such transactions are undertaken in the ordinary course of business, on commercial terms which are not more favourable to CHI 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
- such approval, unless revoked or varied by the Company in a general meeting, shall continue in force until the conclusion of the next Annual General Meeting of the Company;

AND THAT the Directors of the Company be and are hereby authorised to complete and 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 5:  
Proposed Shareholders' Mandate on recurrent related party transactions of a revenue or trading nature with Kim Company Sdn Bhd ("Kim Co")**

"THAT approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature referred to in Section 5.5 of Part A of the Circular to Shareholders dated 3 June 2011 with Kim Co provided that:

- such transactions are undertaken in the ordinary course of business, on commercial terms which are not more favourable to Kim Co 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
- such approval, unless revoked or varied by the Company in a general meeting, shall continue in force until the conclusion of the next Annual General Meeting of the Company;

AND THAT the Directors of the Company be and are hereby authorised to complete and 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."

**Special Resolution:  
Proposed Amendments to the Articles of Association of the Company**

"THAT the deletions, alterations, modifications, variations and additions to the Articles of Association of the Company as set out in Appendix I of the Circular to Shareholders dated 3 June 2011 be and are hereby approved."

By Order of the Board

Ting Kok Keong  
Company Secretary

Penang  
3 June 2011

**NOTES:**

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy but not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- The Form of Proxy must be deposited at the Registered Office of the Company not later than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.