

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fiftieth Annual General Meeting of Southern Steel Berhad (the "Company") will be held at the Training Room B, Level 1, 2723 Lorong Perusahaan 12, Prai Industrial Estate, 13600 Prai, Penang on Monday, 29 October 2012 at 3.30 p.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 2012.
- To approve the payment of Director fees of RM319,071.04 for the financial year ended 30 June 2012 to be divided amongst the Directors in such manner as the Directors may determine. (Resolution 1)
- To re-elect the following retiring Directors:
 - YBhg Dato' Dr Tan Tat Wai (Resolution 2)
 - Mr Seow Yoo Lin. (Resolution 3)
- To pass the following motion as an Ordinary Resolution:

"THAT YM Raja Dato' Seri Abdul Aziz bin Raja Salim, a Director who retires in compliance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting." (Resolution 4)
- To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 5)

SPECIAL BUSINESS

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

- Authority To Directors To Issue Shares**

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue shares in the Company, 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, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital 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 issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." (Resolution 6)
- 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 for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature referred to in Section 2.3(A) of the Circular to Shareholders dated 5 October 2012 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." (Resolution 7)
- Proposed Shareholders' Mandate On Recurrent Related Party Transactions Of A Revenue Or Trading Nature With Su Hock Company Sdn Bhd ("Su Hock") And Its Subsidiary**

"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 referred to in Section 2.3(B) of the Circular to Shareholders dated 5 October 2012 with Su Hock and its subsidiary ("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." (Resolution 8)
- 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 for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature referred to in Section 2.3(C) of the Circular to Shareholders dated 5 October 2012 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." (Resolution 9)
- 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 for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature referred to in Section 2.3(D) of the Circular to Shareholders dated 5 October 2012 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." (Resolution 10)
- 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 for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature referred to in Section 2.3(E) of the Circular to Shareholders dated 5 October 2012 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." (Resolution 11)
- Proposed Shareholders' Mandate On Recurrent Related Party Transactions Of A Revenue Or Trading Nature With Bekaert Southern Wire Pte Ltd ("BSWPL") And Its Subsidiaries**

"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 referred to in Section 2.3(F) of the Circular to Shareholders dated 5 October 2012 with BSWPL and its subsidiaries ("BSWPL Group") provided that:

 - such transactions are undertaken in the ordinary course of business, on commercial terms which are not more favourable to BSWPL 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." (Resolution 12)
- To consider any other business of which due notice shall have been given.

By Order of the Board

Ting Kok Keong
Company Secretary
Penang
5 October 2012

Notes:

- For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors as at 19 October 2012 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 the meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- A member who is an exempt authorised nominee for multiple beneficial owners in a securities account ("Omnibus Account") may appoint any number of proxies in respect of the Omnibus Account.
- The Form of Proxy must be deposited at the Registered Office of the Company at Level 3, 2723 Lorong Perusahaan 12, Prai Industrial Estate, 13600 Prai, Penang not less than 48 hours before the time and date of the meeting and adjourned meeting.

Explanatory Notes on Special Business

1. Authority To Directors To Issue Shares

The proposed ordinary resolution, if passed, will give a renewed mandate to the Directors of the Company to issue ordinary shares of the Company from time to time provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being ("Renewed Mandate"). The Renewed Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 27 October 2011 and which will lapse at the conclusion of the Fiftieth Annual General Meeting.

The Renewed 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 issue of new shares, and to avoid delay and cost in convening general meetings to approve such issue of shares.

2. Proposed Shareholders' Mandate On Recurrent Related Party Transactions Of A Revenue Or Trading Nature ("Proposed Shareholders' Mandate")

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 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.

Detailed information on the Proposed Shareholders' Mandate is set out in the Circular to Shareholders dated 5 October 2012 which is despatched together with the Company's Annual Report.