

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-eighth Annual General Meeting of Southern Steel Berhad ("the Company") will be held fully virtual through live streaming from the broadcast venue at the Auditorium, Ground Floor, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur, Malaysia on Monday, 23 November 2020 at 10.30 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 2020. **Resolution 1**
- To approve the payment of Director Fees of RM500,000/- (2019: RM650,000/-) for the financial year ended 30 June 2020 to be divided amongst the Directors in such manner as the Directors may determine and Directors' Other Benefits of up to an amount of RM43,000/- from the Fifty-eighth Annual General Meeting ("AGM") to the Fifty-ninth AGM of the Company. **Resolution 1**
- To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 2**

SPECIAL BUSINESS

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

- Ordinary Resolution**
- Re-election Of Director And Approval To Continue In Office As Independent Non-Executive Director
"THAT Mr Ang Kong Hua who retires pursuant to the Company's Constitution, be and is hereby re-elected as a Director of the Company, and having served as an Independent Non-Executive Director of the Company for more than nine (9) years, to continue in office as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting." **Resolution 3**

- Ordinary Resolution**
- Authority To Directors To Allot Shares
"THAT subject to the Companies Act 2016 ("Act"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), 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 allot 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, 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." **Resolution 4**

- 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") 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 as set out in Section 2.3(A) of the Circular to Shareholders dated 30 October 2020 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 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." **Resolution 5**

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

Proposed ordinary motion is the same as Ordinary Resolution 5 above except that (a) the recurrent related party transactions are as disclosed in Section 2.3(B) of the Circular to Shareholders dated 30 October 2020; and (b) the Related Party is "Su Hock and its subsidiary". **Resolution 6**

- 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 5 above except that (a) the recurrent related party transactions are as disclosed in Section 2.3(B) of the Circular to Shareholders dated 30 October 2020; and (b) the Related Party is "Hong Bee Hardware and its subsidiary". **Resolution 7**

- 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 5 above except that (a) the recurrent related party transactions are as disclosed in Section 2.3(B) of the Circular to Shareholders dated 30 October 2020; and (b) the Related Party is "HLIH and persons connected with HLIH". **Resolution 8**

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

By Order of the Board

Joanne Leong Wei Yin
SSM PC No. 202008002079
MAICSA 0877466
Company Secretary

Kuala Lumpur
30 October 2020

Notes:

- The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which stipulates that the main venue of the Annual General Meeting ("AGM") shall be in Malaysia and the Chairman shall be present at the main venue of the AGM. No shareholders/proxies will be allowed to be physically present at the Broadcast Venue of the AGM. Please refer to the Administrative Notes to Shareholders for the detailed steps on remote participation and electronic voting.
- For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors as at 13 November 2020 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 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 or lodged electronically via email at cosec-hlmg@hongleong.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:

- Resolution 1 - Director Fees And Directors' Other Benefits
Director Fees of RM500,000/- are inclusive of Board Committee Fees of RM200,000/-; 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 RM43,000/-.

- Resolution 3 - Re-election Of Director And Approval To Continue In Office As Independent Non-Executive Director
Pursuant to Clause 113 of the Company's Constitution, all directors shall retire from office once at least in each three (3) years and shall be eligible for re-election. Practice 4.2 of the Malaysian Code on Corporate Governance 2017 ("MCCG") provides that if the board intends to retain an independent director beyond nine (9) years, it should provide justification and seek annual shareholders' approval.

Mr Ang Kong Hua's tenure on the Board has just passed nine (9) years and he is due for retirement pursuant to Clause 113 of the Company's Constitution. Upon the request of the Board, he offered himself for re-election as a Director and to continue in office as an Independent Non-Executive Director of the Company.

Pursuant to the MCCG, the Nominating Committee ("NC") and the Board have assessed the performance and independence of Mr Ang Kong Hua and determined that he has and will continue to remain objective and independent, based on the following justifications:

- He meets the criteria of "independent director" in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and continues to exercise independent judgment in expressing his views and deliberating issues objectively on the conduct of the Group's business and other issues raised at Board and Board Committee meetings.
- He is free from any conflict of interest with the Company.
- The Company has benefited and will continue to benefit from Mr Ang Kong Hua's industry-specific knowledge and experience attained during his tenure as chief executive officer of a Singapore conglomerate where he was instrumental in transforming a single business, single country mini steel mill into one of Singapore's largest industrial conglomerates.
- During his tenure as an Independent Non-Executive Director of the Company:
 - he has shown strong commitment, integrity and professionalism, and exercised due care and diligence in discharging his duties in the best interest of the Company and the shareholders; and
 - he has also actively participated and ensured there were effective checks and balances at Board and Board Committee meetings by challenging the Management in a constructive manner, and proactively providing informed and impartial opinion/feedback to facilitate a balanced decision-making process.
- Mr Ang Kong Hua has gained in-depth knowledge of the various core business operations, risks and challenges faced by the Group, and this enables him to understand the intricacies of the Group and provide valuable contributions and insights to the Group.

Accordingly, the NC and the Board has recommended for shareholders' approval, the re-election of Mr Ang Kong Hua as a Director and his continuation in office as an Independent Non-Executive Director of the Company.

Proposed Ordinary Resolution 3, if passed, will enable Mr Ang Kong Hua to be re-elected as a Director of the Company and to continue in office as an Independent Non-Executive Director of the Company.

- Resolution 4 - Authority To Directors To Allot Shares
The proposed ordinary resolution, if passed, will renew the general mandate given to the Directors of the Company to allot ordinary 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 Annual General Meeting ("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 21 November 2019 and which will lapse at the conclusion of the Fifty-eighth 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.

- Resolutions 5 to 8 - Proposed Renewal Of Shareholders' Mandates 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 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 30 October 2020 which is available on the Company's website at www.southsteel.com/gm-current.