

MATERIAL LITIGATION DECISION IN RESPECT OF THE APPEAL TO THE SINGAPORE COURT OF APPEAL BY DANIELI & C. OFFICINE MECCANICHE S.p.A ("DANIELI") AND DANIELI MALAYSIA SDN BHD ("DMSB") AGAINST THE SINGAPORE HIGH COURT'S DECISION IN DISMISSING DANIELI AND DMSB'S APPLICATION TO SET ASIDE THE FINAL AWARD OF THE ARBITRATION PROCEEDINGS BY SOUTHERN HRC SDN BHD ("SHRC"), A SUBSIDIARY OF SOUTHERN STEEL BERHAD ("SSB"), AGAINST DANIELI AND DMSB; AND ARBITRATION PROCEEDINGS AGAINST SHRC BY DANIELI AND DMSB ("FIRST ARBITRATION")

SOUTHERN STEEL BERHAD

Type	Announcement
Subject	MATERIAL LITIGATION
Description	DECISION IN RESPECT OF THE APPEAL TO THE SINGAPORE COURT OF APPEAL BY DANIELI & C. OFFICINE MECCANICHE S.p.A ("DANIELI") AND DANIELI MALAYSIA SDN BHD ("DMSB") AGAINST THE SINGAPORE HIGH COURT'S DECISION IN DISMISSING DANIELI AND DMSB'S APPLICATION TO SET ASIDE THE FINAL AWARD OF THE ARBITRATION PROCEEDINGS BY SOUTHERN HRC SDN BHD ("SHRC"), A SUBSIDIARY OF SOUTHERN STEEL BERHAD ("SSB"), AGAINST DANIELI AND DMSB; AND ARBITRATION PROCEEDINGS AGAINST SHRC BY DANIELI AND DMSB ("FIRST ARBITRATION")

We refer to the announcement of Southern Steel Berhad's ("SSB") Quarterly Report for the third quarter ended 31 March 2022 dated 25 May 2022 wherein it was mentioned that (i) Danieli and DMSB appealed to the Singapore Court of Appeal against the High Court's Decision ("Danieli's Appeal") and (ii) the Singapore Court of Appeal heard Danieli's Appeal on 26 January 2022 and reserved judgment until a later date.

SSB wishes to announce that the Singapore Court of Appeal delivered its judgment on 18 July 2022 and decided, inter alia, as follows:-

(i) The Court of Appeal dismissed Danieli's Appeal in relation to the Transfer Order (the order where SHRC is to transfer the title of the Plant, together with additional equipment installed thereon, to Danieli);

(ii) The Court of Appeal dismissed Danieli's Appeal in relation to the Repayment Order (the order where Danieli and DMSB are to pay SHRC the contract price in the amount of EUR92,700,000 minus EUR15 million and RM270 million after taking into consideration the use of the Plant and its plausible diminution in value); and

(iii) The Court of Appeal allowed Danieli's Appeal in relation to the Damages Order and set the Damages Order aside (the order where Danieli and DMSB are to pay SHRC RM176,245,250 as damages for misrepresentation).

The net financial impact will be disclosed after due assessment.

SHRC is currently seeking legal advice on the next course of action following the decision of the Singapore Court of Appeal.

This announcement is dated 20 July 2022.

Announcement Info

Company Name	SOUTHERN STEEL BERHAD
Stock Name	SSTEEL
Date Announced	20 Jul 2022
Category	General Announcement for PLC
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