

**NEW ISSUE OF SECURITIES (CHAPTER 6 OF LISTING REQUIREMENTS):
FUND RAISING SOUTHERN STEEL BERHAD (“SSB” OR “COMPANY”)
RENOUNCEABLE RIGHTS ISSUE OF UP TO RM209,708,604 NOMINAL
VALUE OF 5-YEAR 5% REDEEMABLE CONVERTIBLE UNSECURED
LOAN STOCKS (“RCULS”) AT 100% OF ITS NOMINAL VALUE (“RIGHTS
RCULS”) ON THE BASIS OF RM1.00 NOMINAL VALUE OF RIGHTS
RCULS FOR EVERY 2 EXISTING ORDINARY SHARES OF RM1.00 EACH
IN SSB HELD AS AT 5.00 P.M. ON 19 DECEMBER 2014 (“RIGHTS ISSUE OF
RCULS”)**

SOUTHERN STEEL BERHAD

Type	Announcement
Subject	NEW ISSUE OF SECURITIES (CHAPTER 6 OF LISTING REQUIREMENTS) FUND RAISING
Description	SOUTHERN STEEL BERHAD (“SSB” OR “COMPANY”) RENOUNCEABLE RIGHTS ISSUE OF UP TO RM209,708,604 NOMINAL VALUE OF 5-YEAR 5% REDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (“RCULS”) AT 100% OF ITS NOMINAL VALUE (“RIGHTS RCULS”) ON THE BASIS OF RM1.00 NOMINAL VALUE OF RIGHTS RCULS FOR EVERY 2 EXISTING ORDINARY SHARES OF RM1.00 EACH IN SSB HELD AS AT 5.00 P.M. ON 19 DECEMBER 2014 (“RIGHTS ISSUE OF RCULS”)

We refer to the announcements dated 30 April 2014, 25 August 2014, 15 October 2014, 20 October 2014, 21 November 2014 and 5 December 2014 in relation to the Rights Issue of RCULS. Unless otherwise stated, words and phrases used in this announcement shall have the same meanings as defined in the aforesaid announcements.

On behalf of the Company, HLIB wishes to announce that the Board has today fixed the Conversion Price of the RCULS at RM1.05. The Conversion Price of RM1.05 was arrived at after taking into consideration the following:

- i. the prevailing market conditions as at the date of this announcement;
- ii. the 5-day volume-weighted average market price (“**VWAMP**”) of the SSB Shares up to and including 4 December 2014, being the day immediately preceding the date of this announcement, of RM1.32 (“**5-day VWAMP**”); and
- iii. the par value of the SSB Shares of RM1.00 each.

The Conversion Price of RM1.05 represents a discount of RM0.27 or 20.45% to the 5-day VWAMP, and a discount of RM0.18 or 14.63% to the theoretical ex-rights price of RM1.23 (calculated based on the 5-day VWAMP).

The Conversion Price will provide all existing shareholders with an attractive opportunity to further increase their equity participation in the Company at a discount to the prevailing market price of the SSB Shares.

This announcement is dated 5 December 2014.

Announcement Info

Company Name	SOUTHERN STEEL BERHAD
Stock Name	SSTEEL
Date Announced	5 Dec 2014
Category	General Announcement
Reference No	ML-141205-45936