

AMSTEEL CORPORATION BERHAD (“ACB” OR THE “COMPANY”)

PROPOSED ACB SCHEME

This announcement is dated 4 July 2008.

We refer to the announcements dated 21 May 2008 and 18 June 2008 in respect of the Proposed ACB Scheme (“**Announcements**”). Unless otherwise stated, defined terms used in this announcement shall carry the same meanings as defined in the Announcements.

On behalf of the Board of Directors of ACB, AmInvestment Bank Berhad (a member of the AmInvestment Bank Group) (“**AmInvestment Bank**”) hereby announce that the resolutions pertaining to the Proposed ACB Scheme were withdrawn at the meetings of the ACB Lenders held on 4 July 2008 with the view to review and amend certain conditions in relation to the Proposed CDRS Scheme.

The Company proposes to convene meetings of the ACB Lenders to seek their approval for the Proposed ACB Scheme in due course.