

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

### PROPOSED ACB SCHEME

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This announcement is dated 10 July 2008.

We refer to the announcements dated 21 May 2008, 18 June 2008 and 4 July 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.

#### (a) Revision

On behalf of the Board of Directors of ACB, AmInvestment Bank Berhad (a member of the AmInvestment Bank Group) (“**AmInvestment Bank**”) hereby announces the revision to certain terms and conditions of the Proposed ACB Scheme (**the “Revision”**), amongst others, as follows:-

##### (i) Proposed ACB Term-Out

The Proposed ACB Term-Out, as set out in Section 2.4 of the announcement dated 21 May 2008 has been revised and amended to comprise the following:-

- (i) Proposed ACB Class A Bonds and ACB Class A SPV Debts Term-Out - Refers to the proposed term-out of ACB Class A Bonds and ACB Class A SPV Debts;
- (ii) Proposed ACB Class B Bonds and ACB Class B SPV Debts Term-Out - Refers to the proposed term-out of ACB Class B Bonds and ACB Class B SPV Debts; and/or
- (iii) Proposed ACB Class C Bonds and ACB Class C SPV Debts Term-Out - Refers to the proposed term-out of ACB Class C Bonds and ACB Class C SPV Debts;

as shall be approved by the respective holders of ACB Class A Bonds and ACB Class A SPV Debts, ACB Class B Bonds and ACB Class B SPV Debts and/or ACB Class C Bonds and ACB Class C SPV Debts.

##### (ii) Inter-Conditionality of the Proposed ACB Scheme

The inter-conditionality of the Proposed ACB Scheme, as set out in Section 5 of the announcement dated 21 May 2008, is revised and amended to the following:-

The proposals within the Proposed ACB Scheme are inter-conditional except for the Proposed Amendments to the PSSA, the Proposed ACB Class C Bonds and ACB Class C SPV Debts Term-Out (referred to (a)(i) above) and the proposed acquisition by LCB Harta of the USD equivalent of up to RM50,214,051 NV ACB Class C SPV Debts held by the relevant foreign lenders (“**Proposed Acquisition of ACB Class C SPV Debts**”). The Proposed ACB Class C Bonds and ACB Class C SPV Debts Term-Out and the Proposed Acquisition of ACB Class C SPV Debts are conditional upon approval being obtained for the other proposals within the Proposed ACB Scheme. The Proposed Amendments to the PSSA is not inter-conditional on any of the proposals in the Proposed ACB Scheme and shall be binding and take effect immediately upon approval of this proposal by the ACB Lenders.

The Proposed ACB Scheme (except for the Proposed Amendments to the PSSA, the Proposed ACB Class C Bonds and ACB Class C SPV Debts Term-Out and the Proposed Acquisition of ACB Class C SPV Debts) is inter-conditional with the Proposed LCB Scheme and conditional upon the Proposed Megasteel Scheme.

**(b) ACB Lenders' Meetings**

ACB and its subsidiary, Amsteel Harta (L) Limited, have on 9 July 2008 issued notices of meetings to the ACB Lenders to seek their approvals for the revised Proposed ACB Scheme. The meetings are scheduled to be held on 24 July 2008.

**(c) Submission to Authorities**

In view of the Revision, the applications to the relevant authorities for the revised Proposed ACB Scheme are expected to be submitted within two (2) months from the date of this announcement.

**(d) Financial Effects**

The Revision is not expected to have any material financial impact on the ACB Group.

**(e) Directors' and/or Major Shareholders' Interests**

The Directors' and major shareholders' interests in the Proposed ACB Scheme and the Revision are the same as those set out in the Announcements.