

## **ANNOUNCEMENT**

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

#### **PROPOSED ACB SCHEME**

---

This announcement is dated 17 October 2008.

We refer to the announcements dated 21 May 2008, 18 June 2008, 4 July 2008, 10 July 2008 and 24 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.

On behalf of the Board of Directors of ACB, AmInvestment Bank Berhad (a member of the AmInvestment Bank Group) (“**AmInvestment Bank**”) wishes to announce that pursuant to the announcement made by LCB on even date, the existing definition of the Proposed LCB Scheme which includes all the proposals below:-

- (a) Proposed Shares Conversion;
- (b) Proposed RCSLS Conversion;
- (c) Proposed Acquisition of Mahkota Cheras Project;
- (d) Proposed Acquisition of ACB Class B and ACB Class C SPV Debts;
- (e) Proposed Issuance of 100 million Megasteel RCCPS;
- (f) Proposed Disposal of Megasteel Shares;
- (g) Proposed Cancellation of Megasteel Sub-Bonds;
- (h) Proposed Waiver of Penalty Interest;
- (i) Proposed LCB Term-Out;
- (j) Proposed Rights Issue of Warrants; and
- (k) Proposed Increase in Authorised Share Capital

shall be revised and amended to exclude the Proposed Rights Issue of Warrants and the Proposed Increase in Authorised Share Capital.

Therefore, items (a) to (i) above shall hereinafter collectively be referred to as “**Proposed LCB Scheme**” and all defined terms which refers to the Proposed LCB Scheme in the inter-conditionality section of the Announcements shall exclude the Proposed Rights Issue of Warrants and Proposed Increase in Authorised Share Capital.

On 21 May 2008, LCB had also announced the Proposed ACB Offer. The Proposed LCB Scheme, Proposed Rights Issue of Warrants, Proposed Increase in Authorised Share Capital and Proposed ACB Offer shall hereinafter collectively be referred to as the “**LCB Proposals**”.

There will be no changes to the inter-conditionality of the Proposed ACB Scheme as disclosed in Section 5 of the announcement dated 21 May 2008 (as varied by the announcement dated 10 July 2008) following the revision above.