

ANNOUNCEMENT

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

PROPOSED ACB SCHEME

This announcement is dated 17 December 2008.

We refer to the announcements dated 21 May 2008, 18 June 2008, 4 July 2008, 10 July 2008, 24 July 2008, 17 October 2008 and 3 December 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**”) is pleased to announce the following:

- a) that the Foreign Investment Committee (“**FIC**”) has, vide its letter dated 11 December 2008, which was received on 12 December 2008, approved the proposed charging of shares held by ACB and its subsidiaries in certain companies in favour of the ACB Lenders (“**Charged Shares**”) (“**FIC Approval for Charging of Shares**”) to facilitate the Proposed ACB Scheme.

The FIC Approval for Charging of Shares is subject to, *inter-alia*, the following conditions:-

- (i) the relevant chargors to obtain the FIC’s approval in the event of enforcement by the relevant chargees of their rights over the Charged Shares;
 - (ii) the relevant chargees/ACB Lenders to give priority to the local interest to acquire the Charged Shares in the event of enforcement by the relevant chargees of their rights over the Charged Shares and to provide FIC with written evidence should they fail to find any local interest to acquire the Charged Shares;
 - (iii) the relevant acquirer of the Charged Shares to obtain approval from the FIC in compliance with the FIC’s guidelines; and
 - (iv) the relevant chargees/ACB Lenders are fully informed of the above-mentioned conditions.
- b) that the Company has been informed by Limbungan Emas Sdn Bhd (“Limbungan Emas”) that the FIC has, vide its letter dated 11 December 2008, which was received on 12 December 2008, approved the proposed acquisition of interests in the Property Holding Companies by Limbungan Emas (“**FIC Approval for Acquisition of Interest**”).

The FIC Approval for Acquisition of Interest is subject to, *inter-alia*, the condition that the following companies shall have not less than 30% Bumiputera equity by 31 December 2010:-

- (i) Akurjaya Sdn Bhd;
- (ii) Lion Metal Industries Sdn Bhd;
- (iii) Ayer Keroh Resort Sdn Bhd;
- (iv) Bungawang Sdn Berhad; and
- (v) Visionwell Sdn Bhd.

The FIC will review the equity shareholding structure of Inverfin Sdn Bhd (“**Inverfin**”) should Inverfin be involved in any transaction which falls under the jurisdiction of the FIC.

As at the date of this announcement, the completion of the Proposed ACB Scheme is pending fulfilment of the following conditions:

- (i) the shareholders of ACB;

- (ii) Bank Negara Malaysia; and
- (iii) approvals, waivers and/or consents from any other relevant authorities and/or parties, if required.

The inter-conditionality of the Proposed ACB Scheme is disclosed in Section 5 of the announcement dated 21 May 2008 (as varied by the announcements dated 10 July 2008 and 17 October 2008).