

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

PROPOSED ACB SCHEME

This announcement is dated 18 June 2008.

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

On behalf of the Board of Directors of ACB, AmInvestment Bank Berhad (a member of the AmInvestment Bank Group) (**AmInvestment Bank**) hereby announce that ACB had on 18 June 2008 entered into a Supplemental Sale and Purchase Agreement (**Supplemental SPA**) in relation to the Proposed Disposal of LCB Class B(b) Bonds, to amend the security arrangement stated in the LCB Class B(b) Bonds SPA whereby the LCB Class B(b) Bonds Security Shares shall only be released and discharged to LDHB upon full payment of the Deferred Cash Payments, instead of in proportionate to the payment of the Deferred Cash Payment, as previously stated in the Announcement.

In addition, the item on “Put Option Period” in the term and condition of the Put and Call Option as set out in the Appendix II of the Announcement is revised and amended as follows, for clarity purposes:-

	Existing Terms and Conditions	Proposed New Terms and Conditions
Put Option Period	(b) Exercisable within ten (10) market days when LCB’s share price for ten (10) consecutive market days weighted average price is more than 130% of the Put and Call Price at any time and from time to time up to 15 December 2012 (“Triggering Put Option”).	(b) Exercisable within ten (10) market days <u>from the date of the written notice by LCB, given within five (5) market days</u> following any period when LCB’s share price for ten (10) consecutive market days weighted average price is more than 130% of the Put and Call Price at any time and from time to time up to 15 December 2012 (“Triggering Put Option”).

The amendments above are not expected to have any material effect to the Proposed ACB Scheme.