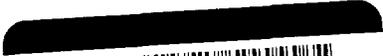




**AMSTEEL CORPORATION BERHAD** (20667-M)

A Member of The Lion Group

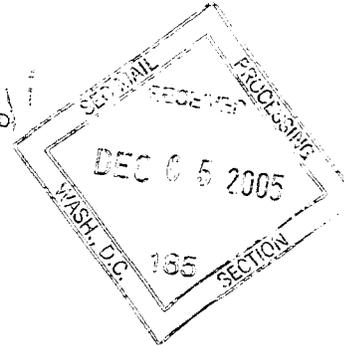


05013055

18 November 2005

Securities & Exchange Commission  
Division of Corporate Finance  
Room 3094 (3-G)  
450 Fifth Street, N.W.  
Washington, D.C. 20549

SUPPL



Dear Sirs

Re : Exemption No. 82-3318  
Issuer : Amsteel Corporation Berhad

We enclose herewith a copy of the Financial Results Announcement dated 17 November 2005, Re Quarterly Report for the financial period ended 30 September 2005 for filing pursuant to exemption No. 82-3318 granted to Amsteel Corporation Berhad under rule 12g3-2(b) of the Securities Exchange Act of 1934.

Please contact the undersigned for any query.

Yours faithfully  
AMSTEEL CORPORATION BERHAD

WONG PHOOI LIN  
Secretary

PROCESSED  
DEC 08 2005  
THOMSON  
FINANCIAL

c.c. Ms Andres Estay - The Bank of New York  
ADR Department  
101 Barclay St., 22nd Floor  
New York  
NY 10286



Form Version 2.0

### Financial Results

Ownership transfer to AMSTEEL on 17/11/2005 05:18:37 PM

Submitted by AMSTEEL on 17/11/2005 05:29:07 PM

Reference No AA-051117-3215F

Submitting Merchant Bank :  
(if applicable)  
Submitting Secretarial Firm Name :  
(if applicable)  
\* Company name : AMSTEEL CORPORATION BERHAD  
\* Stock name : AMSTEEL  
\* Stock code : 2712  
\* Contact person : CHAN POH LAN  
\* Designation : SECRETARY



#### Part A1 : QUARTERLY REPORT

\* Quarterly report for the financial period ended : 30/09/2005  16

\* Quarter :  1 Qtr  2 Qtr  3 Qtr  4 Qtr  Other

\* Financial Year End : 30/06/2006  16

\* The figures :  have been audited  have not been audited

Please attach the full Quarterly Report here:

AMSTEEL1q06.xls

Remarks:

#### Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION

Summary of Key Financial Information for the financial period ended  
\* 30/09/2005

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER *	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE *	PRECEDING YEAR CORRESPONDING PERIOD	
	30/09/2005 <input checked="" type="checkbox"/> 16	30/09/2004 <input checked="" type="checkbox"/> 16	30/09/2005 <input checked="" type="checkbox"/> 16	30/09/2004 <input checked="" type="checkbox"/> 16	
	[dd/mm/yyyy] RM'000	[dd/mm/yyyy] RM'000	[dd/mm/yyyy] RM'000	[dd/mm/yyyy] RM'000	
1	Revenue	89,190	92,486	89,190	92,486
2	Profit/(loss) before tax	4,668	-8,806	4,668	-8,806

AMSTEEL CORPORATION BERHAD (20667-M)

3	Profit/(loss) after tax and minority interest	838	-14,983	838	-14,983
4	Net profit/(loss) for the period	838	-14,983	838	-14,983
5	Basic earnings/(loss) per share (sen)	0.06	-1.13	0.06	-1.13
6	Dividend per share (sen)	0.00	0.00	0.00	0.00
		AS AT END OF CURRENT QUARTER*		AS AT PRECEDING FINANCIAL YEAR END	
7	Net tangible assets per share (RM)	0.1400		0.1300	
Remarks :					

Note: For full text of the above announcement, please access the Bursa Malaysia website at [www.bursamalaysia.com](http://www.bursamalaysia.com)

### Part A3 : ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER*	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE*	PRECEDING YEAR CORRESPONDING PERIOD	
	30/09/2005 <sup>16</sup>	30/09/2004 <sup>16</sup>	30/09/2005 <sup>16</sup>	30/09/2004 <sup>16</sup>	
	[dd/mm/yyyy] RM'000	[dd/mm/yyyy] RM'000	[dd/mm/yyyy] RM'000	[dd/mm/yyyy] RM'000	
1	Profit/(Loss) from operations	46,589	42,695	46,589	42,695
2	Gross interest income	5,749	5,434	5,749	5,434
3	Gross interest expense	40,313	43,701	40,313	43,701

Remarks :

Note: The above information is for the Exchange internal use only.

AMSTEEL CORPORATION BERHAD (20667-M)

Secretary

17 NOV 2005



# AMSTEEL CORPORATION BERHAD

(Incorporated in Malaysia)

(20667-M)

## Interim Report for the First Quarter Ended 30 September 2005

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Condensed Consolidated Income Statements	1
Condensed Consolidated Balance Sheets	2
Condensed Consolidated Statements of Changes in Equity	3
Condensed Consolidated Cash Flow Statements	4
Notes to the Condensed Financial Statements	5 - 10
Proposed Divestment Programme	Appendix 1

**AMSTEEL CORPORATION BERHAD (20667-M)**

(Incorporated in Malaysia)

Interim report for the first quarter ended 30 September 2005

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/9/2005 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2004 RM'000	CURRENT YEAR TO DATE 30/9/2005 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2004 RM'000
Revenue	89,190	92,486	89,190	92,486
Operating expenses	(70,977)	(55,225)	(70,977)	(55,225)
Other operating income	28,376	5,434	28,376	5,434
Profit from operations	46,589	42,695	46,589	42,695
Finance costs	(40,313)	(43,701)	(40,313)	(43,701)
Share in results of associated companies and joint-ventures	(1,608)	(7,800)	(1,608)	(7,800)
Profit/(Loss) before taxation	4,668	(8,806)	4,668	(8,806)
Taxation	17 (3,666)	(3,549)	(3,666)	(3,549)
Profit/(Loss) after taxation	1,002	(12,355)	1,002	(12,355)
Minority interests	(164)	(2,628)	(164)	(2,628)
Net profit/(loss) for the period	838	(14,983)	838	(14,983)
Earnings/(Loss) per share (sen)	25			
- Basic	0.06	(1.13)	0.06	(1.13)
- Diluted	-	-	-	-

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2005)

**AMSTEEL CORPORATION BERHAD (20667-M)**

(Incorporated in Malaysia)

Interim report for the first quarter ended 30 September 2005 (cont'd)

The figures have not been audited.

**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<u>Note</u>	AS AT END OF CURRENT QUARTER 30/9/2005 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30/6/2005 RM'000
Property, plant and equipment		557,619	558,740
Land held for property development		361,439	360,510
Associated companies		176,686	178,860
Interest in joint-ventures		31	31
Long term investments		1,434,036	1,411,740
Deferred expenditure		155	160
Goodwill on consolidation		51,644	52,460
Deferred tax assets		2,762	2,762
<b>Current assets</b>			
- Short term investments		48,381	61,512
- Inventories		156,217	150,036
- Property development costs		198,674	198,118
- Trade receivables		202,065	216,836
- Other receivables, deposits and prepayments		452,063	462,889
- Deposits, cash and bank balances		150,464	278,774
		<u>1,207,864</u>	<u>1,368,165</u>
<b>Current liabilities</b>			
- Trade payables		66,243	79,595
- Other payables		435,385	431,772
- Finance lease liabilities		253	98
- Short term borrowings	21	293,428	374,078
- Tax liabilities		17,059	17,160
		<u>812,368</u>	<u>902,703</u>
<b>Net current assets</b>		<u>395,496</u>	<u>465,462</u>
		<u>2,979,868</u>	<u>3,030,725</u>
<b>Share capital</b>		1,331,175	1,331,175
<b>Reserves</b>		(1,099,489)	(1,100,396)
<b>Shareholders' funds</b>		231,686	230,779
Minority interests		24,774	24,307
Long term borrowings	21	2,693,567	2,745,921
Finance lease liabilities		288	191
Deferred tax liabilities		21,426	21,404
Deferred payables		8,127	8,123
		<u>2,979,868</u>	<u>3,030,725</u>
<b>Net tangible assets per share (RM)</b>		<u>0.14</u>	<u>0.13</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2005)

**AMSTEEL CORPORATION BERHAD (20667-M)**

(Incorporated in Malaysia)

Interim report for the first quarter ended 30 September 2005 (cont'd)

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Other Reserves RM'000	Accumulated Losses RM'000	Total RM'000
Balance at 1 July 2005	1,331,175	230,188	198,039	589,173	(2,117,796)	230,779
Negative goodwill	-	-	-	(228)	-	(228)
Transfer from / (to) capital reserve	-	-	-	1,452	(1,452)	-
Net translation gain on equity of foreign subsidiary companies	-	-	-	297	-	297
Reversal of revaluation reserve previously realised due to aborted sales	-	-	1,884	-	(1,884)	-
Net profit for the period	-	-	-	-	838	838
Balance at 30 September 2005	<u>1,331,175</u>	<u>230,188</u>	<u>199,923</u>	<u>590,694</u>	<u>(2,120,294)</u>	<u>231,686</u>
Balance at 1 July 2004	1,331,175	230,188	197,201	569,375	(2,114,490)	213,449
Negative goodwill	-	-	-	(4,711)	-	(4,711)
Transfer from / (to) capital reserve	-	-	-	(1,026)	1,026	-
Net translation loss on equity of foreign subsidiary companies	-	-	-	(2,963)	-	(2,963)
Equity accounting for share of net assets of associated companies	-	-	852	20	-	872
Net loss for the period	-	-	-	-	(14,983)	(14,983)
Balance at 30 September 2004	<u>1,331,175</u>	<u>230,188</u>	<u>198,053</u>	<u>560,695</u>	<u>(2,128,447)</u>	<u>191,664</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2005)

**AMSTEEL CORPORATION BERHAD (20667-M)***(Incorporated in Malaysia)*

Interim report for the first quarter ended 30 September 2005 (cont'd)

The figures have not been audited.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	<b>CURRENT YEAR-TO-DATE 30/9/2005 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 30/9/2004 RM'000</b>
<b><u>OPERATING ACTIVITIES</u></b>		
Profit/(Loss) before taxation	4,668	(8,806)
Adjustments for:		
Non-cash items (mainly depreciation and amortisation)	1,225	13,878
Non-operating items (mainly interest income and finance costs)	2,094	11,097
	<hr/>	<hr/>
Operating profit before changes in working capital	7,987	16,169
Changes in working capital:		
Net changes in current assets	9,739	29,007
Net changes in current liabilities	(8,915)	(35,544)
Others (mainly tax paid)	(1,938)	(2,324)
	<hr/>	<hr/>
	6,873	7,308
<b><u>INVESTING ACTIVITIES</u></b>		
Net cash inflow from the disposal of investments	10,524	-
Others (mainly from interest received)	12,029	13,425
	<hr/>	<hr/>
	22,553	13,425
<b><u>FINANCING ACTIVITIES</u></b>		
Bank borrowings	(2,125)	(11,541)
Redemption/repayment of Bonds and USD Debts	(152,097)	-
Increase of fixed deposits earmarked for Bonds and USD Debts redemption	(14,134)	(3,456)
Others (mainly interest paid)	(3,422)	(411)
	<hr/>	<hr/>
	(171,778)	(15,408)
Net changes in cash and cash equivalents	(142,352)	5,325
Cash and cash equivalents at beginning of period	272,941	117,476
	<hr/>	<hr/>
Cash and cash equivalents at end of period	130,589	122,801
	<hr/> <hr/>	<hr/> <hr/>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the  
Audited Financial Statements for the year ended 30 June 2005)

## **AMSTEEL CORPORATION BERHAD (20667-M)**

(Incorporated in Malaysia)

Interim report for the first quarter ended 30 September 2005 (cont'd)

The figures have not been audited

### **NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

**1. Accounting policies and method of computation**

The interim financial report has been prepared in accordance with the Financial Reporting Standards ("FRS") (formerly known as Malaysian Accounting Standards Board) 134, "Interim Financial Reporting" and Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2005.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2005 except for the adoption of new FRS standards.

The adoption of the new FRS standards does not have any material effect on the financial results of the Group for the financial year-to-date.

**2. Qualification of audit report**

There were no qualifications on the audit report of the preceding year's financial statement. However, the auditors drew attention to the financial position of the Group concerning the portion of ACB Bonds and USD Debts issued pursuant to the Group Wide Restructuring Scheme ("GWRS") that are due for redemption/repayment within the next twelve (12) months and the steps taken by the Group to meet this obligation.

**3. Seasonality or cyclicity**

The operations of the Group are not subjected to material seasonal or cyclical effects.

**4. Unusual items**

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

**5. Material changes in estimates**

There were no material changes in estimates of amounts reported in prior interim period of the current financial year or in prior financial years.

**6. Debt and equity securities**

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and financial year-to-date other than the partial redemption/repayment of its Bonds and USD Debts amounting to RM152 million.

**7. Dividend paid**

There was no dividend paid during the current quarter and financial year-to-date.

8. Segmental reporting

The Group's segmental report for the current financial year-to-date is as follows:

	Total sales RM'000	Inter- segment sales RM'000	External sales RM'000	Segment results RM'000
Property	38,853	-	38,853	6,590
Investment holding & others	50,960	(3,914)	47,046	34,286
Plantation	3,291	-	3,291	554
	<u>93,104</u>	<u>(3,914)</u>	<u>89,190</u>	<u>41,430</u>
Unallocated cost				(590)
Interest income				5,749
Finance costs				(40,313)
Share in results of associated companies and joint-ventures				(1,608)
Profit before taxation				<u>4,668</u>

9. Valuation of property, plant and equipment

The valuation of property, plant and equipment have been brought forward without any amendments from the previous audited financial statements.

10. Material events subsequent to the balance sheet date

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

11. Changes in the composition of the Group

There were no material changes in the composition of the Group for the current quarter and financial year-to-date.

12. Changes in contingent liabilities or contingent assets

	RM'000
<u>Unsecured</u>	
Legal claims in respect of the termination of contracts for the extraction and sale of timber	<u>313,000</u>

The contingent liability arises out of indemnity contracts whereby Avenel Sdn Bhd, a subsidiary of the Company, agrees to indemnify in full, litigation suits and any other claims brought by third parties against a subsidiary company of Lion Forest Industries Berhad ("LFIB"). LFIB is a former subsidiary company of the Group.

13. Review of performance

For the current quarter under review, the Group recorded a profit before taxation of RM4.7 million as compared to a loss of RM8.8 million in the preceding corresponding period. The better performance was mainly attributable to the recognition of foreign exchange gain and lower share of losses in associated companies.

14. Comparison with the preceding quarter's results

The Group's revenue was lower at RM89.2 million for the quarter under review as compared to RM151.9 million in the last quarter due largely to lower billings for the property development division and lower income from the investment holding division.

Profit before tax was correspondingly lower at RM4.7 million as against RM5.2 million in the last quarter.

15. Prospects

The Group will continue to focus its resources towards enhancing the performance of its property development projects and rationalise its other non-core operations.

16. Profit forecast/profit guaranteed

Not applicable as no profit forecast was issued.

17. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR 30/9/2005 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2004 RM'000	CURRENT YEAR TO DATE 30/9/2005 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2004 RM'000
Income tax				
Current year	3,399	2,883	3,399	2,883
Under provision in prior years	124	-	124	-
Deferred tax	(22)	-	(22)	-
	<u>3,501</u>	<u>2,883</u>	<u>3,501</u>	<u>2,883</u>
Share in taxation of associated companies	165	666	165	666
	<u>3,666</u>	<u>3,549</u>	<u>3,666</u>	<u>3,549</u>

The effective tax rate of the Group for the current quarter and current financial year-to-date are higher than the statutory tax rate mainly due to certain expenses which are not deductible for tax purposes.

18. Profit/(loss) on sale of unquoted investments and/or properties

	CURRENT YEAR QUARTER 30/9/2005 RM'000	CURRENT YEAR TO DATE 30/9/2005 RM'000
Profit/(Loss) on sale of unquoted investments	<u>-</u>	<u>-</u>

19. Quoted securities

The Group's dealings in quoted securities for the current quarter and financial year-to-date are as follows :

	CURRENT YEAR QUARTER 30/9/2005 RM'000	CURRENT YEAR TO DATE 30/9/2005 RM'000
Total sale proceeds	<u>8,924</u>	<u>8,924</u>
Total gain on disposal	<u>72</u>	<u>72</u>

The Group's investments in quoted securities as at end of the reporting period are as follows:

	As at 30/9/2005 RM'000
At cost	<u>187,790</u>
At book value	<u>109,742</u>
At market value	<u>82,600</u>

20. Status of corporate proposals

Date of Announcement	Subject	Status
20/10/2005	Proposed disposal of a piece of freehold land by Lion Plaza Sdn Bhd ("Vendor"), a wholly-owned subsidiary of Akurjaya Sdn Bhd, which is in turn wholly-owned by the Company to Public Mutual Berhad or its nominees ("Purchaser") for a total cash consideration of RM58.997 million.	Pending approvals of: (i) Foreign Investment Committee; (ii) the shareholders of the Vendor, the Company and the Purchaser; and (iii) other relevant authorities, if required.

Status of utilisation of proceeds from corporate proposals

Please refer to Appendix 1(ii).

21. Group's borrowings and debt securities

The Group's borrowings and debt securities as at end of the reporting period are as follows :

	Short term RM'000	Long term RM'000	Total RM'000
<u>Bank borrowings</u>			
Secured	48,229	6,327	54,556
Unsecured	26,127	-	26,127
	<u>74,356</u>	<u>6,327</u>	<u>80,683</u>
<u>Bonds and USD Debts</u>			
Secured	219,072	2,687,240	2,906,312
Total	<u>293,428</u>	<u>2,693,567</u>	<u>2,986,995</u>

The Group's borrowings and debt securities are denominated in the following currencies :

	Foreign currency '000	RM'000
Ringgit Malaysia		892,379
US Dollar	547,289	2,063,281
Chinese Renminbi	56,909	26,127
Others		5,208
		<u>2,986,995</u>

## 22. Off balance sheet risk financial instruments

There were no financial instruments with off balance sheet risk at the date of this report.

## 23. Changes in material litigations

- (i) Tafco Development Sdn Bhd ("Tafco") has filed Petition No. D22-26-20-2002 in the High Court of Malaya at Kuala Lumpur ("the Petition") against Ambang Maju Sdn Bhd ("Ambang Maju"), Akurjaya Sdn Bhd ("Akurjaya"), Aquabio Holdings Sdn Bhd ("Aquabio") and three (3) others (collectively, "the Respondents"). Akurjaya and Aquabio collectively hold 70% equity in Ambang Maju. Tafco owns the balance 30% equity in Ambang Maju.

By a third party legal charge dated 31 December 1997, Ambang Maju created a third party charge over its lands measuring approximately 807.9 acres ("Lands") to a lender ("Lender") as security for advances granted to a related corporation. The Lender has expressly agreed that in the event the Lender should foreclose on the charged Lands, the Lender would only be entitled to receive 70% of the proceeds since Ambang Maju is a 70% owned subsidiary of the Company. The balance 30% proceeds would be paid over to Tafco as the owner of the balance 30% equity in Ambang Maju.

In the Petition, Tafco alleged inter alia that:

- (a) the affairs of Ambang Maju are conducted and/or the powers of the directors are exercised in a manner oppressive to Tafco or in disregard of Tafco's interest as a shareholder of Ambang Maju; and
- (b) Ambang Maju did not receive any benefit from the aforesaid security arrangements.

Tafco has applied for the following orders:

- (a) the third party charge to be cancelled and declared null and void; and
- (b) to compel Akurjaya and Aquabio to purchase Tafco's 30% equity in Ambang Maju at a value equal to 30% of the estimated market value of the Lands or 30% of the estimated profit to be derived by Ambang Maju if the Lands were developed.

The matter was consolidated with that of Writ of Summons No. S1-22-546 of 2002 on 16 January 2003.

The third party legal charge dated 31 December 1997 has now been discharged. Pursuant thereto, the Respondents have applied to strike out the Petition. The mention date for the application to strike out the Petition fixed on 22 November 2005.

The Directors have been advised that the Respondents have a reasonable chance of contesting the Petition.

- (ii) Ariffin Haji Ismail Plantations Sdn Bhd ("AHIP") has filed a Writ of Summons No. S1-22-546 of 2002 in the High Court of Malaya at Kuala Lumpur against Amsteel's 70% owned subsidiary, Ambang Maju Sdn Bhd ("Ambang Maju").

Vide a Sale and Purchase Agreement dated 21 September 1993 between AHIP and Ambang Maju ("the said Agreement"), AHIP agreed to sell and Ambang Maju agreed to purchase 11 pieces of lands in Daerah Kulim, Negeri Kedah Darul Aman ("the said Lands") for a consideration of RM12 million ("the Disposal"). The Disposal was to facilitate a joint venture arrangement between AHIP and Ambang Maju wherein AHIP or its nominee would be issued with equity in Ambang Maju. Tafco Development Sdn Bhd ("Tafco"), the nominee of AHIP, was issued with 30,000 ordinary shares of RM1.00 each in Ambang Maju ("the Allotted Shares").

AHIP alleges that:

- (a) although the consideration for the said Lands in the said Agreement was RM12 million, the agreed consideration for the said Lands was RM18 million;
- (b) the difference of RM6 million was to be utilised by AHIP to defray their cost of disposal of RM531,870.60 and the remaining sum of RM5,468,129.40 was to be utilized by AHIP or its nominee as capital contribution in Ambang Maju; and
- (c) since Tafco was issued with the Allotted Shares only, a balance sum of RM5,438,129.40 was still due and owing to AHIP by Ambang Maju.

**23. Changes in material litigations (cont'd)**

AHIP claims against Ambang Maju the sum of RM5,438,129.40, interest at the rate of 8% per annum from 2 December 2001 till date of full settlement and litigation costs.

Ambang Maju's application for a consolidation of proceedings between this action with that of Petition No. D22-26-20-2002 in the High Court of Malaya at Kuala Lumpur (Commercial Division) was allowed on 16 January 2003.

AHIP withdrew its application for Summary Judgement on 5 November 2003 and the Court had allowed Ambang Maju's application to amend its Statement of Defence on 1 April 2004. The matter is fixed for further mention on 22 November 2005.

The Directors have been advised that Ambang Maju has a reasonable defence to the claim.

- (iii) Magna Prima Berhad, Magna Prima Construction Sdn Bhd and Dunia Epik Sdn Bhd have filed a Writ of Summons No. D6-22-2039-2000 in the High Court of Malaya at Kuala Lumpur against Amsteel Equity Capital Sdn Bhd ("AEC") and nine (9) others wherein it was alleged, inter alia, that certain parties have taken out the sum of RM22.1 million from the accounts of Magna Prima Construction Sdn Bhd and Dunia Epik Sdn Bhd and that the money was used to purchase shares through AEC. It was further alleged that AEC had constructive notice of such action and therefore is the constructive trustee of the money which was used to purchase the shares. The matter is now fixed for case management on 23 November 2005.

The Directors have been advised that AEC has a defence to the claim.

**24. Dividend**

The Board does not recommend any interim dividend for the current quarter and financial year-to-date.

**25. Earnings/(Loss) per share**

**Basic**

Earnings/(Loss) per share is calculated by dividing the Group's net profit/(loss) for the period by the weighted average number of ordinary shares in issue of 1,331.2 million.

**Diluted**

The diluted earnings per share is not disclosed as the unissued ordinary shares granted to employees pursuant to the Company's Executive Share Option Scheme have no dilutive effect since the exercise price is above the average market value of the Company's shares.

**AMSTEEL CORPORATION BERHAD (20667-M)**

(Incorporated in Malaysia)

**Conditions imposed by Securities Commission ("SC") pertaining to the GWRS**

The SC has imposed certain conditions in its approval of the GWRS which include the requirements to disclose the following:

**Status of the Proposed Divestment Programme ("PDP")**(i) Status of assets to be divested

Stages of assets to be divested	PDP (Per GWRS)	Concluded Sales			Proceeds Received				
		Up to Dec 2004	Current Year 2005		Up to Dec 2004	Current Year (Jan - Dec 2005)			
			Current Quarter	Year to date		Current Quarter	Year to date	Projected to Dec'05	Full Year
	RM mil	RM mil	RM mil	RM mil	RM mil	RM mil	RM mil	RM mil	RM mil
<b>By December 2002</b>									
Steel manufacturing assets	10.00	10.00	-	-	10.00	-	-	-	-
Warehouse	3.14	3.14	-	-	3.14	-	-	-	-
Equity interest in property holding company	38.73	38.73	-	-	38.73	-	-	-	-
Listed shares in financial services company	70.00	70.00	-	-	70.00	-	-	-	-
Listed shares in industrial products company	25.86	25.86	-	-	25.86	-	-	-	-
Listed shares	3.22	-	-	-	-	-	-	3.22	3.22
<b>By December 2003</b>									
Equity interest/assets in financial services company	74.32	42.25	-	-	42.25	-	-	-	-
Equity interest in retailing companies	127.47	127.47	-	-	127.47	-	-	-	-
Shares in unlisted/listed companies, freehold land, factory and shoplots in Parade	158.63	55.91	-	-	55.91	-	-	-	-
<b>By December 2004</b>									
Leasehold land	4.86	11.83	-	-	11.83	-	-	-	-
Equity interest in retailing companies	315.45	315.45	-	-	125.79	-	-	115.43	115.43
Freehold land, property holding and shoplots in Parade	348.29	4.91	-	-	4.91	-	-	-	-
<b>By December 2005</b>									
Equity interest in retailing companies	12.87	12.87	-	-	12.87	-	-	-	-
Hotel and freehold land	240.71	-	-	-	-	-	-	-	-
<b>By December 2006</b>									
Equity interest in retailing companies	93.23	12.52	-	-	12.52	-	-	-	-
Freehold land, unlisted shares in companies, shopping centres, golf club and medical centre	1,063.76	-	-	220.70	220.70	-	220.70	-	220.70
<b>Total</b>	<b>2,590.54</b>	<b>730.94</b>	<b>-</b>	<b>220.70</b>	<b>761.98</b>	<b>-</b>	<b>220.70</b>	<b>118.65</b>	<b>339.35</b>

The Group will, if necessary, divest other assets which are not part of the PDP, to redeem/repay the ACB Bonds and USD Debts.

**AMSTEEL CORPORATION BERHAD (20667-M)**

(Incorporated in Malaysia)

**Conditions imposed by Securities Commission ("SC") pertaining to the GWRS (cont'd)****Status of the Proposed Divestment Programme ("PDP") (cont'd)**(ii) Transactions completed during the previous financial years and utilisation of the divestment proceeds received

	Proposed utilisation	Utilisation Status	
		Actual	Unutilised/ Outstanding
	RM mil	RM mil	RM mil
1. (a) Disposal of 226,716,252 ordinary shares of RM1.00 each in Lion Corporation Berhad, at a cash consideration of RM1.00 per share; and			
(b) The entire equity interest in the Parkson retail group for an aggregate consideration of RM364.23 million and the settlement of inter company balances of RM104.08 million to be satisfied by cash payment of RM144.82 million, deferred cash payment of RM230.86 million and issuance of RM92.63 million nominal value of redeemable convertible unsecured loan stocks.			
(i) Estimated expenses	1.62	0.65	0.97
(ii) Redemption/repayment of ACB Bonds and USD Debts	693.41	477.28	216.13
	695.03	477.93	217.10

Divestment of other assets not in the Proposed Divestment Programme	Proposed utilisation	Utilisation Status	
		Actual	Unutilised/ Outstanding
	RM mil	RM mil	RM mil
1. Disposal of 100% equity interest in Optima Jaya Sdn Bhd ("OJSB") to Boustead Properties Berhad ("Boustead") comprising 150,000 ordinary shares of RM1.00 each for a consideration of RM150,000 and settlement of debts owing by OJSB to the Company and novation and assumption by the Company of certain liabilities of OJSB amounting to RM201.0 million for an amount of RM113.85 million, satisfied in the following manner:			
(i) RM10.00 million in cash; and			
(ii) the balance paid in the form of 23.11 million ordinary shares of RM1.00 each in Boustead valued at RM4.50 each.			
Settlement of outstanding amounts owing to Itochu Corporation, Pancaran Abadi Sdn Bhd and Takenaka (Malaysia) Sdn Bhd.	114.00	49.74	@ 64.26

**Notes:**

@ The unutilised portion is represented by Boustead shares deposited in a pledged securities account. Dividends and proceeds from disposal of these shares will be utilised to meet scheduled principal and interest payment.

(iii) Plans to overcome any projected shortfall

The Group will continue to actively seek potential buyers for the assets/companies under its PDP.