

**AMALGAMATED INDUSTRIAL STEEL BERHAD (“AISB” or “the Company”)
- VALUATION ON NON-CURRENT ASSETS**

1. INTRODUCTION

Pursuant to Paragraph 9.19(46) and Part H of Appendix 9A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of Amalgamated Industrial Steel Berhad (“AISB” or “the Company”) wishes to announce that the Company has carried out a revaluation exercise on the Company’s non-current assets (Investment Property, Leasehold Land and Building).

The Board of AISB had on 16 February 2015 approved the incorporation of the revaluation surplus, net of deferred tax of RM8,406,971 in the consolidated financial statements of AISB for the financial year ended 31 December 2014.

2. PURPOSE OF THE VALUATION

Investment Property, Leasehold Land and Building are re-valued on regular basis to ensure that the carrying amount does not differ materially from the fair value of the Investment Property, Leasehold Land and Building at the financial year end reporting date.

3. THE REVALUATION SURPLUS/ FAIR VALUE GAIN ON INVESTMENT PROPERTY, LEASEHOLD LAND AND BUILDING

3.1 Investment Property (Leasehold Land and Building)

RM2,400,000 (Gross)

RM2,280,000 (Net of Deferred Tax at 5% RPGT)

3.2 Leasehold Land and Building

RM8,169,295 (Gross)

RM6,126,971 (Net of Deferred Tax at 25% Income Tax)

4. EFFECT OF THE REVALUATION SURPLUS ON THE NET ASSETS VALUE PER SHARE AND EARNINGS PER SHARE OF THE GROUP

4.1 Increase in net asset value per share: RM0.074

4.2 Increase in earnings per share: RM0.02

5. NAME OF THE VALUERS

James K.M. Tan, Registered Valuer Reg. No. V423, B. AppSc PRM CDipAF
Raine & Horne International Zaki + Partners Sdn Bhd

6. DATE OF VALUATION

24th December 2014

7. **THE VALUE PLACED ON THE ASSET BY THE VALUER**

7.1 Investment Property (Leasehold Land and Building)

HSD172552, Lot 6, Jalan Playar 15/1, 40000 Shah Alam: **RM61,000,000.00**
(Ringgit Malaysia: Sixty One Million only)

7.2 Leasehold Land and Building

HSD167540, and HSD168507, No. 11A, Jalan Utas 15/7, 40200 Shah Alam:
RM46,000,000 (Ringgit Malaysia: Forty Six Million only)

8. **DOCUMENTS FOR INSPECTION**

The valuation reports on the Investment Property, Leasehold Land and Building are available for inspection at the registered office of the Company at Lot 11A, Jalan Utas 15/7, 40000 Shah Alam, Selangor Darul Ehsan, during normal business hours for a period of three (3) months from the date of this announcement.

This announcement is dated 16 February 2015.