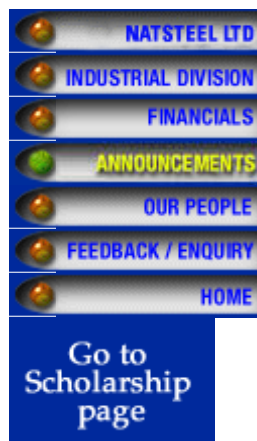




ANNOUNCEMENTS

18 December 2000

NatSteel Ltd Declares Special Dividend Of S\$258 Million



The Board of Directors of NatSteel Ltd ("NSL" or the "Company") wishes to draw the attention of NSL shareholders to the announcement on 15 December 2000 made by Merrill Lynch (Singapore) Pte. Ltd. ("Merrill Lynch"), for and on behalf of Lionhead Acquisition, LLC, a wholly-owned subsidiary of Solectron Corporation, that the voluntary conditional cash offer (the "Offer") to acquire all the issued and fully paid-up shares of S\$0.10 each in the capital of NatSteel Electronics Ltd ("NEL") has become unconditional in all respects on 15 December 2000. The sale of NSL's 33.0% interest in NEL (the "Sale") is expected to be completed on or about 28 December 2000.

The net proceeds from the Sale are estimated to be approximately S\$1,146.8 million ("Net Proceeds").

In its announcement dated 31 October 2000, the Company said that it intended to return at least 50% of the Net Proceeds of the Sale to NSL shareholders. In this connection, the Board of Directors of NSL is declaring a special dividend ("Special Dividend") of S\$258.7 million or S\$0.71 per NSL share, comprising a tax exempt dividend of about S\$35.1 million or S\$0.10 per NSL share and a net cash dividend of about S\$223.6 million or S\$0.61 per NSL share to be fully franked out of the Company's available Section 44 tax credit, in respect of the financial year ending 31 December 2000.

Upon payment of the Special Dividend, the Company will have returned approximately 22.6% of the Net Proceeds to NSL shareholders. Details on the return of a further 27.4% of Net Proceeds to NSL shareholders shall be announced in due course.

Ang Kong Hua, President of NatSteel Limited, said: "The payment of this special dividend is the next important stage in our strategy to unlock value for shareholders. In due course we will be announcing details for the return of a further S\$315 million to shareholders and the strategic plans for our remaining constituent business units."

NOTICE IS HEREBY GIVEN that the Register of Members and Transfer Books of the Company will be closed from 5.00 p.m. on 5 January 2001 to 5.00 p.m. on 12 January 2001, for the purpose of determining persons entitled to the Special Dividend payable on 22 January 2001.

Duly completed transfers received by the Company's Registrar, Macronet Information Pte Ltd, 20 Cecil Street, #06-02 The Exchange, Singapore 049705, up to 5.00 p.m. on 5 January 2001 will

be registered prior to determining shareholders' entitlement to the Special Dividend. In respect of ordinary shares standing to the credit of securities accounts with The Central Depository (Pte) Limited ("CDP"), the Special Dividend will be paid by the Company to CI which will in turn distribute the dividend entitlements to shareholders.

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Notes to Editors:

NatSteel Limited
(SGX: NatSteel, Bloomberg: NATS SP Equity, Reuters: NATS.SI)

A multi-industry manufacturing group headquartered in Singapore. NatSteel has three businesses - Steel, Industrial (comprising Construction Products, Chemicals and Engineering) and Electronics.

For 1999, NatSteel recorded a turnover of S\$1.4 billion and a profit before tax of S\$131m. It has over 17,000 employees and operations in 15 countries. NatSteel was listed on the Stock Exchange of Singapore in 1964.

In its Steel business, the group has a regional network of mini-mills in Singapore, Malaysia, China, the Philippines and Vietnam, and an investment in a Brazilian integrated mill. Singapore serves as the hub providing R&D, engineering logistics, sourcing and other support services.

In its Industrial business, the group is one of the key players for cement, precast concrete and related building products in Singapore. Other activities in this division include environmental chemicals, petrochemicals, and engineering products and services.

The main companies under the Electronics business are NatSteel Electronics Ltd; which has been divested and NatSteel Broadway Ltd

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