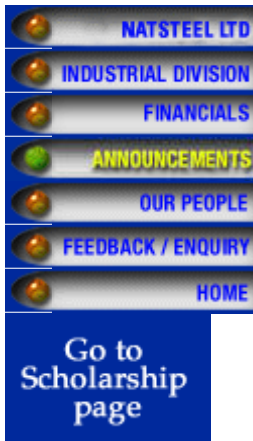




# ANNOUNCEMENTS

12 July 2000

## NatSteel increases shareholdings in SteelAsia



NatSteel Ltd ("NatSteel") wishes to announce that following the completion of the voluntary debt restructuring and corporate reorganization by its associated company, SteelAsia Manufacturing Corporation ("SAMC"), NatSteel now holds 82,311,720 Class AA Preference Shares at par value of pesos 10 each and 22,000,000 Class B Preference shares at par value of pesos 10 each in addition to its previous 40% equity in SAMC represented by 20,000,000 common stock of par value pesos 10 each. The subscription of the Class AA Preference Shares was effected through the conversion of its outstanding trade credit extended to SAMC. The subscription of the Class B Preference Shares was funded by bank borrowings.

NatSteel's equity interest in SteelAsia Development and Management Corporation, which holds all real estate of the SAMC Group of companies, remains unchanged at 40%.

SAMC operates a modern state-of-the-art steel rolling mill which has an annual capacity of 360,000 mt in Meycauayan, north of Metro Manila.

NatSteel fully provided for both Class AA and Class B Preference Shares in its 1999 financial results. As such this transaction has no effect on the earnings per share and net tangible assets per share of NatSteel.

None of the directors or substantial shareholders has any interest in this transaction save for Ang Kong Hua who is a director of NatSteel and SAMC.

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