



ANNOUNCEMENTS

23 August 2000

NatSteel Achieved \$33 million Profit After Tax On \$690 million Turnover for 1H2000

Steel and Electronics Divisions recorded growth in profits

SINGAPORE, 23 August 2000 - Listed multi-industry manufacturing group, NatSteel Ltd, achieved a profit after tax and minority interests of \$33 million on a \$690 million turnover for the first six months of 2000. Turnover grew 6%. Profit was a marginal 2.5% lower.

"Two of our three core businesses, the Steel and Electronics Divisions, recorded growth in contributions. This was mainly because of the better performance of the overseas steel operations and the continued strong performance of NatSteel Broadway," said Mr Ang Kong Hua, President, NatSteel Ltd.

Mr Ang added that, "The marginal decline in profit after tax was because of the losses in the Industrial Division. This was mainly due to the severe competition faced by the Construction Products group and sharp decline in selling prices as anticipated in our 1999 results announcement. The weak construction sector continued to impact the Group's Steel and Industrial businesses in Singapore. The sector contracted by 10.5% in the first half of 2000 and has been in decline for 6 straight quarters."

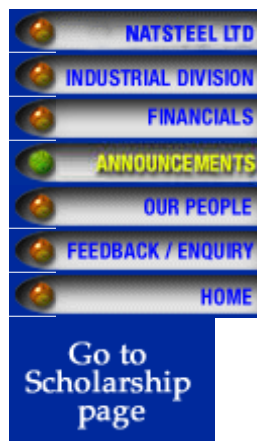
Outlook for 2H 2000

Total construction contracts awarded for the first half of 2000 increased by 77% over the same period last year. The flow through in construction material demand will only be in 2001 because of the typical 12 to 18-month lag. Demand for key construction materials is expected to remain soft in 2000.

"The Construction Products and Singapore Steel businesses will remain under considerable stress for the rest of 2000. On the other hand, the performance of the overseas steel operations and the Electronics Division is expected to be strong. Overall, the Group expects profit after tax for the whole of 2000 to be comparable to that of 1999," said Mr Ang.

Interim Dividend

An interim dividend of 8% less tax was declared.



About the NatSteel Group

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

For 1999, NatSteel recorded a turnover of S\$1.4 billion and a profit before tax of S\$131 million. It has over 11,000 employees and operations in 15 countries. NatSteel was listed on the Stock Exchange of Singapore in 1964.

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