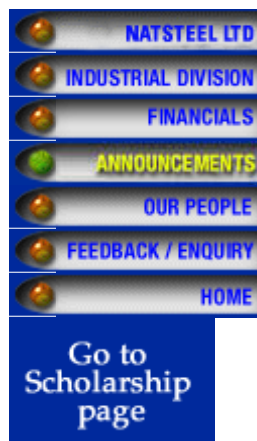




ANNOUNCEMENTS

17 March 2001

Collaboration Between NatSteel & Lee Metal Group



The Board of Directors of NatSteel Ltd ("NSL" or the "Company") is pleased to announce that on 17 March 2001, NSL has entered into a conditional Placement Agreement as well as a legally binding memorandum of understanding (the "MOU") with Lee Metal Group Ltd ("LMG") to collaborate on scrap operations and for a joint procurement arrangement for steel products, for the mutual benefit of both parties. Under the collaboration, both NSL and LMG are expected derive benefits in terms of better operational efficiencies and cost savings in their scrap and steel procurement operations through economies of scale and synergy. The MOU mandates for both parties to enter into definitive agreements within 3 months and until then, the MOU is intended to have binding effect. The Placement Agreement will become unconditional on the execution of the definitive agreements.

The key components of collaboration under the MOU are:

- the merger of the Scrap Metal ("SM") operations of NSL and LMG;
- a Joint Procurement Arrangement for steel reinforcement bars and wire rods ("Steel Products"); and
- a Placement of shares representing 20% of LMG's existing issued share capital to NSL (the "Placement").

All three components are inter-conditional.

MERGER OF THE SCRAP METAL OPERATIONS

NSL and LMG have agreed to enter into a subscription and joint venture agreement to provide for both parties to inject their entire SM operations into a newly incorporated company (the "JVC"), to serve as the party's joint venture vehicle. NSL will own 80% and LMG the balance 20% of the JVC's share capital based on the existing volume of SM operations of both parties. The subscription by each party of its respective shareholding interest in the JVC will be by way of the injection of such agreed fixed assets at net book value of that respective party's current SM operations. NSL will also enter into a supply contract with the JVC whereby NSL will purchase part of its scrap requirement, subject to its melting needs as well as collection affordability, at a mutually agreed pricing formula. With the larger combined volume of operations, the JVC is expected to realise better operational efficiency and cost reduction in

the collection and processing of steel scrap for the benefit of both NSL and LMG. The JVC will also be in a strong position to grow and become a significant SM operator in the region.

JOINT PROCUREMENT ARRANGEMENT FOR STEEL PRODUCTS

NSL and LMG will enter into a joint procurement arrangement (the "Arrangement") whereby LMG will jointly acquire under the terms of the Joint Procurement Contract, its requirement of Steel Products for sale in Singapore with NSL. With the larger volume under the Arrangement, NSL and LMG will be better positioned to benefit from economies of scale and cost savings in sourcing, inventory, warehousing and logistics.

PLACEMENT

To cement the collaboration, LMG has agreed to place 20% of its existing share capital by way of an issue of 60 million new LMG shares at a subscription price of \$0.155 per new share to NSL. The placement when completed, will result in NSL becoming a substantial shareholder of LMG.

FINANCIAL EFFECTS AND DIRECTORS'/SUBSTANTIAL SHAREHOLDERS' INTERESTS

The transactions contemplated in the MOU are not expected to have any material impact on the earnings per share or the net tangible asset per share of the Company for the current financial year ending 2001.

None of the Directors or substantial shareholders of NSL has any interest, direct or indirect, in the MOU and/or the transactions contemplated .

About NSL

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. 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.

Listed NatSteel Broadway is the key company in the Electronics business.

About LMG

Lee Metal Group Ltd ("LMG") was listed on the Singapore Stock Exchange in April 2000. It is a "one-stop" integrated shop for the supply of reinforcement steel products.

LMG is predominantly involved in two businesses:

- 1 Steel merchandising of reinforcement steel products and Steel Recycling Materials; and**
- 2 Fabrication and manufacturing of reinforcement steel products.**

For the financial year ended 31 December 1999, LMG's turnover was \$117.7 million and profit before tax was \$7.8 million.

[↑ Top](#)

[Back](#)

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