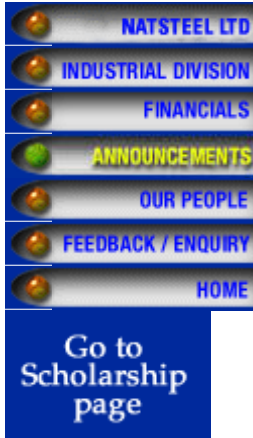




ANNOUNCEMENTS

22 April 2003

Increase In Shareholding Of Subsidiary



Increase In Shareholding Of Subsidiary

NatSteel Ltd ("NatSteel") wishes to announce that it had today entered into a sale and purchase agreement with Lee Metal Group Limited ("Lee Metal") to acquire the latter's 20% equity stake comprising 400,000 ordinary shares of par value S\$ 1.00 each in the capital of NatFerrous Pte Ltd ("NatFerrous"), a subsidiary of NatSteel and a joint venture vehicle of both NatSteel and Lee Metal handling scrap operations, for a cash consideration of S\$2,780,000 ("Consideration"). Completion of the acquisition is conditional on the approval for disposal by the shareholders of Lee Metal at an extraordinary meeting to be convened by 31 July 2003 or such later date as NatSteel and Lee Metal may agree.

The Consideration was arrived at following negotiations on a willing seller willing buyer basis after taking into account the latest available financial results of NatFerrous for the financial year ended 31 December 2002. The net book value of the 20% equity stake in NatFerrous at 31 Dec 2002 was about \$ 2,277,000.

This acquisition will allow NatSteel to fully integrate its scrap procurement and handling functions under NatFerrous with the main steel-making operations.

Both the Consideration and the repayment of a \$1,000,000 shareholders' loan payable by NatFerrous to Lee Metal on the termination of the joint venture will be funded by internal resources.

This transaction is not expected to have a material effect on the net tangible assets and earnings per share of NatSteel Group.

This acquisition when completed will result in NatFerrous becoming a wholly owned subsidiary of NatSteel.

Save that NatSteel is a substantial shareholder of Lee Metal (16.7%), none of the directors or substantial shareholders of NatSteel has any interest in this transaction

BY ORDER OF THE BOARD

LIM SU-LING
COMPANY SECRETARY
22 April 2003

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