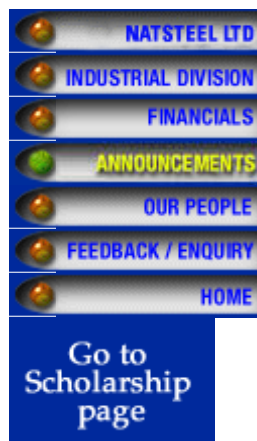




ANNOUNCEMENTS

12 February 2004

DISPOSAL OF EQUITY INTEREST IN ASSOCIATED COMPANY NATIONAL CEMENT INDUSTRY PTE LTD



DISPOSAL OF EQUITY INTEREST IN ASSOCIATED COMPANY NATIONAL CEMENT INDUSTRY PTE LTD

NatSteel Ltd ("NatSteel") wishes to announce that its wholly owned subsidiaries, Eastern Industries Private Limited ("EI"), and Eastern Pretech Pte Ltd ("EP") have entered into an agreement ("Shares Sale Agreement") with Foong Giap Group (Singapore) Pte Ltd ("Purchaser") for the sale of their combined 50% equity interest comprising 5,356,863 ordinary shares ("Shares"), in National Cement Industry Pte Ltd ("NCI"). Upon completion of the sale of the Shares ("Shares Sale"), NCI will cease to be an associated company of NatSteel.

In connection and concurrent with the Sale, NatSteel will assign to the Purchaser loans of S\$4,700,000.00 ("NSL Loans") owing to it by NCI, and EI will assign to the Purchaser loans of S\$6,000,000.00 ("EI Loans") owing to it by NCI.

The date for the completion ("Completion") of the Shares Sale and the assignment of the NSL Loans and the EI Loans (collectively the "Loans") is 12 February 2004 or such other date as the parties may agree in writing.

The consideration for the Shares Sale and the assignment of the Loans will be satisfied as follows:

- (i) for the Shares, payment of S\$1.00 on completion, which payment will be allocated equally between EI and EP;
- (ii) for the NSL Loans, payment of cash S\$4,700,000 to NSL on completion;
- (iii) for the EI Loans:
 - (aa) payment of S\$1,000,000 cash to EI at completion; and
 - (bb) additional top-up payments of up to a maximum of S\$5,000,000 based on the EBITDA of the NCI Group for the financial years ended 31 December 2006, 2007 and 2008, or in the event of the realization of the value of the NCI Group (or substantially all of its assets) before 1 January 2009, based on the proceeds from such realization.

The aforesaid consideration was arrived at on a willing buyer-willing seller basis.

This divestment is in line with NatSteel's objective to focus on its core businesses.

The net carrying value of NatSteel Group's interest in NCI was approximately \$5,700,000 as at 31 December 2003.

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

None of the Directors of substantial holders of NatSteel has any interest, direct or indirect, in the aforesaid transactions.

By Order of the Board

Lim Su-Ling
Company Secretary
12 February 2004

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