

NATSTEEL LTD

(Incorporated in the Republic of Singapore)
Company Registration Number 196100107C

COMPLETION OF THE DIVESTMENT OF SHARES IN NSL CHINA INVESTMENTS PTE. LTD.

The Board of Directors (the "**Board**") of NATSTEEL LTD ("**NSL**" or the "**Company**") refers to the announcement dated 29 December 2006 (the "**Divestment Announcement**") made by the Company in connection with the proposed sale (the "**Divestment**") of all the ordinary shares in the capital of NSL China Investments Pte Ltd ("**NSL China**") held by the Company as at the date of completion of the Divestment to Walsin Lihwa Corporation ("**Walsin**"), for an aggregate consideration of approximately US\$39.4 million (equivalent to approximately S\$60.7 million) (the "**Consideration**") subject to adjustments to take into account the net asset value of Changzhou Wujin NSL Co., Ltd ("**Wujin NSL**") as at the date of completion of the Divestment ("**Completion**"). The Completion is subject to and conditional upon the approval of the Investment Commission under the Ministry of Economic Affairs of Taiwan, the Republic of China (the "**Investment Commission**").

Unless otherwise defined, capitalised terms used in this Announcement bear the same meaning as those used in the Divestment Announcement.

The Board is pleased to announce that the approval of the Investment Commission for the Divestment was obtained on 27 February 2007 and the Company has today completed the Divestment.

The Company and Walsin have also today entered into a supplemental agreement pursuant to which the Company and Walsin have agreed, *inter alia*, to waive the appointment of PricewaterhouseCoopers to perform an agreed upon review of the net asset value of the Changzhou Wujin NSL Co., Ltd ("**Wujin NSL**") for the adjustment of the Consideration, and to instead conduct a joint verification of the net asset value of Wujin NSL as at Completion Date.

After adjusting the Consideration for the current assets and the continuing losses of Wujin NSL as at / up to Completion and taking into account a one-off payment of staff benefits to all the employees of Wujin NSL, the aggregate net proceeds received by the Company pursuant to the Divestment is approximately US\$36.5 million (equivalent to approximately S\$55.8 million). Based on the net proceeds received, the NSL group will realise an extraordinary gain of approximately S\$10.2 million for the current financial year.

Following Completion, the Company no longer holds any interest in NSL China or Wujin NSL, and NSL China and Wujin NSL have ceased to be wholly-owned subsidiaries of the NSL group.

BY ORDER OF THE BOARD

Lim Su-Ling
Company Secretary
Singapore, 5 March 2007