



ANNOUNCEMENTS

23 October 2000

Clarifications on The Straits Times Article on "We are ready to sell NEL, says NatSteel"

We refer to the article in The Straits Times (ST 21 October 2000) by Narendra Aggarwal, "We are ready to sell NEL, says NatSteel."

We wish to clarify that the statement in article "But this restructuring was called off the following month after shareholders of NatSteel sold off their shares" is not accurate.

As we have explained in our announcement on 27 June 2000, the Company had decided to defer the proposed restructuring because of the sharp correction in both NatSteel Electronics (NEL) and NatSteel Ltd (NSL) share prices following particularly NEL's financial performance update. The sharp reduction in the market valuation of NEL and NSL had created a disparity between the level of asset and the level of debt that could be assumed by the two new companies to be created under the proposed restructuring plan. Consequently, the Company decided then it would not be in the best interest of shareholders to proceed with the proposed restructuring for the time being.

We would like to request that you print this clarification in your paper.

[↑ Top](#)

[Back](#)

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