



**NATSTEEL LTD**

(Incorporated in the Republic of Singapore)

**ANNOUNCEMENT**

**VOLUNTARY CONDITIONAL CASH OFFER BY STANDARD CHARTERED BANK,  
FOR AND ON BEHALF OF 98 HOLDINGS PTE. LTD., TO ACQUIRE ALL THE  
ISSUED ORDINARY SHARES OF S\$0.50 EACH IN THE CAPITAL OF NATSTEEL  
LTD**

The Board of Directors (the "Board") of NatSteel Ltd ("NatSteel" or the "Company") refers to its announcement (the "31 October 2002 NatSteel Announcement") on 31 October 2002 in relation to the voluntary conditional cash offer (the "98 Holdings Offer") made by Standard Chartered Bank ("SCB"), for and on behalf of 98 Holdings Pte. Ltd. ("98 Holdings"), to acquire all the issued and paid-up ordinary shares of S\$0.50 each (the "Shares") in the capital of the Company.

Unless otherwise defined herein, all capitalized terms in this announcement have the same meaning as those in the 31 October 2002 NatSteel Announcement.

**The Supplemental Deed / Deferral of the EGM**

The 31 October 2002 NatSteel Announcement stated that "(a) the deferral of the date of the EGM to no earlier than 24 December 2002; and (b) the execution by the Company and CCL of the Supplemental Deed, are currently being discussed. The Company may not enter into the Supplemental Deed if such entry may cause or result in any breach of applicable law, regulations, rules, directives or rulings."

The deferral of the date of the EGM (the "Crown Offer EGM") to consider the Crown Offer is dependent on the execution by the Company and CCL of the Supplemental Deed.

The Securities Industry Council ("SIC") has, after considering submissions from the relevant parties and taking into account General Principle 7 (Frustration of an offer by offeree board) and Rule 5 (Frustration of offers by an offeree board) of the Singapore Code on Take-overs and Mergers, ruled that Natsteel may enter into the Supplemental Deed with CCL subject to, *inter alia*, the shareholders of Natsteel (the "Shareholders") approving at a general meeting ("Supplemental Deed EGM") the entry by Natsteel into the Supplemental Deed with CCL.

The time required to prepare, approve and despatch another circular to Shareholders ("Supplemental Deed Shareholders' Circular") for the purpose of convening the Supplemental Deed EGM is likely to preclude such a Supplemental Deed EGM from taking place until:

- (a) at least after the closing date of the 98 Holdings Offer (currently stated by or on behalf of 98 Holdings to be 21 November 2002); and

- (b) close to 4 December 2002, the latest possible date to hold the Crown Offer EGM, as contemplated under the S&P Agreement.

Therefore, even if Shareholders approve the entry by NatSteel into the Supplemental Deed at such Supplemental Deed EGM, the benefit of such a result (namely that “all other conditions of the 98 Holdings Offer will have been fulfilled or waived by the Offeror, save for the minimum acceptance condition under Condition (a) (as specified in paragraph 2.3(a) of the Offer Document”) could be marginal, from a timing perspective.

As such and to minimize potential confusion, the Board has therefore decided not to enter into the Supplemental Deed with CCL (and by consequence not to delay the Crown Offer EGM to “no earlier than 24 December 2002”).

Therefore, the Board expects to despatch shortly to Shareholders a circular on the Crown Offer EGM, in time for such an EGM to be held by 4 December 2002, as contemplated under the S&P Agreement.

#### **The Offeree Board Circular in relation to the 98 Holdings Offer**

An offeree board circular responding to the 98 Holdings Offer (the “Offeree Board Circular”) will also be despatched by or on behalf of the Company in due course to Shareholders. The Offeree Board Circular will contain the advice and recommendation of the independent financial adviser to the independent directors of the Company and the recommendation of the independent directors of the Company on the 98 Holdings Offer and the Crown Offer.

#### **Any other competing offer**

The Board continues to note that neither the 98 Holdings Offer nor the S&P Agreement precludes Shareholders from accepting or approving any other competing bid that may materialise.

**The Board will continue to keep Shareholders informed as developments warrant. In the meantime, the Shareholders are advised to refrain from taking any action in relation to their shares in the Company which may be prejudicial to their interests.**

The Directors of the Company (including those who have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate, and that no material facts have been omitted and they jointly and severally accept responsibility accordingly.

Where any information has been extracted from published or otherwise publicly available sources or is otherwise provided by or on behalf of other parties, the sole responsibility of the Directors of the Company has been to ensure that such information has been accurately and correctly extracted from such sources or as the case may be, accurately reflected or reproduced in this announcement.

BY ORDER OF THE BOARD

LIM SU-LING  
COMPANY SECRETARY  
6 NOVEMBER 2002

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**Note to Editor:**

General Principle 7 of the Singapore Code on Take-overs and Mergers provides as follows:

**“7. Frustration of an offer by offeree board**

If the board of an offeree company has received a bona fide offer or has reason to believe that a bona fide offer is imminent, it must not, without the approval of its shareholders in general meeting, take any action on the affairs of the offeree company that could effectively result in any bona fide offer being frustrated or the shareholders being denied an opportunity to decide on its merits.”

Rule 5 of the Singapore Code on Take-overs and Mergers provides as follows:

**“5. FRUSTRATION OF OFFERS BY AN OFFEREE BOARD**

In the course of an offer, or even before the date of the offer, if the board of the offeree company has reason to believe that a bona fide offer is imminent, the board must not,

except pursuant to a contract entered into earlier, without the approval of shareholders in general meeting:-

- a. issue any authorised but unissued shares;
- b. issue or grant options in respect of any unissued shares;
- c. create or issue or permit the creation or issue of any securities carrying rights of conversion into or subscription for shares of the company;
- d. sell, dispose of or acquire or agree to sell, dispose of or acquire assets of material amount;
- e. enter into contracts, including service contracts, otherwise than in the ordinary course of business; or
- f. cause the offeree company or any subsidiary or associated company to purchase or redeem any shares in the offeree company or provide financial assistance for any such purchase.

The notice convening such a meeting of shareholders must include information about the offer or anticipated offer.

If the offeree board considers that an obligation to take any of the above actions or other special circumstance exists, although a formal contract has not been entered into, it should consult the Council and obtain its consent to proceed without a shareholders' meeting.”