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The Straits Times  
Fax no. 6732 0131

The Editor  
The Business Times  
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The Editor  
Lian He Zao Bao  
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Assignment Editor  
Channel News Asia  
Attention: Chan Hua Loon  
Fax no. 6255 4973

Dear Sirs

The Editor  
Today  
Fax no. 6534 4217

Reuters  
Attention: Ms Doreen Siow  
Fax no. 6776 8112

Dow Jones  
Attention: Ms Ai Lim  
Fax no. 6323 6690

Streets  
Attention: Mr Conrad Raj  
Fax no. 6319 8191

AFX ASIA  
Attention: Mr Jonathon Burgess  
Fax no. 6221 4641

#### PRESS RELEASE

On behalf of our client, we enclose a press release dated 4 December 2002 for your information.

Yours faithfully  
For and on behalf of  
G. K. Goh Stockbrokers Pte Ltd

Mah Kah Loon  
Senior Vice President  
Corporate Finance

Encl.

Copy: NatSteel Limited  
Attention: Ms Lim Su-Ling, The Company Secretary  
Fax no. 6266 4338

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## PRESS RELEASE

BY G.K. GOH STOCKBROKERS PTE LTD FOR AND ON BEHALF OF 99 HOLDINGS PTE LTD  
AND SANION ENTERPRISES LIMITED

# OEI SAYS NO ACCEPTANCE OF S\$2.03 OFFER

G.K. Goh Stockbrokers Pte Ltd makes the following press release on behalf of 99 Holdings Pte Ltd ("99 Holdings") and Sanion Enterprises Limited ("Sanion").

Sanion refers to reports in "Today" and other newspapers this morning. The speculation that the offer for NatSteel Ltd's shares by Mr Oei Hong Leong's vehicle would be at S\$2.05 is incorrect.

Voting rights in respect of shares owned by Sanion in NatSteel Ltd ("NatSteel" or the "Company") which could be voted were all exercised against the management buyout at NatSteel's EGM today. However, Sanion acknowledges the contribution, over the years, of NatSteel's existing management, led by Mr Ang Kong Hua, in building up shareholders' value. Sanion's intention is to work with the management to unlock this value. As the single largest shareholder, Sanion would like to continue to work with this management team.

Sanion's total cost of investment in NatSteel amounts to approximately \$220 million to date. As a "stayer", Sanion does not intend to accept 98 Holdings Pte Ltd's conditional offer of S\$2.03 per share. From Sanion's perspective and in the context of its own position, it notes that :-

- (a) NatSteel's EGM circular of 6 November 2002 to shareholders discloses that the Company has "Cash available for distribution per Share <sup>1</sup> of S\$1.55 and that "NatSteel Group is able to distribute S\$1.55 per Share to shareholders from the cash proceeds arising from the sale of NatSteel Broadway and NatSteel Brasil in addition to cash received from exercise of NatSteel's share options less the Proposed Sale estimated transaction costs <sup>1</sup> (see pages 49 and 50 of the EGM circular dated 6 November 2002). Sanion believes that a cash distribution in excess of S\$1.55 per share should be made given that NatSteel is expected to be profitable in the current financial year. A notice requesting the board of directors of the Company to convene an EGM for this purpose has been sent today (please refer to the attachment);
- (b) The net tangible assets of NatSteel after the disposal of NatSteel Broadway and NatSteel Brasil is approximately S\$3.34 per share (see page 18 of the EGM circular dated 6 November 2002). Even after the making of a distribution of S\$1.55 per share, the 98 Holdings Offer of S\$2.03 per share would value the remaining businesses of the Company at a mere S\$0.48 per share. Yet the adjusted net tangible assets of NatSteel after such a cash distribution would amount to a far higher S\$1.79 per share.

<sup>1</sup> These are extracted from NatSteel's circular to shareholders dated 6 November 2002 and should be read in conjunction with the said circular in its entirety

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Sanion earlier announced its exploratory financing discussions with three financial institutions, including DBS Bank. DBS Bank had kindly given Sanion term sheets for financing on 11 November 2002, which was revised on 12 November 2002 and again on 14 November 2002. There was a proposal to bring in a joint financier. Subsequently, a third bank expressed interest to participate in the possible financing. Unexpectedly, DBS Bank pulled out. As a result, late on 2 December 2002, Sanion decided to propose a pre-conditional voluntary cash offer for all the ordinary shares in the capital of the Company. One of the pre-conditions was the recommendation by the board of directors and the approval of shareholders of the Company and the payment by the Company, of a dividend or other distribution in cash of not less than a specified amount per share. The cash amount payable under the proposed offer by 99 Holdings, if made, would be the offer price less the distribution. The proposal for a cash distribution by NatSteel is not new. This is demonstrated by the fact that the board of NatSteel has already approved the management buyout and liquidation. Sanion sees no reason why the cash in NatSteel should not be returned to shareholders even without the management buyout.

Sanion will continue to keep its position under review having regard to the factors noted in previous announcements. At this time, Sanion is still in negotiations with financiers to arrange possible financing.

Nothing in this announcement should be construed as Sanion, 99 Holdings or Mr Oei having a firm intention to make an offer for the Company.

Issued By G.K. Goh Stockbrokers Pte Ltd  
On behalf of 99 Holdings Pte Ltd and Sanion Enterprises Limited

4 December 2002

**Note**

*Nothing herein is intended to be, or shall be taken as, advice or recommendation to NatSteel shareholders or any other parties regarding NatSteel or shares in NatSteel. In any event, reference should be made to NatSteel's circulars to shareholders dated 6 November 2002. Persons in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or accountant or other professional adviser.*

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