



ANNOUNCEMENTS

10 June 2002

Proposed Offer to Acquire Businesses and Undertakings of NatSteel Ltd

NATSTEEL LTD

PROPOSED OFFER TO ACQUIRE BUSINESSES AND UNDERTAKINGS OF NATSTEEL LTD

The Board of Directors (the "Board") of NatSteel Ltd ("NatSteel" or the "Company") refer to its announcement made on 3 June 2002 pertaining to the offer (the "Offer") from Crown Central Assets Limited ("CCL") to acquire all the business, undertakings and assets of the Company, together with its investments in all the subsidiaries, associated companies of NatSteel other than the investments of NatSteel in NatSteel Broadway Ltd and NatSteel Brasil Ltda (the "Businesses").

Establishment of the Committee

A special committee of the Board ("Special Committee"), comprising independent directors, Dr Cham Tao Soon, Mr. Lim Chee Onn, Mr. Oliver Tan Kok Kheng and Mr. Thai Chee Ken, has been constituted to, inter alia, review the Offer and any other offer that may be received and to decide on such Offer or any other offer and if applicable to finalise all relevant actions, arrangements, agreements and documents to be undertaken or issued by the Company.

Representation from Mr. Ang Kong Hua

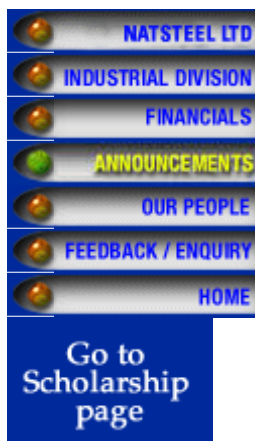
Pursuant to a letter dated 5 June 2002 to the Board, Mr. Ang Kong Hua, the President of the Company, has confirmed that in view of the potential conflict of interests arising from his position as director and shareholder of CCL and as executive director of the Company, he shall (i) not participate in any discussions or decisions by the Board having any connection whatsoever with the Offer, (ii) not have any right to information relating to or arising out of any advice rendered to the Board in connection with the Offer, or discussions or decisions relating to the Offer, (iii) not attend any Board meetings at which any matter relating to the Offer may be discussed or decided upon and (iv) abstain from voting on any resolution of the Board relating to any matter in connection with the Offer.

In addition, he has confirmed in his letter that he is fully aware of his fiduciary duties to the Company and that he intends to fulfill all his fiduciary duties as long as he is a director of the Company.

A copy of [Mr. Ang's letter](#) is attached.

Extension of the Offer Period

The Special Committee and CCL are in discussions to extend the period of the Offer to enable, among other things, the Financial Adviser



(as defined below) to, inter alia, consider the Offer and solicit and consider alternative options for the Company, including the sale of the Businesses to any other party, with the objective of maximising shareholder value.

In the interim period, the Company will evaluate any other offer that may be received for the Businesses.

Appointment of Advisers

Salomon Smith Barney Singapore Pte Ltd ("Financial Adviser") has been appointed as the financial adviser to the Company.

The Board intends to implement procedures to facilitate the timely and efficient flow of relevant information from the Company to interested third parties and the Board has appointed PricewaterhouseCoopers for this purpose.

ANZ Singapore Limited has been appointed as independent financial adviser to advise the independent directors of the Company and to opine on the terms of the Offer or any other offer that may be received.

Stamford LLC has been appointed as the legal adviser to advise the Board of Directors of NatSteel in connection with the Offer and any other offer that may be received.

Approval of Shareholders

Any acceptance of the Offer, if applicable, by the Company will constitute a major transaction by the Company as well as an interested person transaction with Mr Ang Kong Hua under the Listing Manual of the Singapore Exchange, and accordingly, is subject to the approval of the shareholders of the Company (the "Shareholders").

The Board wishes to assure the Shareholders that it intends to take into account, among other things, maximising shareholders' value when evaluating available options and to act in the interest of the Company.

Further details will be announced to the Shareholders, as the Board considers appropriate, in due course.

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.

BY ORDER OF THE BOARD

LIM SU-LING
COMPANY SECRETARY

10 June 2002

For further information, please contact:
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