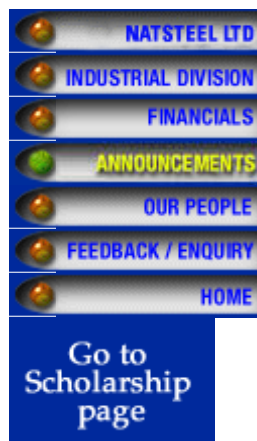




# ANNOUNCEMENTS

08 January 2003

[Response to Mr David Gerald's Letter of 7 January 2003](#)



## Response to Mr David Gerald's Letter of 7 January 2003

To: Securities Investors Association of Singapore  
Attention: Mr David Gerald

cc: The Editor  
The Straits Times / The Business Times/Lianhe Zaobao

Dear Sirs

We refer to Mr David Gerald's letter of 7 January 2003 and set out below our response to the issues he had raised.

### ANTI-DUMPING DUTIES

The Notice of Termination was published in the Gazette on 19 July 2002. NatSteel Ltd ("NatSteel" or the "Company"), as an interested party, was not directly informed of the notice by the relevant authority. This is unlike its past practice where the authority would normally convey all major decisions pertaining to Anti-Dumping Orders directly to all interested parties including NatSteel, in addition to publishing such decisions in the Gazette.

For example:

(a) in the final determination in 1995, the Trade Development Board ("TDB") informed all parties directly by fax on 28 July 1995 that anti-dumping duties would be imposed on all imports of rebars originating in Malaysia with effect from 29 July 1995.

(b) in a subsequent review undertaken by the TDB in 1997, a notice was faxed and couriered to NatSteel on 23 January 1998 informing the Company of the Gazette published on the same day with regard to the final determination of the review.

Although the relevant trade authority (now known as International Enterprises Singapore) is technically not required to inform interested parties directly, the Company had been extended the privilege of receiving prior notifications in the past. In the meantime, the Company was in regular communication with the trade authority on trade-related matters and matters relating to Anti-Dumping Orders throughout the period between January and October 2002. However, the trade authority did not convey the decision to the Company in this instance. Immediately on becoming aware of the notice, the Company lodged a request on 1 November 2002 for an extension of the deadline.

#### **4 DECEMBER 2002 EGM**

We have always adopted a consistent practice of recording minutes of proceedings at the general meetings of the Company, which is to minute all resolutions passed or defeated, and all amendments proposed to such resolutions (whether or not approved). We are legally advised that our practice is in line with the practice of many Singapore-listed companies, which is not to minute proceedings at general meetings to the specific detail of questions and answers with shareholders. Accordingly, we will continue to follow this practice.

#### **THIRD QUARTER RESULTS**

NatSteel has made annual and semi-annual results announcements and the Company has also released material information where appropriate and necessary in accordance with the relevant regulations.

The Company believes it is neither feasible nor appropriate to release the Q3 results for a number of reasons:

First, the Company had updated the prospects for the NatSteel group in a qualitative manner for the second half of 2002 in the 6 November 2002 Circular. The Board is not aware of any material developments which would have necessitated further revisions to the statement of prospects.

Secondly, quarterly results are affected by seasonal factors and the steel industry is volatile. We note that ANZ Singapore Limited ("ANZ"), the independent financial adviser to the independent Directors of NatSteel, have made their recommendation to the independent Directors of NatSteel, having taken into account prevailing market, economic, industry, monetary and other conditions, and the independent Directors have made their recommendation to NatSteel shareholders in the supplemental circular dated 26 December 2002 in respect of the 98 Holdings mandatory offer.

Thirdly, as required under Rule 25.6 of the Singapore Code on Takeovers and Mergers (the "Code") the release of the Q3 results for 2002 by the Company under the present circumstances may require the Company's results to be reviewed by PricewaterhouseCoopers, as the reporting accountant. This announcement would necessitate an accompanying opinion from ANZ, as the independent financial adviser to the independent Directors. It is expected that this process would take a considerable amount of time and require the despatch of a further circular to NatSteel shareholders. Further and in addition, under Rule 22.8 of the Code, except with the consent of the Securities Industry Council ("SIC"), the board of the offeree company should not announce trading results, profit or dividend forecasts, asset valuations or major transactions after the 39th day following the posting of initial offer document. The initial 98 Holdings offer document was posted on 21 October 2002 and hence no trading results could be released after 29 November 2002 without the opinion from the advisers as stated above and the approval of the SIC.

Finally, sufficient information has been given to the NatSteel shareholders to enable them to make an informed decision on the 98

Holdings offer and no material information has been withheld from them.

Yours faithfully  
For and on behalf of  
**NatSteel Ltd**

Ang Kong Hua  
President

Responsibility Statement

*The Directors of the Company (including those who have delegated detailed supervision of this letter) have taken all reasonable care to ensure that the facts stated in this letter 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 letter.*

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