

**SECURITIES INDUSTRY COUNCIL ("SIC")**  
**PUBLIC STATEMENT ON**  
**SANION ENTERPRISES LIMITED ("SANION")**

On 3 Oct 2002, Standard Chartered Bank announced, for and on behalf of 98 Holdings Pte Ltd ("98 Holdings"), a voluntary conditional cash offer (the "98 Offer") for all the issued and paid-up ordinary shares in the capital of Natsteel Ltd ("Natsteel" or the "Company"). 98 Holdings despatched its offer document for Natsteel on 24 Oct 2002.

2 Following the announcement of the 98 Offer, Mr Oei Hong Leong bought substantial numbers of Natsteel shares in the market via his investment vehicle, Sanion. In addition, on 1 Nov 2002, Mr Oei made an offer to The Development Bank of Singapore Limited ("DBS Bank") to acquire DBS Bank's 14.67% stake in Natsteel. As Sanion's significant purchases of Natsteel shares and its offer to DBS Bank had caused significant increases in the trading volume of Natsteel shares and triggered media speculation that Mr Oei was a potential competing offeror for Natsteel, the SIC required Sanion to make an announcement on its intent regarding a general offer for Natsteel under Rule 3.1 of the Singapore Code on Take-overs and Mergers ("Take-over Code"). Sanion made a holding announcement on 4 Nov 2002, and another one on 14 Nov 2002, both stating, among other things, that it was keeping its position under review. The 14 Nov 2002 announcement also disclosed Sanion's exploratory discussions with DBS Bank concerning financing of a possible offer for Natsteel and the possible appointment of G.K. Goh Stockbrokers Pte Ltd as Sanion's financial adviser.

3 The SIC considers that Sanion's holding announcements cannot remain unclarified, and that Natsteel shareholders should be given sufficient information, advice and time to enable them to reach an informed decision on the 98 Offer. Therefore, having regard to the need for timely and sufficient information by Natsteel shareholders under General Principle 10 of the Take-over Code on the one hand and the need not to disturb the existing tactical balance between 98 Holdings and Sanion on the other, the SIC on 19 November 2002 required Sanion and/or Mr Oei to announce by 13 Dec 2002 whether or not it/he will be making a general offer for Natsteel, unless circumstances arise as to make an earlier or later date for such announcement more appropriate. (13 December is the 50<sup>th</sup> day<sup>1</sup> from the date 98 Holdings despatched its offer document.)

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<sup>1</sup> Day 50 is 4 days after Day 46, the final day for any revised offer by 98 Holdings. This will give Sanion sufficient time to decide whether or not to make a bid for Natsteel after a critical date affecting the 98 Offer. It will also give Natsteel shareholders sufficient time to consider the 98 Offer in the light of Sanion's announcement by Day 50, which is 10 days before the 60<sup>th</sup> day on which the 98 Offer must close unless the SIC allows it to be kept open, e.g. when a competing offer has been announced.

**Notes to Editor:****General Principle 10 - Sufficient information and time to shareholders**

Shareholders should be given sufficient information, advice and time to enable them to reach an informed decision on an offer. No relevant information should be withheld from them.

**Rule 3.1 - Announcements to be made by offeror or potential offeror**

Before the board of the offeree company is approached, the responsibility for making an announcement will normally rest with the offeror or potential offeror. The offeror or potential offeror should keep a close watch on the offeree company's share price and volume for signs of undue movement. The offeror or potential offeror must make an announcement:-

- (a) when, before an approach has been made to the offeree company, the offeree company is the subject of rumour or speculation about a possible offer, or there is undue movement in its share price or a significant increase in the volume of share turnover, and there are reasonable grounds for concluding that it is the potential offeror's actions (whether through inadequate security, purchase of the offeree company's shares or otherwise) which have directly contributed to the situation; or
- (b) immediately upon an acquisition of shares which gives rise to an obligation to make an offer under Rule 14.