



6 November 2002

SHAREHOLDERS' CHOICE

All capitalised terms used herein shall, unless otherwise defined herein, bear the same meaning as those defined in the circular (the "EGM Circular") dated 6 November 2002 and issued by NatSteel Ltd to its shareholders relating to the extrarodinary general meeting ("EGM") to be convened on 4 December 2002.

To: The Shareholders of the Company

Dear Sir/Madam,

COMPETING OFFERS

Shareholders are reminded that there are currently only two competing offers from which they can choose:-

- 1. 98 Holdings Offer of S\$2.00 per Share** — The voluntary conditional cash offer by 98 Holdings to acquire all the issued Shares of the Company (as further described in the 98 Holdings Offer Document); or
- 2. Proposed Sale** — The proposed sale by the Company of the Target Assets and the Liabilities to CCL (the "Proposed Sale") which could result in Distributions to Shareholders of approximately S\$1.91 per Share (as further described in the EGM Circular).

In addition, Shareholders also have a **choice to reject both the 98 Holdings Offer and the Proposed Sale.**

CURRENT TIMETABLE

Date	Key Event
21 November 2002 (Thursday)	Closing date of 98 Holdings Offer (unless extended by 98 Holdings)
4 December 2002 (Wednesday) 10 am	EGM on Proposed Sale Venue: Mandarin Court Mandarin Singapore 4 th Floor, Main Tower 333 Orchard Road Singapore 238867

SHAREHOLDERS' ACTION

Shareholders can take one of the following actions:–

1. Shareholders who wish to accept the 98 Holdings Offer should:–

- tender their acceptances of the 98 Holdings Offer by 21 November 2002 or such later date as may be extended by 98 Holdings, in accordance with the procedures set out in the 98 Holdings Offer Document; AND
- vote against all the resolutions at the EGM.

OR

2. Shareholders who wish to approve the Proposed Sale should:–

- not tender their acceptances of the 98 Holdings Offer; AND
- vote in favour of all the resolutions at the EGM.

OR

3. Shareholders who wish to reject both the 98 Holdings Offer and the Proposed Sale should:–

- not tender their acceptances of the 98 Holdings Offer; AND
- vote against all the resolutions at the EGM.

Whether you tender your acceptance of the 98 Holdings Offer, and how you vote at the EGM may decide which one of the following happens:–

- The 98 Holdings Offer becomes successful

OR

- The Proposed Sale is approved

OR

- Neither the 98 Holdings Offer nor the Proposed Sale is successful

THEREFORE YOUR ACTION IS IMPORTANT. IN PARTICULAR, WE ENCOURAGE YOU TO TURN UP AND VOTE AT THE EGM.

CERTAIN RISKS FOR SHAREHOLDERS RELATING TO COMPLETION

Shareholders should bear in mind the following:–

- If the Proposed Sale is voted down at the EGM and Shareholders accept the 98 Holdings Offer, the 98 Holdings Offer is still subject to conditions which, if not satisfied nor waived, could lead to the 98 Holdings Offer being withdrawn
- If the Proposed Sale is approved at the EGM, completion is subject to CCL being able to draw down its funding to pay the Purchase Consideration to NatSteel
- If the Proposed Sale is voted down and the 98 Holdings Offer fails, Shareholders do not currently have any other offer for consideration

Yours faithfully,
for and on behalf of
the Board of Directors of
NatSteel Ltd

Dr Cham Tao Soon
Chairman

This letter should be read in conjunction with the EGM Circular and the Offeree Board Circular. If you do not receive the EGM Circular or the Offeree Board Circular, please contact NatSteel's Corporate Communications Unit at (65) 6262 0731 or please check www.sgx.com for the respective circulars.

