



**NATSTEEL LTD**  
(Incorporated in the Republic of Singapore)

11 November 2002

The Editor  
Streets

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

**"Accept 98 Holdings Offer: Adviser"**

We refer to the above article which appeared in Streets on 8 November 2002. The Streets article said (in paragraph 2) that "... this (EGM) meeting could be viewed as pointless since the key men behind the (management) buyout – ... Ang Kong Hua and two of his lieutenants – have already thrown their weight behind a rival offer of S\$2 per share by hotelier Ong Beng Seng's 98 Holdings".

We wish to clarify that it is important that Shareholders attend and vote at the EGM.

Shareholders are reminded that they currently still have the choice between two competing offers:

- the proposed sale of Target Assets to CCL; and
- the 98 Holdings Offer.

Whether Shareholders support the Proposed Sale, support the 98 Holdings Offer or wish to reject both offers, their vote on the resolutions tabled at EGM may, in part, determine the outcome of both offers.

- If Shareholders wish to approve the Proposed Sale, they should vote for all the resolutions tabled at the EGM.
- If Shareholders wish to accept the 98 Holdings Offer, they should send in their acceptances of the 98 Holdings Offer AND vote against all the resolutions tabled at the EGM.

This is because if all the resolutions tabled at the EGM are approved, the 98 Holdings Offer may lapse - 98 Holdings has made it a condition (amongst others) to their offer that the Proposed Sale is voted down at the EGM (unless such condition is waived by 98 Holdings).

- If Shareholders wish to reject both the Proposed Sale and the 98 Holdings Offer, they should, amongst other things, vote against all the resolutions tabled at the EGM.

**Shareholders who do not vote at the EGM may therefore be leaving the determination of the outcome of the two offers to the Shareholders who attend and vote at the EGM.**

Shareholders are therefore urged to attend and vote at the EGM.

Further details of the actions that should be taken by Shareholders in determining the outcome of the two offers are contained in the EGM Circular, the NatSteel Offeree Board Circular and the cover letter dated 6 November 2002 to Shareholders accompanying the EGM Circular and the NatSteel Offeree Board Circular (the "NatSteel Cover Letter").

We would be grateful if you correct these errors.

LIM SU-LING  
COMPANY SECRETARY  
11 NOVEMBER 2002

Encl: NatSteel Cover Letter



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 <sup>th</sup> 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](http://www.sgx.com) for the respective circulars.

