



5 December 2002

PRIVATE AND CONFIDENTIAL

Board of Directors
NatSteel Ltd
22 Tanjong Kling Road
Singapore 628048
(Fax: 6286 4338)

Dear Sirs

NATSTEEL LTD

We refer to our letters dated 4 and 5 December 2002.

We wish to inform you that Sanion Enterprises Limited does not, at this stage, intend to pursue the proposed appointment of the 3 specified individuals as Directors of NatSteel Limited (the "Company"). We would, however, ask the Board of Directors to give its urgent attention to the proposal to convene an Extraordinary General Meeting of the Company in relation to the declaration and payment of a dividend.

Yours faithfully,
for and on behalf of
G.K. Goh Stockbrokers Pte Ltd

MAH KAH LOON
SENIOR VICE PRESIDENT
CORPORATE FINANCE

cc. The Securities Industry Council
Attention: Mr Wong Nai Seng
(Fax : 6225 1350)

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Singapore Land Tower
Singapore 048623
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TOTAL P.01