

The Depository Trust Company

IMPORTANT

B#: 2188

DATE: June 29, 2001

TO: All participants

CATEGORY: Dividends

FROM: Mario Zaccardi, Supervisor, Dividend Department

ATTENTION: Dividend, Reorg & Operations Managers, Partners, Officers

SUBJECT: TaxRelief - Country: Korea
Pohang Iron & Steel Co., Ltd. CUSIP: 730450103
Record Date: 06/29/01 Payable Date: T/B/A
EDS Cut-off: 07/27/01

DTC has been notified by **The Bank of New York (BoNY)**, the depository bank for the above issue, that Pohang Iron & Steel Co., Ltd has declared a taxable cash dividend subject to multiple tax rates depending on Country of residence of the beneficial owners of the Global Depository Shares (GDS). In order for holders to qualify for a reduced rate of withholding tax pursuant to an applicable tax treaty, the non-resident holder must provide to **BoNY**, evidence of tax residence of the beneficial owner of the GDSs as the Korean tax authorities require such information in order to establish entitlement to the benefits of the applicable tax treaty. In the absence of sufficient proof that the non-resident holder qualifies for the benefits of a tax treaty, withholding tax will be at a rate of **27.5%**.

Please note that Korean law does not permit a non-resident holder to recover withheld tax directly from the Korean Government even if the non-resident holder subsequently produces evidence that it was entitled to have tax withheld at a lower rate.

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Participants can use the attached tax chart to determine their (clients) applicable withholding tax rate(s). **Participants are advised that the tax rates are not final and subject to change.**

Participants should use DTC's Elective Dividend System (**EDS**) under the **Foreign Securities** selection on the main menu, over the Participant Terminal System (**PTS**) to certify all or a portion of their position entitled to the applicable reduced withholding tax rate (s).

Note: **The Deadline for Certifying Over EDS is July 27, 2001.**

In addition, please complete and return the attached certification to **BoNY** following the directions listed below. A failure to certify through **EDS** and to return the attached certification (**with an original signature**) on a timely basis will cause the dividend to be paid less the maximum withholding rate.

If completed certifications are not provided to The Bank of New York on or prior to July 27, 2001 to support an "EDS" election, the dividend on your holdings will be paid less the maximum withholding rate.

The certification form should be faxed to **The Bank of New York at 212-571-3050**, and the original delivered no later than **July 27, 2001** to the following address:

**The Bank of New York
101 Barclay Street
ADR Division – 15E
New York, N.Y. 10286
Attn: Nancy Chung**

THE DIVIDEND POSITION AND ALLOCATION HISTORY (DPAL) OPTION, ACCESSED VIA THE PTS DIVIDEND ANNOUNCEMENTS INQUIRY (DIVA) FUNCTION, SHOULD BE USED TO CONFIRM YOUR RECORD DATE POSITION HISTORY AND PAYMENT INFORMATION.

Questions about eligibility or documentation requirements should be directed to Ms. Nancy Chung at BoNY at (212) 815-8243.

Questions about the EDS procedure should be directed to Mr. Joseph Amoroso or Mr. Mario Zaccardi of DTC's Dividend Department at (212) 855- 4526 / 4540 respectively.

As a reminder please note that Korean law does not entitle a non-resident holder to recover withheld tax directly from the Korean Government even if the non-resident holder subsequently produces evidence that it was entitled to have tax withheld at a lower rate.

KOREAN TAX CHART

Re: Tax Rate Chart

Please be advised that following is the tax rate applicable to Dividends for Non-Residents in Korea:

| State | Total Tax Rate(%) | Income Tax Rate(%) | Surtax Rate(%) |
|---|-------------------|--------------------|----------------|
| The United Kingdom, Germany, France, Spain, Switzerland, Austria, The Netherlands, Denmark, New Zealand, Australia, Malaysia, Finland, Sweden, Singapore, Luxembourg, Sri Lanka, Bangladesh, Indonesia, Tunisia, Belgium, Norway, Brazil, Ireland, Italy, Egypt, Fiji, Mexico, South Africa, Israel, Portugal, Malta, Papua New Guinea, Greece, Uzbekistan, Kazakhstan, Japan | 15 | 13.64 | 1.36 |
| USA, Canada, The Philippines | 16.5 | 15 | 1.5 |
| China, Vietnam, Rumania, Hungary, Poland, Czech, Bulgaria, Russia, Kuwait*, Morocco* | 10 | 9.09 | 0.91 |
| Pakistan | 12.5 | 11.36 | 1.14 |
| Mongolia | 5 | 4.55 | 0.45 |
| India, Turkey | 20 | 18.18 | 1.82 |
| Thailand | 27.5 | 25 | 2.5 |
| All Other Countries or Uncertified holders | 27.5 | 25 | 2.5 |

Total tax rate = Income tax rate + Surtax rate

If the beneficial owner of DRs is a Korean resident, the tax rate shall be as follows:

| | Total Tax Rate | Income Tax Rate | Surtax Rate |
|------------------------|----------------|-----------------|-------------|
| Institutional Investor | 0 | 0 | 0 |
| Individual Investor* | 16.5% | 15% | 1.5% |

TO: The Bank of New York
 ADR Division
 101 Barclay Street
 22nd Floor - West
 New York, NY 10286

Attn: Nancy Chung
 Tel#: (212) 815-8243
 Fax#: (212) 571-3050

CERTIFICATION

*Certification of country of residence to be completed by on or behalf of the beneficial owners
 of Pohang Iron & Steel Company Limited (POSCO)
 CUSIP #: 730 450 103*

I/We, the undersigned (name of individual)
 authorized representative of (name of firm and
 address), custodian/owner of ADRs of POSCO request that the
 upcoming cash dividend payable to holders of record June 29, 2001, be paid at the
 preferential rate(s) as indicated below or as provided on the attached shareholder listing.

| Name of Owner | Address | ADRs Held | Tax Rate |
|---------------|---------|-----------|----------|
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I/We certify that to the best of my knowledge the individual holders are eligible for the preferential rate(s) as stated herein and I declare that I have performed all the necessary due diligence to satisfy myself as to the accuracy of the information submitted to me by these holders.

.....
 (Signature)
 Signed at....., (date).....
 Tel #:
 Fax #: