

PRESS RELEASE

Singapore, 31 October 2002

**NATSTEEL MANAGEMENT TEAM SUPPORTS AND JOINS 98 HOLDINGS' OFFER FOR
NATSTEEL**

The following press release should be read in conjunction with the full announcement released via MASNET today.

Highlights

NatSteel Management Team to Participate in 98 Holdings' Offer

On 31 October 2002, 98 Holdings entered into a binding agreement with Messrs Ang Kong Hua, Gan Kim Yong and Lim Say Yan ("Target Management") by which those individuals will support 98 Holdings' Offer for NatSteel by participation in 98 Holdings' equity and funding structure. The agreement is known as the Participation Agreement.

The Participation Agreement provides that the Target Management may not participate in any other offer for the shares or assets and undertakings of NatSteel.

Target Management have undertaken to persuade other managers to participate in 98 Holdings' Offer and under the terms of the Participation Agreement will acquire a stake of up to 5% in 98 Holdings upon the 98 Holdings Offer becoming unconditional. In addition, subject to all regulatory approvals, management will also be able to participate in an earn-out share scheme under which their respective shareholdings may double over a five year period.

Under the Participation Agreement Mr Ang Kong Hua will continue as a director and President of NatSteel and has been invited to become a director of 98 Holdings. The management will also nominate one further director to the Board of Natsteel.

Target Management have given irrevocable undertakings to accept 98 Holdings' Offer in respect of their aggregate shareholdings in NatSteel which total 2.52% of the Company on a fully diluted basis. The undertakings will lapse if (a) 98 Holdings' Offer is withdrawn or lapses, or fails to become or be declared unconditional, or (b) if there is a competing offer at a price higher than 98 Holdings' Offer Price and 98 Holdings does not confirm to Target Management that it will increase its Offer Price to a price higher than that of the competing offer within 24 hours.

98 Holdings will adopt CCL's commitment that no retrenchments will be made for a period of 12 months. As a consequence, following successful completion of 98 Holdings' Offer, CCL will waive the balance of the termination fee payable under its current S&P Agreement with NatSteel after applying the termination fee to the payment of all costs and expenses incurred by it arising in connection with CCL's Offer and/or the 98 Holdings Offer.

No intention to revise the Revised Offer Price

98 Holdings has **no** further intention to revise its current Offer Price of S\$2.00 but reserves its right to revise the terms of its Offer if a competing offer (other than CCL's Offer) arises.

The Offer Price of S\$2.00 represents a premium of approximately 25% over the average of the last transacted prices of NatSteel shares of S\$1.60 over the last six months prior to the 98 Holdings' Offer announcement.



Waiver of the Conditions of the Offer

In the event that the EGM to vote on CCL's Offer is deferred to a date not earlier than 24 December 2002, only the minimum acceptance condition will be required to be fulfilled for the Offer to become unconditional.

Mr Ang Kong Hua, President of NatSteel Ltd and Director of Crown Central Assets, said:

"It has been clear in our discussions with 98 Holdings in recent days that both parties share a common view for the future of NatSteel, its employees and shareholders. We believe that the best way for us to achieve our objectives is to work with 98 Holdings to strengthen NatSteel's core steel and industrial businesses, and establish a framework to ensure management continuity and future succession. These common goals have been the principal motivation behind our support for 98 Holdings' Offer. With the management team supporting 98 Holdings in its Offer, we are hopeful that shareholders will see the merits of 98 Holdings' Offer and that there will be a successful completion of 98 Holdings' Offer."

Mr David Ban, Director of 98 Holdings, commented:

"98 Holdings' Offer represents the highest offer made for shares of NatSteel. We believe that our Offer Price fairly reflects the value of NatSteel and represents an opportunity for shareholders to realise the value of their shares in NatSteel. The participation of management and the continuing leadership of Ang Kong Hua are important steps for 98 Holdings in its objectives for NatSteel. We look forward to a successful relationship with the management team."

98 Holdings' Offer closes at 3.30 p.m. on 21 November 2002 or such other date announced by or on behalf of 98 Holdings from time to time.

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