

05 Jan 2007

NEW SUBSIDIARY – EASTERN GOTECH (GUANGZHOU) LIMITED

NATSTEEL Ltd ("NATSTEEL" or "Company") wishes to announce that its 80% owned subsidiary in Hong Kong, Eastern Gotech (China) Ltd, has incorporated a wholly owned subsidiary, Eastern Gotech (Guangzhou) Limited in Guangzhou, the People's Republic of China with an initial registered capital of HK\$1.56million.

The principal activity of this subsidiary is to sell and market plastering materials.

The above transaction is funded by internal sources and is not expected to have any material impact on the net tangible assets or earnings per share of NATSTEEL Ltd and its group of companies for the financial year ending 31 December 2007.

None of the directors or substantial shareholders or controlling shareholders of the Company has any interest, direct or indirect, in this transaction.

By Order of the Board

Lim Su-Ling
Company Secretary
05 January 2007