

22 May 2007

### **INCREASE IN EQUITY STAKE IN SUBSIDIARY**

NATSTEEL Ltd (the "Company") wishes to announce that its wholly owned subsidiary, NSL Chemicals Ltd has acquired a further 1.84% equity stake in Zhenjiang Zhongda Calcific Products Co., Ltd for US\$91,839.00.

As a result of this investment, Zhenjiang Zhongda Calcific Products Co., Ltd is now a 96.84% owned subsidiary of NATSTEEL Ltd.

The above transaction was funded by internal resources and is not expected to have any material impact on the earning per share or tangible assets 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  
22 May 2007