

NATSTEEL LTD

Company registration No. : 196100107C

First Quarter Financial Statements Announcement

The figures have not been audited

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

		THE GROUP		
	Notes	1Q 2006 S\$'000	1Q 2005 S\$'000	Change %
<u>CONTINUING OPERATIONS</u>				
Sales		67,263	66,758	1
Cost of sales		(56,474)	(53,450)	
Gross profit		10,789	13,308	(19)
Other income		1,619	1,933	
Distribution costs		(3,121)	(3,034)	
Administrative expenses		(7,923)	(9,274)	
Other expenses		(3,140)	(2,340)	
(Loss) / profit before investment income, interest income and finance costs	1	(1,776)	593	n/m
Interest income		995	2,794	
Finance costs		(1,115)	(703)	
Share of results of associated companies after taxation		7,851	9,972	
Profit before taxation and exceptional items		5,955	12,656	(53)
Exceptional items	2	1,726	34,111	
Profit before taxation		7,681	46,767	(84)
Taxation		1,672	(2,208)	
Profit after taxation from continuing operations		9,353	44,559	(79)
<u>DISCONTINUED OPERATIONS</u>				
(Loss) / profit from discontinued operations	3	(1,535)	105	
Loss on disposal of discontinued operations				
- Exceptional items		-	(5,034)	
		(1,535)	(4,929)	
Total profit for the period		7,818	39,630	(80)
Attributable to :				
Equity holders of the Company		8,115	37,537	(78)
Minority interests		(297)	2,093	
		7,818	39,630	
Earnings per share attributable to the equity holders of the Company				
- from Continuing operations - Basic and fully diluted		2.58 cents	11.94 cents	
- from Discontinued operations - Basic and fully diluted		(0.41) cents	(1.89) cents	

n/m: not meaningful

Comments on Income Statement

Continuing Operations

- a) Share of results of associated companies
The lower contributions from associated companies for 1Q 2006 as compared to the corresponding period last year was due mainly to lower profit from the Group's Thai petrochemicals associate.
- b) Interest income
Interest income was lower in 1Q 2006 as compared to the corresponding period last year due mainly to lower cash balance following the payment of special dividends amounting to S\$623.8 mil in the second half of 2005.
- c) Other expenses
The higher other expenses for 1Q 2006 was mainly attributable to higher foreign exchange loss recorded in 1Q 2006 as compared to the same period last year, as a result of the weakening of the US dollar.
- d) Taxation
The taxation charge on profit for 1Q 2006 was lower than the amount that would arise by applying the Singapore statutory tax rate due mainly to:
- A reversal of \$3.1 mil in prior years' deferred tax provision on unremitted income of a foreign associate following the payment of dividend by the associate in 1Q 2006.
 - Certain income not being subject to tax or are subject to concessionary tax rate under tax incentives.

Note 1 – Profit before investment income, interest income and finance costs from continuing operations is arrived at after (charging) / crediting the following items:

	THE GROUP	
	1Q 2006	1Q 2005
	S\$'000	S\$'000
Amortisation of intangible assets	(114)	(135)
Depreciation of property, plant and equipment	(4,717)	(4,470)
Property, plant and equipment written off	-	(3)
Net foreign exchange loss	(1,483)	(186)
Net reversal of write down of inventories to net realisable value	48	-
Net write back for impairment of trade receivables	326	255
Net gain on sale of property, plant and equipment	560	430
Amortisation of deferred income	433	192

Note 2 – Exceptional items comprise the following:

	THE GROUP	
	1Q 2006	1Q 2005
	S\$'000	S\$'000
Recovery of investment in promissory note previously written off	-	33,331
Share of associated company's gain on debt restructuring	-	1,084
Loss on dilution of interest in a subsidiary	-	(505)
Write back of provision for losses no longer required	597	-
Gain on disposal of associated company	417	-
Net write back for impairment of receivables from associated companies	406	249
Net gain on disposal of available-for-sale financial assets	302	196
Impairment of available-for-sale financial assets	(5)	(435)
Others	9	191
Net gain	1,726	34,111

Note 3 – Discontinued Operations

The Group's investment in Changzhou Wujin NSL Company Limited ("Wujin") has been classified as disposal group held for sale since 1Q 2005 following the completion of the disposal of the Group's steel businesses. Accordingly, the assets and liabilities related to Wujin are presented separately on the balance sheet as disposal group held for sale and its results are presented separately on the income statement as "discontinued operations".

An analysis of the results of discontinued operations (disposal group held for sale and steel businesses disposed in February 2005) is as follows:

	1Q 2006	1Q 2005
	S\$'000	S\$'000
Revenue	5,064	203,808
Net expenses	(6,641)	(204,277)
Loss before taxation of discontinued operations	(1,577)	(469)
Taxation	42	574
(Loss) / profit after taxation from discontinued operations	(1,535)	105
Loss on disposal of discontinued operations	-	(5,034)

The impact of the discontinued operations on the cash flows of the Group is as follows:

	1Q 2006	1Q 2005
	S\$'000	S\$'000
Net cash (used in) / generated from:		
Operating activities	(4,656)	(40,866)
Investing activities	(126)	(432)
Financing activities	(6)	36,064
Total cash flows	(4,788)	(5,234)

The details of assets and liabilities of the disposal group classified as held for sale are as follows:

	31.03.06	31.12.05
	S\$'000	S\$'000
Assets		
Property, plant and equipment	19,504	20,655
Deferred tax assets	716	687
Current assets	43,262	45,435
Total assets	63,482	66,777
Liabilities		
Trade and other payables	(2,520)	(2,991)
	60,962	63,786

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	THE GROUP		THE COMPANY	
	31.03.06	31.12.05	31.03.06	31.12.05
	S\$'000	S\$'000	S\$'000	S\$'000
Share Capital	193,839	186,779	193,839	186,779
Share Premium	-	6,881	-	6,881
Reserves	242,283	231,232	109,338	112,164
Shareholders' Equity	436,122	424,892	303,177	305,824
Minority Interests	26,108	26,477	-	-
Total Equity	462,230	451,369	303,177	305,824
Current Assets				
Inventories	51,512	49,236	-	-
Receivables and prepayments	67,578	76,773	103,691	111,931
Tax recoverable	8,661	8,505	6,725	6,725
Available-for-sale financial assets	3,000	9,586	3,000	3,000
Cash and bank balances	179,897	158,939	86,213	90,024
Derivative financial instruments	990	277	562	119
	311,638	303,316	200,191	211,799
Assets directly associated with the disposal group classified as held for sale	63,482	66,777	-	-
	375,120	370,093	200,191	211,799
Non Current Assets				
Property, plant and equipment	145,867	148,285	746	806
Investment properties	9,941	10,264	-	-
Subsidiaries	-	-	45,456	45,456
Associated companies	98,842	115,651	-	-
Available-for-sale financial assets	52,726	50,911	13,556	15,207
Long term receivables	8,638	8,797	79,998	86,370
Intangible assets	9,856	9,610	-	-
Deferred tax assets	2,390	2,505	-	-
Other non current assets	593	597	-	-
	328,853	346,620	139,756	147,839
Total Assets	703,973	716,713	339,947	359,638
Current Liabilities				
Amounts due to bankers	(55,666)	(71,737)	(19,400)	(37,000)
Trade and other payables	(71,162)	(76,221)	(8,864)	(8,321)
Provision for other liabilities and charges	(12,744)	(12,436)	-	-
Taxation	(8,235)	(8,103)	(1,479)	(1,479)
	(147,807)	(168,497)	(29,743)	(46,800)
Liabilities directly associated with the disposal group classified as held for sale	(2,520)	(2,991)	-	-
	(150,327)	(171,488)	(29,743)	(46,800)
Non Current Liabilities				
Provision for retirement benefits	(605)	(597)	(201)	(188)
Deferred tax liabilities	(22,681)	(25,614)	(6,826)	(6,826)
Unsecured notes	(12,386)	(12,206)	-	-
Long term loans	(29,058)	(28,300)	-	-
Deferred income	(21,971)	(22,303)	-	-
Other non current liabilities	(4,715)	(4,836)	-	-
	(91,416)	(93,856)	(7,027)	(7,014)
Total Liabilities	(241,743)	(265,344)	(36,770)	(53,814)
	462,230	451,369	303,177	305,824

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 March 2006		As at 31 December 2005	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
3,163	52,628	3,146	68,715

Amount repayable after one year

As at 31 March 2006		As at 31 December 2005	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
28,776	12,855	28,436	12,206

Details of any collateral

Included in the Group's property, plant and equipment are property, plant and equipment of subsidiaries of net book value of S\$45,457,000 (31 December 2005: S\$45,544,000) charged by way of debentures to banks for overdraft and term loan facilities granted.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	THE GROUP	
	1Q 2006	1Q 2005
	S\$'000	S\$'000
Cash flows from operating activities		
Profit after tax for the period	7,818	39,630
Non-cash and reclassified items	(6,838)	(31,232)
Working capital changes	(1,221)	(28,904)
Income taxes paid	(1,144)	(126)
Dividend received from associated company	33,396	-
Other operating cash flow	-	(58)
Net cash generated from / (used in) operating activities	32,011	(20,690)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	831	735
Proceeds from sale / recovery of available-for-sale financial assets and other non current assets	7,921	33,420
Proceeds from disposal of steel subsidiaries, net of cash disposed of	-	258,864
Proceeds from disposal of an associated company	465	-
Purchases of property, plant and equipment	(3,950)	(5,905)
Purchases of available-for-sale financial assets	(1,277)	(2,152)
Acquisition of additional interest in a subsidiary	-	(3,663)
Acquisition of additional interest in an associated company	(5,147)	-
Interest received	1,296	3,724
Amount due from associated companies	406	3,947
Net cash generated from investing activities	545	288,970
Cash flows from financing activities		
Amounts due to bankers	(13,690)	34,712
Interest paid	(1,122)	(1,247)
Dividends and other distributions paid to minority interests	-	(62)
Contribution from minority interests	-	938
Other financing cash flow	49	(244)
Net cash (used in) / generated from financing activities	(14,763)	34,097
Net increase in cash and cash equivalents	17,793	302,377
Cash and cash equivalents at beginning of period	174,243	339,711
Cash and cash equivalents at end of period*	192,036	642,088

* comprise cash and bank balances net of bank overdrafts

Disposal of steel businesses

The attributable net assets and proceeds from disposal of the steel businesses during the period were as follows:

	THE GROUP	
	1Q 2006	1Q 2005
	S\$'000	S\$'000
Property, plant and equipment	-	142,221
Associated companies	-	56,316
Long term receivables	-	673
Intangible assets	-	90
Deferred tax assets	-	2,388
Other non current assets	-	15
Inventories	-	182,720
Receivables and prepayments	-	252,779
Cash and bank balances	-	45,388
Amount due to bankers	-	(119,450)
Trade and other payables	-	(90,341)
Taxation	-	(4,110)
Provision for retirement benefits	-	(4,079)
Deferred tax liabilities	-	(1,462)
Other non-current liabilities	-	(313)
	-	462,835
Minority interests	-	(27,472)
Attributable net assets disposed	-	435,363
Goodwill released upon disposal of interest in subsidiaries	-	14,210
Translation reserve released upon disposal of subsidiaries	-	18,863
Loss on disposal of subsidiaries	-	(5,034)
Total consideration, net of transaction costs	-	463,402
Cash and bank balances of the subsidiaries disposed	-	(45,388)
Consideration receivable at end of period	-	(165,302)
Transaction costs paid in previous year	-	1,329
Transaction costs payable at end of period	-	4,823
Net cash inflow on disposal of subsidiaries	-	258,864

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Attributable to equity holders of the Company							Minority	Total	
	Share Capital S\$'000	Share Premium S\$'000	Revenue Reserve S\$'000	Translation Reserve S\$'000	Capital Reserve S\$'000	Revaluation Reserve S\$'000	Other Reserves S\$'000	Total S\$'000	Interests S\$'000	Equity S\$'000
THE GROUP										
Balance as at 1 January 2006	186,779	6,881	172,519	7,432	17,993	1,946	31,342	424,892	26,477	451,369
Exchange differences arising on consolidation	-	-	-	(124)	-	-	-	(124)	(72)	(196)
Available-for-sale financial assets										
- Fair value gains taken to equity	-	-	-	-	-	-	3,413	3,413	-	3,413
- Fair value reserve transferred to income statement on sale	-	-	-	-	-	-	(227)	(227)	-	(227)
- Fair value reserve transferred to income statement on impairment	-	-	-	-	-	-	5	5	-	5
Net (losses) / gains recognised directly in equity	-	-	-	(124)	-	-	3,191	3,067	(72)	2,995
Profit / (loss) for the period	-	-	8,115	-	-	-	-	8,115	(297)	7,818
Total recognised gains / (losses) for the period	-	-	8,115	(124)	-	-	3,191	11,182	(369)	10,813
Transfer of share premium and capital redemption reserve to share capital	7,060	(6,881)	-	-	-	-	(179)	-	-	-
Reserve released upon disposal of a associated company	-	-	-	48	-	-	-	48	-	48
Balance as at 31 March 2006	193,839	-	180,634	7,356	17,993	1,946	34,354	436,122	26,108	462,230

	Attributable to equity holders of the Company							Minority	Total	
	Share Capital S\$'000	Share Premium S\$'000	Revenue Reserve S\$'000	Translation Reserve S\$'000	Capital Reserve S\$'000	Revaluation Reserve S\$'000	Other Reserves S\$'000	Total S\$'000	Interests S\$'000	Equity S\$'000
THE GROUP										
Balance as at 1 January 2005										
- As previously reported	186,779	6,881	745,561	(12,580)	15,533	3,115	24,813	970,102	50,863	1,020,965
- Effect of adopting FRS 39	-	-	10,185	-	-	-	12,053	22,238	-	22,238
- As restated	186,779	6,881	755,746	(12,580)	15,533	3,115	36,866	992,340	50,863	1,043,203
Exchange differences arising on consolidation	-	-	-	868	-	-	-	868	354	1,222
Revaluation reserve released upon disposal of subsidiaries and associated companies	-	-	1,169	-	-	(1,169)	-	-	-	-
Available-for-sale financial assets										
- Fair value losses taken to equity	-	-	-	-	-	-	(893)	(893)	-	(893)
- Fair value reserve transferred to income statement on impairment	-	-	-	-	-	-	435	435	-	435
Net gains / (losses) recognised directly in equity	-	-	1,169	868	-	(1,169)	(458)	410	354	764
Profit for the period	-	-	37,537	-	-	-	-	37,537	2,093	39,630
Total recognised gains / (losses) for the period	-	-	38,706	868	-	(1,169)	(458)	37,947	2,447	40,394
Dividends paid to minority interests of a subsidiary	-	-	-	-	-	-	-	-	(62)	(62)
Reserves released upon disposal of subsidiaries and associated companies	-	-	2,137	18,863	2,460	-	(4,597)	18,863	-	18,863
Changes in group structure	-	-	-	-	-	-	-	-	(26,803)	(26,803)
Balance as at 31 March 2005	186,779	6,881	796,589	7,151	17,993	1,946	31,811	1,049,150	26,445	1,075,595

	Share Capital S\$'000	Share Premium S\$'000	Revenue Reserve S\$'000	Other Reserves S\$'000	Total S\$'000
THE COMPANY					
Balance as at 1 January 2006	186,779	6,881	92,749	19,415	305,824
Available-for-sale financial assets					
- Fair value loss taken to equity	-	-	-	(1,062)	(1,062)
- Fair value reserve transferred to income statement on impairment	-	-	-	5	5
Net losses recognised directly in equity	-	-	-	(1,057)	(1,057)
Loss for the period	-	-	(1,590)	-	(1,590)
Total recognised losses for the period	-	-	(1,590)	(1,057)	(2,647)
Transfer of share premium and capital redemption reserve to share capital	7,060	(6,881)	-	(179)	-
Balance as at 31 March 2006	193,839	-	91,159	18,179	303,177
Balance as at 1 January 2005					
- As previously reported	186,779	6,881	698,233	13,466	905,359
- Effect of adopting FRS 39	-	-	1,433	3,473	4,906
- As restated	186,779	6,881	699,666	16,939	910,265
Available-for-sale financial assets					
- Fair value gain taken to equity	-	-	-	300	300
Profit for the period	-	-	15,562	-	15,562
Total recognised gains for the period	-	-	15,562	300	15,862
Balance as at 31 March 2005	186,779	6,881	715,228	17,239	926,127

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Following the amendments to the Companies Act ("Companies (Amendment) Act 2005") on 30 January 2006, share premium and capital redemption reserve of the Company have been combined with share capital of the Company.

There were no outstanding options as at 31 March 2006 (31 March 2005: Nil).

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited nor reviewed by the Group's external auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for current reporting period compared with the financial statements as at 31 December 2005.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

THE GROUP (Aggregate)	1Q 2006	1Q 2005
(a) Based on the weighted average number of ordinary shares in issue (cents)		
- Excluding exceptional items	1.71	2.26
- Including exceptional items	2.17	10.05
(b) On fully diluted basis (cents)		
- Excluding exceptional items	1.71	2.26
- Including exceptional items	2.17	10.05

The Group's earning per share from continuing and discontinued operations are disclosed separately in the income statement on page 1.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	THE GROUP		THE COMPANY	
	31.3.06	31.12.05	31.3.06	31.12.05
Net asset* value per ordinary share (S\$)	1.17	1.14	0.81	0.82

* Net asset refers to shareholders' equity

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

<u>CONTINUING OPERATIONS</u>	THE GROUP		
	1Q 2006 S\$'000	1Q 2005 S\$'000	Change %
Group Turnover	67,263	66,758	1
Group Profit Before Tax (excluding exceptional items)	5,955	12,656	(53)
Exceptional Items	1,726	34,111	(95)
Group Profit for the period attributable to equity holders of the Company	9,650	44,611	(78)
Group Earnings Before Interest, Taxation, Depreciation and Amortisation (excluding exceptional items)	10,473	14,978	(30)

Group's turnover from continuing operations increased marginally by 1% to S\$67.3 mil in 1Q 2006 as compared to 1Q 2005.

Pre-tax profit for 1Q 2006 decreased 53% to S\$6.0 mil due mainly to lower profit contribution from BST, the Group's Thai petrochemicals associate as a result of weaker product prices and lower investment income. Lower operating performance in the lime business and engineering division also contributed to the lower pre-tax profit.

Interest income was significantly lower in 1Q 2006 following the payment of S\$623.8 mil in special dividends to shareholders in the last financial year.

Below is the summary of the performance of the Group's three business divisions.

Turnover (S\$'mil)

	1Q 2006	1Q 2005	Change (%)
Chemicals Division	14.8	17.2	(14)
Construction Products Division	32.5	28.1	16
Engineering Division	12.0	14.7	(18)

Attributable profit / (loss) before tax (S\$'mil)

	1Q 2006	1Q 2005	Change (%)
Operating PBT			
- Chemicals Division	7.9	11.9	(34)
- Construction Products Division	(0.3)	0.3	n/m
- Engineering Division	1.8	2.5	(28)
	9.4	14.7	(36)
Exceptional items			
- Chemicals Division	-	1.2	n/m
- Construction Products Division	-	(0.4)	n/m
- Engineering Division	-	-	n/m
	-	0.8	n/m
Total			
- Chemicals Division	7.9	13.1	(40)
- Construction Products Division	(0.3)	(0.1)	n/m
- Engineering Division	1.8	2.5	(28)
	9.4	15.5	(39)

Note: The Group's crane leasing and servicing business has been reclassified from Engineering division to Construction Products division. The comparative figures of 1Q 2005 have been adjusted to conform with this change in presentation.

Chemicals Division

Turnover of the Chemicals division decreased 14% to S\$14.8 mil in 1Q 2006 compared with S\$17.2 mil due mainly to lower sales recorded by the environmental chemical business.

Profit before tax decreased 34% to S\$7.9 mil from S\$11.9 mil previously due mainly to lower profit contribution from BST and start up losses incurred by the division's newly commissioned lime kiln in Zhenjiang, China.

Construction Products Division

Turnover of the Construction Products division grew 16% to S\$32.5 mil from S\$28.1 mil previously mainly as a result of higher project volumes delivered by its Finnish unit. However, this division incurred a loss of S\$0.3 mil in 1Q 2006 due mainly to adverse performance by its Singapore and Hong Kong operations.

Engineering Division

Turnover of the Engineering division decreased 18% to S\$12 mil due to customer's delivery deferment of completed spreaders. Profit before tax was down 28% to S\$1.8 mil, in tandem with lower turnover.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

(a) Competitive conditions of the industry

While the operating performance of the Group's three core business divisions are expected to remain satisfactory, the Group's non-core precision machining business supplying to the electronics industries, face continued uncertainties with the new products development by its customers.

BST is expected to face greater competition for its products in both the domestic and international markets.

(b) Known factors or events that may significantly affect the group in the next reporting period and next 12 months

- (i) The Scheme of Compromise and Arrangement ("Scheme") to restructure the unsecured notes of Raffles Marina Limited ("RML"), a 100% owned subsidiary of the Group, is expected to be effective on or around 15 May 2006.

Under the terms of the Scheme, unsecured notes will be cancelled on the effective date and equity shares in Raffles Marina Holdings Ltd ("RMH"), a newly incorporated company, will be issued to the holders of unsecured notes. RMH will then hold all the ordinary shares in RML and become the intermediate holding company of RML. The Group's interest in RML will be diluted from 100% to 50.1%. Arising from the cancellation of unsecured notes and the effect of the dilution of the Group's interest in RML, an exceptional accounting gain of approximately S\$26 mil will be recognised by the Group in the next quarter.

- (ii) On 8 May 2006, Banyan Tree Holdings Ltd ("BTH") lodged a preliminary prospectus with the Monetary Authority of Singapore for a mainboard listing on the Singapore Exchange. Kilby Associates Limited, a 100% owned subsidiary of the Group, holds 13.5% of the share capital of BTH.

An announcement on the financial impact of the proposed IPO on the Group (if any) will be made in due course, when the terms of IPO are finalized and if the IPO proceeds.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

Name of Dividend
Dividend Type
Dividend amount per share
Dividend Rate
Par value of shares
Tax Rate

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

Name of Dividend
Dividend Type
Dividend amount per share
Dividend Rate
Par value of shares
Tax Rate

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Not applicable.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable.

15. A breakdown of sales

Not applicable.

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*) Not applicable.

	Latest Full Year (2006) S\$'000	Previous Full Year (2005) S\$'000
Ordinary		
Preference		
Total:		

BY ORDER OF THE BOARD

LIM Su-Ling
Company Secretary
10 May 2006

This release may contain forward-looking statements which may be identified by phrases that the Company or Management or Directors “expects”, “believes” “anticipates” “foresees” or “forecasts”. These forward-looking statements, if any, are based on current expectations and assumptions that are subject to risks and uncertainties. Actual performance, outcome or financial results post the date of this release may differ materially from those expressed in this release. Some factors that may affect the actual performance of the NATSTEEL Ltd and its group of companies may include, without limitation, political, economic, geographical, climatic and social conditions in the countries where the NATSTEEL Ltd and its group of companies, its customers or its suppliers operate; armed conflict or the effects of terrorist activities or war, acts of God, tsunami, earthquake, natural disasters, in any part of the world which may cause disruption in manufacture, supply (availability and costs) of raw or intermediate materials, power, water, fuel, crude oil, import, export, transportation network necessary for the acquisition and supply of goods and services or financial markets; currency fluctuations; volatility of financial markets; general industry conditions, interest rate trends, cost of borrowings and capital availability, intense competition from other companies and venues for the production, sale/distribution of goods and services of the NATSTEEL Ltd and its group of companies, changes in industry or market capacity or demands; obsolete inventory, market acceptance or rejection of new goods and services, continued market acceptance of existing goods and services of the NATSTEEL Ltd and its group of companies; risk of unanticipated increased costs of power, oil, fuel, crude oil or utilities to operate its various plants; continued ability of NATSTEEL Ltd and its group of companies to retain market size and competitiveness for its goods and services; the effect of changes to policies /regulations whether or not resulting in imposition or lifting of anti-dumping duties in countries which the NATSTEEL Ltd and its group of companies operate; unavailability of insurance, adverse results on litigation or debt recovery, implementation of operating cost structure that is aligned with revenue growth; SARS, bird flu, killer pig disease and their effects; civil unrest in Southern Thailand or any part of the world where NATSTEEL Ltd and its group of companies operate; any factor which may cause revenues and income to fall short of anticipated levels; ability to develop manufacture and market products and services in a rapidly changing environment; management retention and succession; changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes. This statement only relates to information available as at the date of release and you are cautioned to seek professional advice from your stock broker, solicitor, accountant or other professional adviser if you are in any doubt as to the meaning of anything herein.