

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

		<u>THE GROUP</u>		
	Notes	1Q 2007 S\$'000	1Q 2006 S\$'000	Change %
<u>CONTINUING OPERATIONS</u>				
Sales		83,096	67,263	24
Cost of sales		(65,373)	(56,474)	
Gross profit		17,723	10,789	64
Other income		1,696	1,619	
Distribution costs		(3,398)	(3,121)	
Administrative expenses		(7,978)	(7,923)	
Other expenses		(1,498)	(3,140)	
Profit / (loss) before investment income, interest income and finance costs	1	6,545	(1,776)	n/m
Interest income		1,269	995	
Finance costs		(1,131)	(1,115)	
Share of results of associated companies after taxation		7,817	7,851	
Profit before taxation and exceptional items		14,500	5,955	143
Exceptional items	2	1,243	1,726	
Profit before taxation		15,743	7,681	
Taxation		(1,488)	1,672	
Profit after taxation from continuing operations		14,255	9,353	52
<u>DISCONTINUED OPERATIONS</u>				
Loss from discontinued operations	3	(984)	(1,535)	
Gain on disposal of discontinued operations - Exceptional item		10,978	-	
		9,994	(1,535)	
Total profit for the period		24,249	7,818	210
Attributable to :				
Equity holders of the Company		24,432	8,115	201
Minority interests		(183)	(297)	
		24,249	7,818	
Earnings / (loss) per ordinary share attributable to the equity holders of the Company				
- from Continuing operations - Basic and fully diluted		3.86 cents	2.58 cents	
- from Discontinued operations - Basic and fully diluted		2.68 cents	(0.41) cents	

n/m: not meaningful

Comments on Income Statement

Continuing Operations

- a) **Distribution costs**
The higher distribution costs in 1Q 2007 as compared to 1Q 2006 was mainly attributable to the increase in turnover.
- b) **Administrative expenses**
78% of the administrative expenses for 1Q 2007 was incurred by the operations of its subsidiaries.
- c) **Other expenses**
The decrease in other expenses was due mainly to lower foreign exchange loss recorded in 1Q 2007 as compared to the same period last year.
- d) **Taxation**
The taxation charge in 1Q 2007 was lower than the amount that would arise by applying the Singapore tax rate due mainly to certain income not being subject to tax and reversal of deferred tax provision as a result of the 2% reduction in Singapore corporate tax rate.

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 2007	1Q 2006
	S\$'000	S\$'000
Amortisation of intangible assets	(103)	(114)
Depreciation of property, plant and equipment and investment properties	(3,930)	(4,717)
Property, plant and equipment written off	(40)	-
Net foreign exchange loss	(255)	(1,483)
Net (write down) / reversal of write down of inventories to net realisable value	(8)	48
Net write back for impairment of trade receivables	354	326
Net gain on sale of property, plant and equipment	1,035	560
Amortisation of deferred income	85	433

Note 2 – Exceptional items comprise the following:

	THE GROUP	
	1Q 2007	1Q 2006
	S\$'000	S\$'000
Net gain on disposal of available-for-sale financial assets	1,695	302
Impairment of available-for-sale financial assets	(14)	(5)
Loss on cessation of business of a subsidiary company	(526)	-
Gain on liquidation of a subsidiary company	88	-
Write back of provision for losses no longer required	-	597
Gain on disposal of associated company	-	417
Net write back of impairment of receivables from associated company	-	406
Others	-	9
Net gain	1,243	1,726

Note 3 – Discontinued Operations and Assets Held for Sale

(a) 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 have been presented separately on the balance sheet as disposal group held for sale in accordance to FRS 105.

On 5 March 2007, the Company completed the sale of its entire stake in NSL China Investments Pte Ltd, the immediate holding company of Wujin for US\$36.5 mil (S\$55.7 mil) (“disposal”). The group recorded an exceptional gain of S\$11.0 mil from the disposal.

The operating performance of Wujin up to 5 March 2007 was presented separately on the income statement as “discontinued operations”.

(b) The Group has ceased its precision machining business in FY 2006. The remaining property, plant and equipment of the ceased operation have been classified as assets held for sale since 31 December 2006.

(c) An analysis of the results of discontinued operations (disposal group held for sale) is as follows:

	1Q 2007	1Q 2006
	S\$’000	S\$’000
Revenue	6,472	5,064
Net expenses	(7,238)	(6,641)
Loss before taxation of discontinued operations	(766)	(1,577)
Taxation	(218)	42
Loss after taxation from discontinued operations	(984)	(1,535)
Gain on disposal of discontinued operations	10,978	-

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

	1Q 2007	1Q 2006
	S\$’000	S\$’000
Net cash generated from / (used in):		
Operating activities	4,493	(4,656)
Investing activities	48	(126)
Financing activities	-	(6)
Total cash flows	4,541	(4,788)

(e) The details of assets and liabilities of the disposal group classified as held for sale and non-current assets held for sale are as follows:

	31.03.07	31.12.06
	S\$’000	S\$’000
Assets		
Property, plant and equipment	759	20,573
Deferred tax assets	-	542
Current assets	-	39,042
Total assets	759	60,157
Liabilities		
Trade and other payables	-	(760)
	759	59,397

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	
	31.03.07	31.12.06	31.03.07	31.12.06
	S\$'000	S\$'000	S\$'000	S\$'000
Share Capital	193,839	193,839	193,839	193,839
Reserves	273,366	257,484	82,467	51,523
Shareholders' Equity	467,205	451,323	276,306	245,362
Minority Interests	28,878	29,243	-	-
Total Equity	496,083	480,566	276,306	245,362
Current Assets				
Inventories	60,575	50,611	-	-
Receivables and prepayments	95,029	79,860	30,967	89,888
Tax recoverable	19,404	12,639	18,811	11,128
Available-for-sale financial assets	-	-	-	-
Cash and bank balances	209,082	186,481	65,313	5,235
Derivative financial instruments	15	147	-	-
	384,105	329,738	115,091	106,251
Disposal group and non current assets classified as held for sale	759	60,157	-	-
	384,864	389,895	115,091	106,251
Non Current Assets				
Property, plant and equipment	138,716	136,584	552	624
Investment properties	4,436	4,483	-	-
Subsidiaries	-	-	55,786	55,786
Associated companies	118,009	109,465	-	-
Available-for-sale financial assets	30,768	30,003	16,015	13,716
Long term receivables	11,374	9,359	110,319	109,038
Intangible assets	9,739	9,678	-	-
Deferred tax assets	1,242	1,415	-	-
Other non current assets	620	617	-	-
	314,904	301,604	182,672	179,164
Total Assets	699,768	691,499	297,763	285,415
Current Liabilities				
Amounts due to bankers	(30,682)	(49,442)	(500)	(20,600)
Trade and other payables	(84,496)	(79,072)	(7,170)	(9,412)
Provision for other liabilities and charges	(11,728)	(11,923)	-	-
Taxation	(18,689)	(14,763)	(12,555)	(8,916)
Derivative financial instruments	(1)	(2)	(1)	(2)
	(145,596)	(155,202)	(20,226)	(38,930)
Liabilities directly associated with the disposal group classified as held for sale	-	(760)	-	-
	(145,596)	(155,962)	(20,226)	(38,930)
Non Current Liabilities				
Provision for retirement benefits	(517)	(511)	(224)	(218)
Deferred tax liabilities	(15,698)	(15,025)	(1,007)	(905)
Long term bank loans	(34,656)	(31,997)	-	-
Deferred income	(6,453)	(6,538)	-	-
Other non current liabilities	(765)	(900)	-	-
	(58,089)	(54,971)	(1,231)	(1,123)
Total Liabilities	(203,685)	(210,933)	(21,457)	(40,053)
	496,083	480,566	276,306	245,362

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 2007		As at 31 December 2006	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
7,545	23,680	7,270	42,726

Amount repayable after one year

As at 31 March 2007		As at 31 December 2006	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
29,035	5,996	29,344	3,161

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\$57,038,000 (31 December 2006: S\$57,445,000) 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 2007	1Q 2006
	S\$'000	S\$'000
Cash flows from operating activities		
Profit after tax for the period	24,249	7,818
Non-cash and reclassified items	(15,731)	(6,359)
Working capital changes	(14,428)	(1,221)
Income taxes paid	(3,554)	(1,144)
Dividend received from associated company	-	33,396
Net cash (used in) / generated from operating activities	(9,464)	32,490
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	4,773	831
Proceeds from sale / recovery of available-for-sale financial assets and other non current assets	3,002	7,921
Proceeds from disposal of subsidiaries, net of cash disposed of	29,534	-
Proceeds from liquidation of a subsidiary company	170	-
Proceeds from disposal of an associated company	-	465
Purchases of property, plant and equipment	(6,489)	(3,950)
Purchases of available-for-sale financial assets	-	(1,277)
Acquisition of a subsidiary, net of cash acquired	(845)	-
Acquisition of additional interest in an associated company	-	(5,147)
Interest received	1,264	1,296
Amount due from associated companies	(2,481)	406
Net cash generated from investing activities	28,928	545
Cash flows from financing activities		
Amounts due to bankers	(18,061)	(13,690)
Interest paid	(1,485)	(1,122)
Other financing cash flow	(65)	49
Net cash used in financing activities	(19,611)	(14,763)
Net (decrease) / increase in cash and cash equivalents	(147)	18,272
Cash and cash equivalents at beginning of period	204,690	174,243
Effects of exchange rate changes on cash and cash equivalents	(43)	(479)
Cash and cash equivalents at end of period*	204,500	192,036

* comprise cash and bank balances net of bank overdrafts

Disposal of subsidiaries

The attributable net assets and proceeds from disposal of subsidiaries, net of cash disposed of during the period were as follows:

	THE GROUP	
	1Q 2007	1Q 2006
	S\$'000	S\$'000
Property, plant and equipment	16,708	-
Deferred tax assets	324	-
Inventories	4,345	-
Receivables and prepayments	8,322	-
Cash and bank balances	25,372	-
Trade and other payables	(315)	-
Attributable net assets disposed	54,756	-
Translation reserve released upon disposal of subsidiaries	(10,924)	-
Gain on disposal of subsidiaries	10,978	-
Total consideration, net of transaction costs	54,810	-
Transaction costs payable	96	-
Cash and bank balances of the subsidiaries disposed	(25,372)	-
Net cash inflow on disposal of subsidiaries	29,534	-

Acquisition of new subsidiary

The attributable net assets and purchase consideration of the subsidiary acquired during the period was as follows:

	THE GROUP	
	1Q 2007	1Q 2006
	S\$'000	S\$'000
Property, plant and equipment	799	-
Trade and other payables	(1)	-
Attributable net assets acquired	798	-
Goodwill on consolidation	47	-
Net cash outflow on acquisition of subsidiary	845	-

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	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 2007	193,839	217,769	7,335	9,832	1,946	20,602	451,323	29,243	480,566
Exchange differences arising on consolidation	-	-	(306)	-	-	-	(306)	(21)	(327)
Available-for-sale financial assets									
- Fair value gains taken to equity, net of deferred tax	-	-	-	-	-	3,414	3,414	-	3,414
- Fair value reserve transferred to income statement on sale	-	-	-	-	-	(1,349)	(1,349)	-	(1,349)
- Fair value reserve transferred to income statement on impairment	-	-	-	-	-	14	14	-	14
- Share of fair value reserve movement of associated companies	-	-	-	-	-	689	689	-	689
Net (losses) / gains recognised directly in equity	-	-	(306)	-	-	2,768	2,462	(21)	2,441
Profit / (loss) for the period	-	24,432	-	-	-	-	24,432	(183)	24,249
Total recognised gains / (losses) for the period	-	24,432	(306)	-	-	2,768	26,894	(204)	26,690
Reserves released upon disposal and liquidation of subsidiaries	-	6,750	(11,012)	-	-	(6,750)	(11,012)	(161)	(11,173)
Balance as at 31 March 2007	193,839	248,951	(3,983)	9,832	1,946	16,620	467,205	28,878	496,083

	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	-	-	-	-	-	-	1,626	1,626	-	1,626
- Fair value reserve transferred to income statement on sale	-	-	-	-	-	-	(227)	(227)	-	(227)
- Fair value reserve transferred to income statement on impairment	-	-	-	-	-	-	5	5	-	5
- Share of fair value reserve movement of associated company	-	-	-	-	-	-	1,787	1,787	-	1,787
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 an 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

	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 2007	193,839	-	45,065	6,458	245,362
Available-for-sale financial assets					
- Fair value gain taken to equity	-	-	-	2,434	2,434
Net gain recognised directly in equity	-	-	-	2,434	2,434
Profit for the period	-	-	28,510	-	28,510
Total recognised gain for the period	-	-	28,510	2,434	30,944
Balance as at 31 March 2007	193,839	-	73,575	8,892	276,306
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

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

There have been no changes to the issued share capital of the Company since 31 December 2006. There were no outstanding options as at 31 March 2007 (31 March 2006: 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 accounting policies and methods of computation applied by the Group are consistent with those used in its most recent audited financial statements except for changes made to comply with FRS 40 (Investment properties), which became effective for financial year commencing 1 January 2007.

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

The adoption of FRS 40 does not have a material impact on the Group's financial statements.

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 2007	1Q 2006
(a) Based on the weighted average number of ordinary shares in issue (cents)		
- Excluding exceptional items	3.25	1.71
- Including exceptional items	6.54	2.17
(b) On fully diluted basis (cents)		
- Excluding exceptional items	3.25	1.71
- Including exceptional items	6.54	2.17

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	
	31.3.07	31.12.06	31.3.07	31.12.06
Net asset* value per ordinary share (S\$)	1.25	1.21	0.74	0.66

* 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 2007 S\$'000	1Q 2006 S\$'000	Change %
Group Turnover	83,096	67,263	24
Group Profit Before Tax (excluding exceptional items)	14,500	5,955	143
Exceptional Items	1,243	1,726	(28)
Group Profit for the period attributable to equity holders of the Company	14,438	9,650	50
Group Earnings Before Interest, Taxation, Depreciation and Amortisation (excluding exceptional items)	18,310	10,473	75

Group's turnover from continuing operations increased 24% to S\$83.1 mil in 1Q 2007 from S\$67.3 mil in the same period last year due mainly to the Construction Products division which reported a 59% increase in turnover in the current period.

Group's pre tax profit rose 143% to S\$14.5 mil from S\$6.0 mil previously mainly as a result of higher profit contributions from the Construction Products and Chemicals divisions.

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

Turnover (S\$'mil)

	1Q 2007	1Q 2006	Change (%)
Chemicals Division	15.5	14.8	5
Construction Products Division	51.7	32.5	59
Engineering Division	12.8	12.0	7

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

	1Q 2007	1Q 2006	Change (%)
Operating PBT			
- Chemicals Division	8.7	7.9	10
- Construction Products Division	5.8	(0.3)	n/m
- Engineering Division	0.8	1.8	(56)
	15.3	9.4	63
Exceptional items			
- Chemicals Division	-	-	n/m
- Construction Products Division	-	-	n/m
- Engineering Division	-	-	n/m
	-	-	n/m
Total			
- Chemicals Division	8.7	7.9	10
- Construction Products Division	5.8	(0.3)	n/m
- Engineering Division	0.8	1.8	(56)
	15.3	9.4	63

n/m: not meaningful

Chemicals Division

Turnover of the Chemicals division increased 5% to S\$15.5 mil due mainly to higher sales recorded by the refractory business. Pre tax profit increased 10% to S\$8.7 mil from S\$7.9 mil, due mainly to better operating performance of the lime business in Malaysia.

Construction Products Division

Turnover of the Construction Products Division grew 59% to S\$51.7 mil in 1Q 2007 from S\$32.5 mil previously mainly as a result of higher project volumes delivered by its Singapore and Hong Kong operations. Pre tax profit increased to S\$5.8 mil in 1Q 2007 as compared to a loss of S\$0.3 mil previously, in tandem with higher turnover.

Engineering Division

Turnover of the Engineering division increased 7% to S\$12.8 mil in 1Q 2007 from S\$12.0 mil previously. However, pre-tax profit decreased 56% to S\$0.8 mil due mainly to product mix differences and the continuing weakness of the US Dollar which affected its profit margins.

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

The Group's Construction Products division is expected to continue to benefit from the upturn in the construction sector in Singapore. However, rising raw material costs can adversely affect the profit margins of the division.

The Group's environmental chemicals business in China continues to be affected by problems associated with its newly commissioned plant and difficult market conditions.

Bangkok Synthetic Co, the Group's associated company in Thailand, 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

A recent accident at a subsidiary's facility could affect the performance of the Chemicals division. The extent of the possible business disruptions and other effects are still being assessed.

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/recommended, 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 (2007) S\$'000	Previous Full Year (2006) S\$'000
Ordinary		
Preference		
Total:		

CONFIRMATION BY THE BOARD

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited consolidated financial results for the three months ended 31 March 2007 to be false or misleading.

BY ORDER OF THE BOARD

LIM Su-Ling
Company Secretary
7 May 2007

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