

# 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 2008 S\$'000	1Q 2007 S\$'000	Change %
<b><u>CONTINUING OPERATIONS</u></b>				
Sales		65,532	83,096	(21)
Cost of sales		(52,598)	(65,373)	
<b>Gross profit</b>		<b>12,934</b>	<b>17,723</b>	(27)
Other income		683	1,516	
Distribution costs		(3,539)	(3,398)	
Administrative expenses		(7,934)	(8,044)	
Other expenses		(1,615)	(1,252)	
<b>Profit before investment income, interest income and finance costs</b>	1	<b>529</b>	<b>6,545</b>	(92)
Investment income		1,230	-	
Interest income		664	1,269	
Finance costs		(498)	(1,131)	
Share of results of associated companies after taxation		7,843	7,817	
<b>Profit before taxation and exceptional items</b>		<b>9,768</b>	<b>14,500</b>	(33)
Exceptional items	2	1,137	1,243	
<b>Profit before taxation</b>		<b>10,905</b>	<b>15,743</b>	(31)
Taxation		(1,473)	(1,488)	
<b>Profit after taxation from continuing operations</b>		<b>9,432</b>	<b>14,255</b>	(34)
<b><u>DISCONTINUED OPERATIONS</u></b>				
Loss from discontinued operations	3	-	(984)	
Gain on disposal of discontinued operations				
- Exceptional item		-	10,978	
		-	9,994	
<b>Total profit for the period</b>		<b>9,432</b>	<b>24,249</b>	(61)
<b>Attributable to :</b>				
Equity holders of the Company		9,394	24,432	(62)
Minority interests		38	(183)	
		<b>9,432</b>	<b>24,249</b>	
<b>Earnings per ordinary share attributable to the equity holders of the Company</b>				
- from Continuing operations - Basic and fully diluted		2.51 cents	3.86 cents	
- from Discontinued operations - Basic and fully diluted		-	2.68 cents	

## Comments on Income Statement

### **Continuing Operations**

- a) Administrative expenses  
77% of the administrative expenses for 1Q 2008 was incurred by the operations of its subsidiaries.
- b) Other income  
Other income was lower, mainly attributable to lower gain from the sale of property, plant and equipment.
- c) Other expenses  
The increase in other expenses was due mainly to higher foreign exchange loss recorded in 1Q 2008 as compared to the same period last year, as a result of the weakening of the US dollars.
- d) Investment income  
The investment income in 1Q 2008 was due mainly to dividend income from available-for-sale investments.
- e) Interest income  
The lower interest income in 1Q 2008 was due mainly to lower interest rate in 1Q 2008 as compared to the same period last year.
- f) Finance costs  
Finance costs was lower in 1Q 2008 as compared to the corresponding period last year due mainly to lower Group borrowings in 1Q 2008 as compared to 1Q 2007.
- g) Taxation  
The taxation charge for 1Q 2008 was lower than the amount that would arise by applying the Singapore corporate tax rate mainly due to certain income not subject to tax or are subject to lower withholding 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:

	<b>THE GROUP</b>	
	<b>1Q 2008</b>	<b>1Q 2007</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Amortisation of intangible assets	(115)	(103)
Depreciation of property, plant and equipment and investment properties	(3,603)	(3,930)
Property, plant and equipment written off	(8)	(40)
Net foreign exchange loss	(598)	(255)
Fair value gain / (loss) of derivative financial instruments	495	(130)
Net write down of inventories to net realisable value	(45)	(8)
Net write back for impairment of trade receivables	119	354
Net (loss) / gain on sale of property, plant and equipment	(8)	1,035
Amortisation of deferred income	90	85

**Note 2** – Exceptional items comprise the following:

	<b>THE GROUP</b>	
	<b>1Q 2008</b>	<b>1Q 2007</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Write back of impairment of long term receivable	1,000	-
Write back of impairment of investment in associated company	246	-
Net (loss) / gain on disposal of available-for-sale financial assets	(85)	1,695
Impairment of available-for-sale financial assets	(47)	(14)
Loss on cessation of business of a subsidiary	-	(526)
Gain on liquidation of subsidiaries	395	88
Others	(372)	-
<b>Net gain</b>	<b>1,137</b>	<b>1,243</b>

### Note 3 – Discontinued Operations

(a) On 5 March 2007, the Company completed the sale of its entire stake in NSL China Investments Pte Ltd, (“NSL China”) for US\$36.5 mil (S\$55.7 mil) (“disposal”). The group recorded an exceptional gain of S\$11 mil from the disposal in 1Q 2007.

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

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

	<b>1Q 2008</b>	<b>1Q 2007</b>
	<b>S\$’000</b>	<b>S\$’000</b>
Revenue	-	6,472
Net expenses	-	(7,238)
Loss before taxation of discontinued operations	-	(766)
Taxation	-	(218)
<b>Loss after taxation from discontinued operations</b>	<b>-</b>	<b>(984)</b>
<b>Gain on disposal of discontinued operations</b>	<b>-</b>	<b>10,978</b>

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

	<b>1Q 2008</b>	<b>1Q 2007</b>
	<b>S\$’000</b>	<b>S\$’000</b>
<b>Net cash generated from:</b>		
Operating activities	-	4,493
Investing activities	-	48
Financing activities	-	-
<b>Total cash flows</b>	<b>-</b>	<b>4,541</b>

**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	
	31.03.08	31.12.07	31.03.08	31.12.07
	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	193,839	193,839	193,839	193,839
Reserves	332,896	326,182	113,035	115,108
Shareholders' equity	526,735	520,021	306,874	308,947
Minority interests	13,924	14,016	-	-
Total equity	540,659	534,037	306,874	308,947
<b>Current Assets</b>				
Inventories	59,196	52,380	-	-
Receivables and prepayments	80,586	87,614	28,777	28,620
Tax recoverable	23,765	23,928	22,621	22,621
Cash and bank balances	197,587	198,834	48,847	49,866
	361,134	362,756	100,245	101,107
<b>Non Current Assets</b>				
Property, plant and equipment	140,639	138,484	286	349
Investment properties	4,249	4,296	-	-
Subsidiaries	-	-	73,402	73,402
Associated companies	140,142	147,852	-	-
Available-for-sale financial assets	29,515	30,649	17,172	18,274
Long term receivables	7,775	8,102	156,343	156,569
Intangible assets	9,745	9,654	-	-
Deferred tax assets	1,473	1,651	-	-
Other non current assets	615	618	-	-
	334,153	341,306	247,203	248,594
<b>Total Assets</b>	<b>695,287</b>	<b>704,062</b>	<b>347,448</b>	<b>349,701</b>
<b>Current Liabilities</b>				
Amounts due to bankers	(23,881)	(25,299)	-	-
Trade and other payables	(61,894)	(73,673)	(16,534)	(17,018)
Provision for other liabilities and charges	(2,599)	(2,519)	-	-
Taxation	(28,608)	(29,080)	(22,945)	(22,884)
Deferred income	(1,209)	(1,209)	-	-
	(118,191)	(131,780)	(39,479)	(39,902)
<b>Non Current Liabilities</b>				
Provision for retirement benefits	(335)	(326)	(272)	(265)
Deferred tax liabilities	(17,232)	(18,212)	(823)	(587)
Long term bank loans	(14,566)	(15,361)	-	-
Deferred income	(3,596)	(3,686)	-	-
Other non current liabilities	(708)	(660)	-	-
	(36,437)	(38,245)	(1,095)	(852)
<b>Total Liabilities</b>	<b>(154,628)</b>	<b>(170,025)</b>	<b>(40,574)</b>	<b>(40,754)</b>
	540,659	534,037	306,874	308,947

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

**Amount repayable in one year or less, or on demand**

<b>As at 31 March 2008</b>		<b>As at 31 December 2007</b>	
<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>
4,589	19,483	3,949	21,498

**Amount repayable after one year**

<b>As at 31 March 2008</b>		<b>As at 31 December 2007</b>	
<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>
8,662	6,220	9,307	6,320

**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\$28,590,000 (31 December 2007: S\$29,356,000) 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**

	<b>THE GROUP</b>	
	<b>1Q 2008</b>	<b>1Q 2007</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>		
Profit after tax for the period	9,432	24,249
Non-cash and reclassified items	(6,121)	(15,731)
Working capital changes	(9,962)	(14,097)
Income taxes paid	(2,343)	(3,554)
Dividend received from associated company	17,454	-
<b>Net cash generated from / (used in) operating activities</b>	<b>8,460</b>	<b>(9,133)</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	34	4,773
Proceeds from sale of available-for-sale financial assets and other non current assets	410	3,002
Purchases of available-for-sale financial assets	(74)	-
Purchases of property, plant and equipment	(6,468)	(6,489)
Proceeds from disposal of subsidiaries, net of cash disposed of	-	29,534
Acquisition of a new subsidiary, net of cash acquired	-	(845)
Acquisition of additional interest in an associated company	(2,760)	-
Interest received	978	1,264
Dividend received	1,230	-
Amount due from associated companies	(197)	(2,481)
<b>Net cash (used in) / generated from investing activities</b>	<b>(6,847)</b>	<b>28,758</b>
<b>Cash flows from financing activities</b>		
Amounts due to bankers	(2,306)	(18,061)
Interest paid	(549)	(1,485)
Distribution to minority interest upon liquidation of a subsidiary	-	(161)
Other financing cash flow	48	(65)
<b>Net cash used in financing activities</b>	<b>(2,807)</b>	<b>(19,772)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,194)</b>	<b>(147)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>197,841</b>	<b>204,690</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(146)</b>	<b>(43)</b>
<b>Cash and cash equivalents at end of period*</b>	<b>196,501</b>	<b>204,500</b>

\* 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 2008	1Q 2007
	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
Cash and bank balances of the subsidiaries disposed	-	(25,372)
Transaction costs payable	-	96
Net cash inflow on disposal of subsidiaries	-	29,534

## Acquisition of a new subsidiary

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

	THE GROUP	
	1Q 2008	1Q 2007
	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 a 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
<b>THE GROUP</b>									
<b>Balance as at 1 January 2008</b>	193,839	299,521	(7,062)	6,853	1,946	24,924	520,021	14,016	534,037
Exchange differences arising on consolidation	-	-	816	-	-	-	816	(130)	686
Available-for-sale financial assets									
- Fair value loss taken to equity, net of deferred tax	-	-	-	-	-	(909)	(909)	-	(909)
- Fair value reserve transferred to income statement on impairment	-	-	-	-	-	47	47	-	47
- Share of fair value reserve movement of associated companies, net of deferred tax	-	-	-	-	-	(2,239)	(2,239)	-	(2,239)
Net gains / (losses) recognised directly in equity	-	-	816	-	-	(3,101)	(2,285)	(130)	(2,415)
Profit for the period	-	9,394	-	-	-	-	9,394	38	9,432
Total recognised gains / (losses) for the period	-	9,394	816	-	-	(3,101)	7,109	(92)	7,017
Translation reserve released upon liquidation of a subsidiary	-	-	(395)	-	-	-	(395)	-	(395)
<b>Balance as at 31 March 2008</b>	193,839	308,915	(6,641)	6,853	1,946	21,823	526,735	13,924	540,659

	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
<b>THE GROUP</b>									
<b>Balance as at 1 January 2007</b>	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, net of deferred tax	-	-	-	-	-	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 / transferred upon disposal and liquidation of subsidiaries	-	6,750	(11,012)	-	-	(6,750)	(11,012)	(161)	(11,173)
<b>Balance as at 31 March 2007</b>	193,839	248,951	(3,983)	9,832	1,946	16,620	467,205	28,878	496,083

	Share Capital S\$'000	Revenue Reserve S\$'000	Other Reserves S\$'000	Total S\$'000
<b>THE COMPANY</b>				
<b>Balance as at 1 January 2008</b>	193,839	103,256	11,852	308,947
Available-for-sale financial assets				
- Fair value loss taken to equity	-	-	(1,102)	(1,102)
- Fair value reserve transferred to income statement on impairment	-	-	47	47
Net loss recognised directly in equity	-	-	(1,055)	(1,055)
Loss for the period	-	(1,018)	-	(1,018)
Total recognised losses for the period	-	(1,018)	(1,055)	(2,073)
<b>Balance as at 31 March 2008</b>	193,839	102,238	10,797	306,874

**THE COMPANY**

<b>Balance as at 1 January 2007</b>	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
<b>Balance as at 31 March 2007</b>	193,839	73,575	8,892	276,306

**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 2007.  
There were no outstanding options as at 31 March 2008 (31 March 2007: Nil).

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year:-**

	31 March 2008	31 December 2007
Number of issued shares excluding treasury shares	373,558,237	373,558,237

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on.**

There were no sales, transfer, disposal, cancellation and/or use of treasury shares as at 31 March 2008 (31 December 2007: 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 or 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 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**

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**

<b>THE GROUP (Aggregate)</b>	<b>1Q 2008</b>	<b>1Q 2007</b>
(a) Based on the weighted average number of ordinary shares in issue (cents)		
- Excluding exceptional items	2.23	3.25
- Including exceptional items	2.51	6.54
(b) On fully diluted basis (cents)		
- Excluding exceptional items	2.23	3.25
- Including exceptional items	2.51	6.54

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 the total number of shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	<b>THE GROUP</b>		<b>THE COMPANY</b>	
	<b>31.3.08</b>	<b>31.12.07</b>	<b>31.3.08</b>	<b>31.12.07</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Net asset value per ordinary share based on total number of issued shares excluding treasury shares as at the end of the reporting period	1.41	1.39	0.82	0.83

The Company does not have any treasury shares.

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 2008 S\$'000	1Q 2007 S\$'000	Change %
<b>Group Turnover</b>	65,532	83,096	(21)
<b>Group Profit Before Tax (excluding exceptional items)</b>	9,768	14,500	(33)
<b>Exceptional Items</b>	1,137	1,243	(9)
<b>Group Profit for the period attributable to equity holders of the Company</b>	9,394	14,438	(35)
<b>Group Earnings Before Interest, Taxation, Depreciation and Amortisation (excluding exceptional items)</b>	13,230	18,310	(28)

Group's turnover from continuing operations decreased 21% to S\$65.5 mil in 1Q 2008 from S\$83.1 mil in the same period last year mainly as a result of lower turnover recorded by both the Construction Products and Engineering divisions.

Group's pre-tax profit decreased 33% to S\$9.8 mil from S\$14.5 mil previously due mainly to lower profit recorded by the Construction Products division.

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

**Turnover (S\$'mil)**

	<b>1Q 2008</b>	<b>1Q 2007</b>	<b>Change (%)</b>
Chemicals Division	20.2	15.5	30
Construction Products Division	32.1	51.7	(38)
Engineering Division	9.7	12.8	(24)

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

	<b>1Q 2008</b>	<b>1Q 2007</b>	<b>Change (%)</b>
<b>Operating PBT</b>			
- Chemicals Division	9.0	8.7	3
- Construction Products Division	1.5	5.8	(74)
- Engineering Division	0.8	0.8	-
	11.3	15.3	(26)
<b>Exceptional items</b>			
- Chemicals Division	(0.4)	-	n/m
- Construction Products Division	-	-	-
- Engineering Division	-	-	-
	(0.4)	-	n/m
<b>Total</b>			
- Chemicals Division	8.6	8.7	(1)
- Construction Products Division	1.5	5.8	(74)
- Engineering Division	0.8	0.8	-
	10.9	15.3	(29)

n/m: not meaningful

Chemicals Division

Turnover of the Chemicals division increased 30% to S\$20.2 mil due mainly to higher sales recorded by its environmental chemicals business and sales contributions from its oil sales.

Pre-tax profit increased 3% to S\$9.0 mil mainly as a result of higher contributions from its Thai petrochemical associate, Bangkok Synthetic Co ("BST").

Construction Products Division

Turnover of the Construction Products division decreased 38% to S\$32.1 mil in 1Q 2008 from S\$51.7 mil previously mainly as a result of lower project volumes delivered by its Singapore and Malaysian operations against an exceptionally strong 1Q in its Singapore operations last year.

Pre-tax profit decreased 74% to S\$1.5 mil in 1Q 2008 as a result of the significant decrease in turnover and lower gain from the disposal of fixed assets.

## Engineering Division

Turnover of the Engineering division decreased 24% to S\$9.7 mil in 1Q 2008 from S\$12.8 mil previously due mainly to disruptive weather conditions experienced by its China plant which affected its delivery schedule. However, pre-tax profit remained unchanged at S\$0.8 mil.

### **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**

Whilst the Singapore construction market outlook remains favourable, rising cost of raw materials and global economic uncertainties could adversely affect the overall Group performance.

Increasing cost and unavailability of feedstock for the petrochemical business will be a concern going forward.

**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  
Tax Rate  
Date paid

***(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  
Tax Rate  
Date paid

**(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 (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 2008 to be false or misleading.

**BY ORDER OF THE BOARD**

LIM Su-Ling  
Company Secretary  
7 May 2008

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, floods, effects of global climatic change 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; fluctuations in the price of raw materials, power, water, fuel, crude oil or demand for natural rubber; 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; coup d’etat, 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.