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News Release – Results for 2QFY11

- **Profit after tax of $1.9M for 2QFY11 (1QFY11: $1.8M).**
- **Declared interim dividend of 0.5 cent/share.**

	2QFY11 $M	2QFY10 $M	Chg %	1QFY11 $M	1HFY11 $M	1HFY10 $M	Chg %
Revenue	44.1	43.8	1	46.0	90.1	80.8	12
Gross Profit	6.5	8.4	(23)	6.5	13.0	14.3	(9)
Profit After Tax	1.9	3.1	(39)	1.8	3.7	5.0	(25)
Gross Profit Margin	14.8%	19.2%		14.1%	13.5%	17.7%	
Earnings per share (cts)	0.3	0.5		0.29	0.6	0.8	
Net Asset Value per share (cts)	32.38	31.90		32.60	32.38	31.90	

Singapore, 10 Feb 2011 - SGX Main Board-listed HUPSteel Limited ("HUPSteel" or "the Group"), today announced that the Group achieved revenue of $44.1M (2QFY10: $43.8M) for the quarter ended 31 December 2010 ('2QFY11') with profit after tax of $1.9M (2QFY10: $3.1M).

Mr Lim Kim Thor, CEO of Hupsteel, commented, "Although market demand remained soft during 2QFY11, the Group managed to generate revenue comparable to that achieved a year earlier. The soft market demand was an extension from 1QFY11 and this was reflected in the slight decline in the revenue reported of $44.1M from $46.0M. This is largely due to fewer orders received from our marine customers during the period."

In reviewing the operating performance, Mr. Lim further added, "With rising raw materials costs translating into higher steel prices coupled with a soft market demand, gross profit margin faced a downward squeeze during the period. As a result, gross profit for 2QFY11 and 1HFY11 fell to $6.5M and $13.0M from $8.4M and $14.3M for 2QFY10 and 1HFY10 respectively. Consequently, profit after tax also fell to $1.9M from $3.1M reported for 2QFY10. The comparative figures in 2QFY10 and 1HFY10 were boosted by write back of $1.5M and $2.5M respectively of provisions for inventory write-down made earlier. I am pleased to report that 2QFY11 profit after tax was better than the $1.8M reported for 1QFY11."

"The recent flooding of the Australia coal mining regions is likely to affect coal supply in the short term and since coal is needed in the production of steel, steel supply may be curtailed in the coming quarters. This may lead to further price increases. With shipyards announcing more new orders in recent months, there are signs of a firming up of demand for steel products in the coming quarters" concluded Mr. Lim.

End of release

About HUPSteel
Established in 1945 as an industrial hardware company, SGX Main Board-listed HUPSteel Limited, formerly known as Hup Seng Huat Co. Ltd, provides an integrated range of steel products and services for the oil and gas, chemical and petrochemical, energy, infrastructure, marine and other industries across Asia Pacific. Serving more than 1,500 customers in over 15 countries, HUPSteel is one of the largest steel suppliers and stockists in Singapore. The Group distinguishes itself from other Singapore-based steel stockists in being able to provide value-added services such as logistics services that will enable it to expand across the horizontal supply chain and become a truly global total solutions provider for steel products and services. HUPSteel's value lies in its product knowledge, stock availability, competitive pricing, and comprehensive product range. This enables the Group to offer an indispensable inventory management service to source and supply clients' time-sensitive steel requirements.

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