Co Reg No : 197301452D

News Release – Results for 1QFY11

- **Reported profit after tax of $1.8M for 1QFY11.**
- **Strong cash holding of $66.4M; current ratio of 8.0 times**

	1QFY11 $M	1QFY10 $M	Chg %	4QFY10 $M
Revenue	46.0	36.9	24	57.2
Gross Profit	6.5	5.9	10	10.0
Profit After Tax	1.8	1.9	(3)	4.1
Gross Profit Margin	14.1%	15.9%		17.5%
Earnings per share (cts)	0.29	0.3		0.66
Net Asset Value per share (cts)	32.60	32.37		32.29

Singapore, 4 Nov 2010 - SGX Main Board-listed HUPSteel Limited ("HUPSteel" or "the Group"), today announced that the Group achieved revenue of $46.0M (1QFY10: $36.9M) for the quarter ended 30 September 2010 ('1QFY11') with profit after tax of $1.8M (1QFY10: $1.9M).

Mr Lim Kim Thor, CEO of Hupsteel, commented, "Demand for steel products softened slightly during the last quarter due to the weak recovery in the global markets and amidst signs of slowing down in the local economy. This was evidenced by the lack of new shipbuilding and oil & gas projects announced during the last quarter. However, we are looking forward to new infrastructure projects like the Sports Hub where there may be an opportunity for the Group to supply to."

In reviewing the operating performance, Mr. Lim further added, "Gross profit margin of 14.1% for 1QFY11 was slightly lower than 15.9% for 1QFY10 and 17.5% for 4QFY10 due to the write-back of $0.7M and $1.0M respectively from the provisions for inventory write-down and changes in sales mix."

"The Group will continue to exercise prudence in its inventory management in view of the prevailing soft market demand. With a strong cash holding of $66.4M, it will be able to respond quickly to any upturn in demand and protect itself against any shocks arising from the uncertain market conditions" 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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