Co Reg No : 197301452D

News Release – Results for 2QFY10

- **Revenue improved to $43.8M from $36.9M (1QFY10)**
- **Net profit after tax jumped to $3.1M from $1.9M (1QFY10)**
- **Strong cash balance of $71.9M**
- **Declares an interim dividend of 0.5 cent per share**

	2QFY10 $M	2QFY09 $M	Chg %	1QFY10 $M	1HFY10 $M	1HFY09 $M	Chg %
Revenue	43.8	92.5	-53%	36.9	80.7	204.2	-60%
Gross Profit	8.4	9.8	-14%	5.9	14.3	31.6	-55%
Net Profit After Tax (NPAT)	3.1	1.5	104%	1.9	5.0	13.5	-63%
Gross Profit Margin	19.3%	10.6%		15.9%	17.7%	15.5%	
Earnings per share (cts)	0.50	0.24	108%	0.30	0.8	2.15	-63%
Net Asset Value per share (cts)	31.90	34.17	-7%	32.37	31.90	34.17	-7%

Singapore, 10 February 2010 - SGX Main Board-listed HUPSteel Limited ("HUPSteel" or "the Group"), today announced that the Group achieved revenue of $43.8M (1QFY10: 36.9M; 2QFY09: $92.5M) for the quarter ended 31 December 2009 ('2QFY10') with net profit after tax of $3.1M (1QFY10: $1.9M; 2QFY09: $1.5M) and declares an interim dividend of 0.5 cent per share.

The Group has maintained a strong cash position with cash and cash equivalents of $71.9M at the end of 2QFY10 (1QFY10: $72.5M). Despite better revenue generated during the quarter, the Group continued to monitor its purchasing activities closely and trimmed its inventory holding to $56.4M (1QFY10: $59.2M) and maintained low short term borrowings of $1.4M (1QFY10: $1.4M).

Mr Lim Kim Thor, CEO of Hupsteel, commented, "During the quarter, we saw increase in demand from the shipbuilding sector which, together with stable selling prices contributed to the higher revenue reported than a quarter ago. Improved margin also led to profit after tax rising 63% to $3.1M from $1.9M in 1QFY10".

"Going forward, market demand for steel products will largely depend on the pace of economic recovery. Many customers remain cautious in their purchases and the Group is expected to conduct more of its business on a back to back basis. This will help the Group to respond swiftly to price fluctuations and avoid over-stocking its inventories.

With a strong cash balance and minimal borrowings, the Group is well positioned to seize opportunities as they arise as the economy further recovers. As business volume is showing signs of improvement, the Group has started to redevelop its warehouse at 155 Gul Circle. The redevelopment will provide improved storage facilities for its structural steel products." 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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