Co Reg No : 197301452D

News Release – Results for 3QFY10

- **Reported profit after tax of $1.2M for 3QFY10 against a loss of $2.0M for 3QFY09.**
- **Strong cash balance of $70.5M; quick ratio at 3.8.**
- **Improved gross margin, Q-on-Q and 9M-on-9M.**

	3QFY10 $M	3QFY09 $M	Chg %	2QFY10 $M	9MFY10 $M	9MFY09 $M	Chg %
Revenue	39.8	50.0	-21%	43.8	120.5	254.2	-53%
Gross Profit	5.2	2.1	152%	8.5	19.5	33.7	-42%
Profit After Tax (NPAT)	1.2	(2.0)	NM	3.1	6.2	11.5	-46%
Gross Profit Margin	13.0%	4.1%		19.3%	16.2%	13.3%	
Earnings per share (cts)	0.19	(0.31)	NM	0.5	0.99	1.83	-46%
Net Asset Value per share (cts)	32.09	31.58	2%	31.90	32.09	31.58	2%

Singapore, 6 May 2010 - SGX Main Board-listed HUPSteel Limited ("HUPSteel" or "the Group"), today announced that the Group achieved revenue of $39.8M (3QFY09: $50.0M) for the quarter ended 31 March 2010 ('3QFY10') with profit after tax of $1.2M (3QFY09: Loss of $2.0M).

Mr Lim Kim Thor, CEO of Hupsteel, commented, "Although the Group achieved a lower revenue year-on-year, we are glad to report profit after tax of $1.2M against a loss of $2.0M for 3QFY09.

In reviewing the operating performance, Mr. Lim further added, "Revenue for the quarter declined slightly due to slower sales as a result of the Chinese New Year holidays and customers were also cautious in launching projects and waiting for clearer signals of a sustained recovery in the economy. Compared with a year ago steel prices remain soft but HUPSteel was able to position itself to take advantage of the reduced steel prices to improve its gross profit margin for the quarter (13.0% 3QFY10 vs. 4.1% 3QFY09) and for the 9 months (16.2% 9MFY10 vs. 13.2% 9MFY09)"

The recent debt crisis in the Euro zone, trade and currency tensions between China and the US are presenting serious challenges to the global economy as it struggles to recover from the recession. Rising prices of oil and iron ore are causing mills to increase prices of their steel products.

Locally, there were recent reports of higher than expected economic growth. However the sectors that the Group serves like marine and oil & gas have yet shown any spike in activities. We are hopeful that this economic recovery may eventually point to an increase in demand for steel products. In addition, rising steel prices will likely induce customers to jumpstart their purchase programme so that they will not be faced with higher materials' costs later".

"The Group has a healthy cash holding of $70.5M at the end of 31 March 2010. Together with its excellent relationships established with its suppliers, the Group is able to secure sufficient inventory to meet the needs of its customers on a timely basis." 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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