Co Reg No : 197301452D

News Release – Results for 4QFY10

- **Reported profit after tax of $4.1M for 4QFY10.**
- **Strong cash balance of $77.8M; declared final dividend of 0.5 cent per share.**
- **Improved gross margin, Q-on-Q and 12M-on-12M.**

	4QFY10 $M	4QFY09 $M	Chg %	3QFY10 $M	12MFY10 $M	12MFY09 $M	Chg %
Revenue	57.2	67.5	-15%	39.8	177.7	321.7	-45%
Gross Profit	10.0	7.9	27%	5.2	29.5	41.6	-29%
Profit After Tax	4.1	2.6	58%	1.2	10.3	14.1	-27%
Gross Profit Margin	17.5%	11.7%	50%	13.0%	16.6%	12.9%	29%
Earnings per share (cts)	0.66	0.41	61%	0.19	1.65	2.24	-26%
Net Asset Value per share (cts)	32.29	32.02	-	32.09	32.29	32.02	-

Singapore, 20 August 2010 - SGX Main Board-listed HUPSteel Limited ("HUPSteel" or "the Group"), today announced that the Group achieved revenue of $57.2M (4QFY09: $67.5M) for the quarter ended 30 June 2010 ('4QFY10') with profit after tax of $4.1M (4QFY09: $2.6M).

Mr Lim Kim Thor, CEO of Hupsteel, commented, "Revenue for 4QFY10 improved to $57.2M from $39.8M for 3QFY10 and this was in line with the recovery in the general economy. With sales volume for plate yet to recover to level prevailing in 4QFY09, revenue for 4QFY10 registered a decline when compared to $67.5M reported for 4QFY09."

In reviewing the operating performance, Mr. Lim further added, " The Group has been running down its higher cost inventory in earlier quarters and replacing them with lower cost ones. We are glad to see gross profit margin for 4QFY10 improving to 17.5% from 13.0% and 11.7% for 3QFY10 and 4QFY09 respectively. On an annualised basis this improvement in margin offset the decline in revenue.

Despite the local economy growing at a fast pace in the last 6 months, sectors that the Group mainly serves, namely marine and oil & gas, have not yet experienced growth at the same rate. Many shipyards are trying to fill the slack in their order books.

As economic growth is anticipated to slow down in the 2nd half of 2010, market demand for steel products is not expected to improve further in the near term. With supply of steel from mills expected to remain steady, margin is expected to be moderated."

"As at the end of 30 June 2010, the Group had a healthy cash balance of $77.8M and current liabilities of $48.8M displaying the financial resilience the Group has always been striving for. Together with the 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 and prepare for future growth." 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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