**PRESS RELEASE**

# SGX-Listed HUPSteel FY2007 Net Profit Doubled To Record $31.2 Million On Accelerated Growth In All Business Sectors

- **FY2007 revenue surges 53% fuelled by robust demand for steel as Singapore's economic growth gains momentum**
- **4QFY07 year-on-year revenue and net profit growth backed by robust demand, augmented by Construction sector recovery; net profit significantly higher than 3QFY07**
- **Expects healthy product sales going forward**
- **Group proposes final and special dividends of 0.5 cent per share and 1.0 cent per share, bringing total dividend for FY2007 to 3.0 cents per share**

| S$ million | 4QFY07 | 4QFY06 | Chg | FY2007 | FY2006 | Chg |
|---|---|---|---|---|---|---|
| **Revenue** | **86.9** | **51.7** | **68%** | **284.2** | **186.2** | **53%** |
| **Gross Profit** | **17.4** | **13.0** | **34%** | **60.1** | **37.4** | **61%** |
| **Net Profit After Tax** | **10.6** | **6.4** | **64%** | **31.2** | **15.7** | **98%** |
| **Earnings/Share** *(4Q & FY07: 452.4m; 4Q & FY06: 361.9m)* | **2.34 cents** | **1.42 cents** | **65%** | **6.89 cents** | **3.48 cents** | **98%** |

**Singapore, 28 August 2007 - SGX Main Board-listed HUPSteel Limited ("HUPSteel" or "The Group"),** a homegrown total solutions provider for a wide range of steel products and value-added services focusing on the oil and gas, offshore and marine engineering, petrochemical and construction industries, announced today that its net profit attributable to equity holders for the financial year ended 30 June 2007 ("FY2007") doubled to a record high of $31.2 million propelled by robust and accelerated demand in all its business sectors.

Concurrently, FY2007 revenue surged 53% to $284.2 million (FY2006: $186.2 million) powered by expanded sales volume to customers in its Marine, Oil & Gas and Construction business sectors. In line with the higher revenue, gross profit rose 61% year-on-year to $60.1 million from $37.5 million while gross margins improved slightly to 21.1% from 20.1% over the same period. Net profit margins also improved to 11.0% for FY2007 (FY2006: 8.4%).

For the April-June 2007 quarter ("4QFY07"), HUPSteel's quarterly revenue and net profit surged 68% and 64% year-on-year to record highs of $86.9 million and $10.6 million,

respectively. Quarter-on-quarter, net profit jumped 80% from the $5.9 million reported for 3QFY07, despite a 13% rise in revenue.

In line with the much improved net profit, earnings per share ("EPS") rose 98% to 6.89 cents in FY2007 (FY2006: 3.48 cents).

Reflecting a healthier balance sheet, HUPSteel continued to report very little debt and closed the year with a 63% year-on-year rise in cash and cash equivalents to $18.2 million. Net asset value per share as at 30 June 2007 was 32.08 cents on the much larger base of issued shares.

Significantly, the stronger cash balance was achieved despite $18.5 millions in dividend paid during the year.

Commenting on the results, Chief Executive Officer, Mr. Lim Kim Thor, said, "The sterling performance for FY2007 underscores the effectiveness of the Group's efforts to re-position its business thrusts and maximise its leverage on domestic economic trends to drive both top-line and bottom-line growth, making FY2007 a record year for our shareholders."

"In anticipation of continued robust demand from our diverse range of customers in the Marine, Oil & Gas and Construction sectors, we increased our inventories in 4QFY07," continued Mr. Lim.

The Group expects sales to remain healthy, despite a tight supply of steel products, based on the strong order books of its Marine sector customers, and the numerous ongoing and upcoming infrastructure projects taking place, barring any unforeseen circumstances.

"The Board of Directors wishes to thank our shareholders for their continued support during the past year. In celebration of the excellent results achieved for FY2007, we are pleased to recommend an additional dividend to share our sterling results with our shareholders," said Mr Lim.

HUPSteel's Board of Directors is proposing a final dividend of 0.5 cent per share and a special dividend of 1.0 cent per share to be paid to shareholders. Including the first and second interim dividends of 1.0 cent per share and 0.5 cent per share, respectively, HUPSteel has declared a combined total dividend of 3.0 cents per share for FY2007.

***## End of release ##***

***About HUPSteel Limited***

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, comprehensive product range and extensive global base of suppliers. This enables the Group to offer an indispensable inventory management service to source and supply clients' time-sensitive steel requirements.

***Issued on behalf of the Company by:***

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