



**HUPSteel**

Co Reg No : 197301452D

### News Release – Results for 4QFY09

- **Achieved full year net profit after tax of \$14.1M despite global recession and financial crunch**
- **Net profit after tax of \$2.6M for 4QFY09**
- **Declare a final cash dividend of 1 cent per share**
- **Strong cash balance of \$53.6M against total borrowings of \$6.9M; Gearing ratio further down to 0.02**

	4QFY09 \$M	4QFY08 \$M	Chg %	FY09 \$M	FY08 \$M	Chg %
Revenue	67.5	141.9	-52%	321.7	433.7	-26%
Gross Profit	7.9	33.8	-77%	41.6	87.3	-52%
Net Profit After Tax (NPAT)	2.6	18.7	-86%	14.1	45.1	-69%
Gross Profit Margin	11.7%	23.8%		12.9%	20.1%	
Earnings per share (cts)	0.41	3.04	-87%	2.24	7.33	-71%
Net Asset Value per share (cts)	32.02	32.36	-1.1%	32.02	32.36	-1.1%

**Singapore, 27 August 2009 - SGX Main Board-listed HUPSteel Limited (“HUPSteel” or “the Group”)**, today announced that the Group achieved revenue of \$321.7M (FY08: \$433.7M) for the year ended 30 June 2009 (‘FY09’) with net profit after tax of \$14.1M (FY08: \$45.1M) amidst challenging economic conditions.

For the fourth quarter ended 30 June 2009 (“4QFY09”), the Group reported a revenue of \$67.5M (4QFY08:\$141.9M) and a net profit after tax of \$2.6M (4QFY08: \$18.7M), turning around from a 3QFY09 quarterly loss.

Demand for steel products was weak during the last quarter. However the decline in the selling prices, especially for steel plates, was less steep than the previous quarter which helped the Group to report a gross profit of \$7.9M for 4QFY09 (4QFY08: \$33.8M).

Cash & cash equivalents rose to \$53.6M at the end of FY09 (FY08: \$27.4M) while receivables and inventories declined to \$62.5M (FY08: \$109.0M) and \$67.1M (FY08: \$137.7M) respectively. With the higher cash balance and faster debt collection, total borrowings reduced almost tenfold to \$6.9M from \$68.4M a year earlier.



Group CEO, Mr Lim Kim Thor, commented, “Our strategy of scaling down purchases and turning stock to cash has enabled the Group to reduce its borrowings significantly during the quarter. The higher cash holding has shielded the Group from negative impact stemming from the financial market meltdown as well as allowing it to weather the current severe economic downturn. In addition, in the future it will also allow the Group to seize any purchasing offers quickly and to participate in any merger and acquisition opportunities as and when they arise.”

“The recovery is expected to take time and conditions remain challenging in the coming months. The Group will exercise tighter control of its operating costs and seek out more competitively priced materials for its customers in response to the challenging environment” 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.*

Contact for Investor Relations: Yap Chuen Kong  
HUPsteel Limited  
Tel : 6419 2121