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Miscellaneous

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>> Announcement Details

The details of the announcement start here ...

Announcement Title *	PRESS RELEASE - HUPSteel 1HFY06 revenue improved on firm underlying demand
Description	
Attachments:	PressRelease.pdf Total size = **32K** (2048K size limit recommended)

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PRESS RELEASE

HUPSteel 1HFY06 revenue improved on firm underlying demand

- 1H06 revenue posted a 4% increase to $90.5 million
- Gross profit margin stabilizing around 18%
- Strong 1H06 operating cash flow of $33 million

Singapore, 9 February 2006 – HUPSteel, a leading one-stop shop for steel products in Asia, posted revenue of $90.5 million for the six months ended 31 December 2005 (1HFY06), up 4% from $87.0 million.

The higher turnover was achieved amid lower prices for steel plates, reflecting the market's firm underlying demand for steel products. The consistent and stable performance of the Group's other steel products well-cushioned the steel plates' weaker performance.

With operating expenses down 31% to $7.9 million on lower staff cost and better cost controls, the Group posted a commendable net profit after tax (NPAT) of $6.2m. The 38% decline in NPAT should be viewed in the perspective of the exceptionally high steel prices in 1HFY05 that led to FY05's record profit.

The outlook has improved for structural steel products, with market supply and prices stabilizing in December 2005. The local shipyards' recent announcements of new ship and rig building orders point to the sustainability of demand. Also, expectations are for construction sector demand to pick up in the second half of 2006.

"With current inventory cost down and market demand steadied, we are cautiously optimistic that profit margins should remain stable during the second half of the financial year", said HUPSteel's CEO, Lim Kim Thor.

Sales volume improved around 10% for the second quarter to 31 December 2005 (2QFY06). Revenue decreased 12% to $46.0m, due to lower prices for steel plates. The 2QFY06's gross margin had stabilized at 17.7%, slightly above the 17.6% realized in 1QFY06. Stable profits from other steel products were able to offset the weaker performance of steel plates.

Management remains upbeat on the outlook for the industry in the second half of the financial year.

ABOUT HUPSteel Ltd

HUPSteel – *the* hub for steel products

HUPSteel is one of Asia's leading one-stop shops for steel products. Strategically located in Singapore, it can take advantage of the duty-free environment and efficient logistics infrastructure to raise its share in the regional market for structural steel, pipes, and fittings.

Having built a strong client base, it is expanding its reach to cover the full spectrum of steel products and services – into stainless steel and turnkey projects in the Asia-Pacific.

It can leverage off its over 60 years of experience and long-established relationships with steel mills and clients.

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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