HUPSteel Limited
The Hub For Steel

Response to SGX-ST Query

The Board of Directors of Hupsteel Limited ("the Company") refers to the queries from SGX-ST on the Code of Corporate Governance included in the Annual Report for the financial year ended 30 June 2015. The Company sets out its responses to the Queries as follows:-

Question 1

Guideline 2.4 of the Code states that the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to **particularly rigorous review**. In doing so, the Board should also take into account the need for progressive refreshing of the Board. The Board should also explain why any such director should be considered independent.

Response

The Board of Directors and the Nominating Committee had conducted rigorous review of Independent Director who had served on the Board for more than 9 years in order to satisfy themselves on their independence. The review exercise performed, among others, included consideration if the Independent Director had performed any billable services during the year.

Question 2

Guideline 11.3 of the Code states, *inter alia*, that the Board should comment on the adequacy and **effectiveness** of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company's Annual Report. The Board's commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems.

Response

With reference to principle 13 on page 27 of the Annual Report, the Board of Directors and the Audit Committee based on work done by the external and internal auditors is of the opinion that the internal controls on financial, operational, compliance and information technology and risk management systems are adequate and effective.

By order of the Board of Directors
Hupsteel Limited

Lim Boh Chuan
Co-CEO
29 October 2015

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