

THE SOUTH TEES DEVELOPMENT CORPORATION
(LAND AT THE FORMER REDCAR STEELWORKS, REDCAR)
COMPULSORY PURCHASE ORDER 2019

Witness Statement of Simon Melhuish-Hancock

**Appendix 5: Jingye memorandum of understanding dated
9th October 2019.**

MEMORANDUM OF UNDERSTANDING

DATED: 9th October 2019.

BETWEEN:

1. Jingye Group incorporated and registered in the People's Republic of China whose registered office is at 6/F, Building No. 8, Block 16, Advanced Business Park, No. 188, South 4th Ring Road West, Fengtai District, Beijing (**Jingye**); and
2. Sahaviriya Steel Industries Public Company Limited incorporated and registered in Thailand, whose office is at 2nd - 3rd Floor, Prapawit Building, 28/1 Surasak Road, Silom, Bangrak, Bangkok 10500, Thailand (**SSI**) (each of Jingye and SSI being a **Party** and together, the **Parties**).

WHEREAS:

- A. Jingye is the owner and operator of iron and steel plants in the People's Republic of China and has expressed interest in purchasing the iron and steel-making assets of Sahaviriya Steel Industries UK Limited (In Liquidation) (**SSI UK**), located at Redcar, Teesside, England (**Site**).
- B. SSI, as the former owner of SSI UK, is working on options to restart iron and steelmaking at the Site.
- C. Jingye has visited the Site and held subsequent meetings with SSI and the Parties wish to progress the possible transaction to the next stage.

IT IS THEREFORE AGREED AS FOLLOWS:

1. **FEASIBILITY OF RESTARTING STEELMAKING AT THE SITE**
Jingye, with the support of SSI, will evaluate the feasibility to restart steelmaking at the Site. The investment scheme may be either through procuring all the land, buildings, plant and equipment at the Site or by investing with SSI to achieve this aim. Any investment will be subject to the satisfactory conclusion of a due diligence exercise.
2. **SITE VISIT**
SSI undertakes, no later than fifteen working days from the date of signature of this Memorandum of Understanding, to provide, subject to the approval of the Official Receiver, access to SSI UK's Site for a named party of Jingye executives for two days, ideally commencing on 15th October, to perform a high-level engineering inspection.
3. **DUE DILIGENCE**
Upon the successful completion of the site visit, Jingye and SSI will discuss and agree on the plan for the due diligence exercise to be undertaken.

SSI will assign a dedicated and qualified team, with sufficient resources available to it, to assist with Jingye's due diligence.

4. CONFIDENTIALITY

The Parties signed a confidentiality agreement of 23rd September 2019, which shall continue in full force and effect, notwithstanding the terms of this Memorandum of Understanding.

5. TERM AND TERMINATION

This Memorandum of Understanding shall commence on the date of signature by both Parties and shall expire on completion of each of the Parties' respective actions / actions. Either Party may terminate this Memorandum of Understanding by giving at least three months' notice in writing to the other Party at any time.

6. VARIATION

This Memorandum of Understanding may only be varied by written agreement of the Parties.

7. COSTS

Except as otherwise provided, the Parties shall each bear their own costs and expenses incurred in complying with their obligations under this Memorandum of Understanding.

8. STATUS

Save in respect of this clause 8 (Status), clause 4 (Confidentiality), clause 6 (Variation), clause 7 (Costs) and clause 9 (Governing Law and Jurisdiction) this Memorandum of Understanding is not intended to be legally binding, and no legal obligations or legal rights shall arise between the parties from this Memorandum of Understanding.

9. GOVERNING LAW AND JURISDICTION

This Memorandum of Understanding shall be governed by and construed in accordance with the laws of England and each Party agrees to submit to the exclusive jurisdiction of the courts of England.

In witness whereof, the Parties have executed this Memorandum of Understanding, effective as of the date first set forth.

For and on behalf of SSI

For and on behalf of Jingye

By:

Full name: NAVA CHANTANASUKON
Title: BOARD DIRECTOR SSI PCL

By:

Full name:
Title: Vice General Manager