



## **COSMOSTEEL HOLDINGS LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration Number 200515540Z)

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## **MEMORANDUM OF UNDERSTANDING IN RESPECT OF POTENTIAL STRATEGIC BUSINESS RELATIONSHIP IN MYANMAR**

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The board of Directors (the “**Board**”) of CosmoSteel Holdings Limited (the “**Company**”) refers to the Company’s announcement dated 17 June 2013 (the “**17 June Announcement**”) in respect of its exploration of the possibility of establishing the Strategic Relationship. *Unless otherwise specified herein or where the context otherwise requires, capitalised terms used herein shall bear the same meaning as those used in the 17 June Announcement.*

### **Introduction**

The Board wishes to announce that the Company’s wholly-owned subsidiary, Kim Seng Huat Hardware Pte. Ltd. (“**KSH**”), has on 26 June 2013 entered into a memorandum of understanding (the “**MOU**”) with a Myanmar-based group of companies (the “**Counterparty**”) to explore the possibility of establishing the Strategic Relationship. The Counterparty has its headquarter in Yangon and operates in diversified business areas, including but not limited to construction, hotel and tourism and trading.

### **Salient terms of the MOU**

#### *Non-binding MOU*

The MOU is not legally binding on KSH and the Counterparty (collectively, the “**Parties**” and each a “**Party**”), save for the provision on confidentiality set out in the MOU.

#### *Termination*

The MOU shall terminate upon the Parties entering into definitive agreement(s) in relation to the Strategic Relationship or shall automatically expire six (6) months from the date of the MOU (or such other date as may be mutually agreed by the Parties), whichever is the earlier.

#### *Exclusivity*

The Parties shall work exclusively with each other in relation to the subject matter of the Strategic Relationship for the term of the MOU, and neither Party nor any of their representatives shall, directly or indirectly, *inter alia*, initiate, solicit, accept or enter into, or consult, work, participate or engage with or provide any information to any person (other than the Parties) with respect to the establishment of a strategic business relationship or joint venture in respect of the production, sourcing and/or distribution of piping system components and other steel products in the Energy, Marine and other industries in Myanmar.

**Interests of Directors and Controlling Shareholders**

None of the Directors and Controlling Shareholders of the Company has any interest, direct or indirect, in the MOU, save through his/her shareholdings in the Company.

**Further Announcements**

The Company will make further announcement(s), where appropriate, as and when there are any material developments in respect of its exploration of the Strategic Relationship, including without limitation, the execution and delivery of any definitive agreement(s) in relation to the same.

**Caution**

Shareholders are advised to exercise caution when dealing or trading in the shares of the Company as there is no certainty or assurance that the Company will enter into any definitive agreement(s) in relation to the Strategic Relationship and/or that the Strategic Relationship will materialise.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

By Order of the Board

**Ong Chin Sum**

Chief Executive Officer and Executive Director

27 June 2013