



ABN 12 009 076 242

ASX ANNOUNCEMENT

29 August 2017

## BOARD CHANGES AND RELATED MATTERS

The Board of AustSino Resources Group Ltd (the **Company**) has resolved to make the following appointments and arrangements, with effect from 1 September 2017.

### Appointment of new Chairman

Mr Chun Ming Ding is appointed the Company's new Chairman with effect from 1 September 2017. Mr Ding was born in the People's Republic of China and is a citizen of that country and Australia.

Mr Ding has been an advisor to the Company and its wholly owned subsidiaries since 2014 and in that capacity has advised and represented the Company and its wholly owned subsidiaries on a range of capital raising activities.

The key commercial terms of Mr Ding's appointment as Chairman are as follows:

- Mr Ding must devote not less than 25 hours per week to the performance of his duties.
- Mr Ding will receive cash remuneration of \$1,000 per annum, payable in arrears.
- Mr Ding's entitlement to any short term or long term incentives (or any other discretionary benefits) will be as determined by the Board of the Company from time to time, in its sole discretion (and subject to shareholder approvals, if required).
- Either party may terminate Mr Ding's appointment as Chairman on 2 months' notice.
- Mr Ding will also continue to perform the role as legal representative of the Company's wholly owned Chinese subsidiary, Padbury (Shanghai) Enterprise Development Company Limited.

In addition to his ongoing involvement with the Company and its subsidiaries, Mr Ding will retain his role as chairman of the Hong Kong registered and privately owned company, Aust-China Resources Group Ltd (**ACR**).

### Provision of consultancy services by ACR

With effect from 1 September 2017, ACR has agreed to provide Mr Ding's services as Managing Director of the Company's wholly owned subsidiary, Mid West Infrastructure Group Pty Ltd (**Mid West**) for a consultancy fee of CY2,000,000 (c. AUD 385,000) per annum. The initial term of this consultancy is 2 years, but either party may terminate the arrangement by giving 3 months' written notice.



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### Payment for prior advice, services and assistance

The Company has also agreed to provide full and final payment to Mr Ding and ACR for any and all advice, services or assistance which they have provided to the Company or its wholly owned subsidiaries since 2014.

The key commercial terms of this arrangement are as follows:

- The Company will grant ACR 200 Million fully paid shares in the Company (**Share Consideration**) or pay \$1.25 Million (**Cash Consideration**) by 1 November 2017 (**Satisfaction Date**).
- ACR may elect no later than 7 days before the Satisfaction Date, whether to receive the Share Consideration or the Cash Consideration. Once ACR has made its election, that election is final and irrevocable unless otherwise agreed by the Company (in the Company's sole discretion).
- However, if by the Satisfaction Date, the Company:
  - (i) does not have at least a \$2.5 million cash balance in its bank account(s) in Australia with an Australian financial institution; or
  - (ii) the Board of the Company forms the reasonable opinion that the Company does not have the financial or legal capacity to provide the Cash Consideration, having regard to any existing or contingent debts or liabilities of the Company or its related bodies corporate under applicable laws, accounting standards or reasonable and prudent business practices,

but the Company is able to grant the Share Consideration to ACR, then the Company may (in its sole discretion) instead grant the Share Consideration to ACR, in which case ACR will be deemed to have irrevocably elected to take the Share Consideration rather than the Cash Consideration.

- The Company will grant ACR an additional 65 Million fully paid shares in the Company by 1 November 2017.
- The above arrangements are reflected in a Deed of Release executed between Mr Ding, ACR, the Company and its wholly owned subsidiaries but that deed is conditional on approval of the Company's shareholders to the grant of any shares to ACR.

### Resignation of Mr Edward Saunders as Chairman

Mr Edward Saunders will resign from his current role as non-executive Chairman of the Company, with effect from 1 September 2017 but will remain on the Board of the Company as a non-executive director from that date. The Company thanks Mr Saunders for his services to date.



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### **Resignation of Mr William Han**

Mr William Han will resign from his current role as a non-executive director of the Company, with effect from 1 September 2017. The Company thanks Mr Han for his services.

### **Further inquiries:**

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Company Secretary

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