

CSM GROUP LIMITED
AUCKLAND

22 August 2017

NZX Limited
WELLINGTON

Update on Winding down of Australian Commercial Operations

As previously advised to the market, CSM Group Limited (“CSM Group”) has resolved to wind down the commercial scrap metal operations of its wholly owned subsidiary China Scrap Metal Resources Pty Ltd (“CSM Pty”).

As part of the ongoing winding down phase of the Australian operations, CSM Group advises that:

- CSM Pty has extended the expiry date for the lease for the commercial operations to 19 October. CSM Pty considers that this will provide CSM Pty with sufficient time to exit its commercial operations from that site;
- CSM Pty has entered into a further contractual arrangement with Norstar Recycling Pty Ltd to acquire the balance of CSM Pty’s scrap metal inventory;
- CSM Pty has sold that plant and equipment that is not required to be utilised by CSM Pty in its ongoing day to day operations. That sales process has so far generated AUD\$383,000 excluding GST;
- CSM Pty is currently negotiating with a number of third parties for the sale of the balance of its plant and equipment. The expected date of settlement of the sale of those assets is anticipated to coincide with the cessation of the commercial operations at the site in Lara;
- CSM Pty has given notices of redundancy to all of its Australian based employees, and those employees service with CSM Pty will cease on 30 September 2017;
- Following the completion of the sale of the balance of the scrap metal inventory and plant and equipment, CSM Pty will be required to undertake a reinstatement programme in respect of the site in Lara, whereby the site will be returned to the state that it was in as at the commencement of the lease for those premises;
- Once the site has been formally handed over to the landlord, and all liabilities of CSM Pty have been satisfied, CSM Pty will remit the net proceeds realised from the sale of inventory, plant and equipment to CSM Group, and CSM Group will proceed to wind CSM Pty up;
- Following the completion of the remission of funds to CSM Group, and the winding up of CSM Pty, CSM Group will engage with shareholders of CSM Group to discuss the future direction and strategy for CSM Group.

For further queries please contact:

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