



ASF GROUP LIMITED

SHARE PURCHASE PLAN OFFER

TO RAISE UP TO A\$5 MILLION

**CLOSING DATE: 5.00PM (SYDNEY TIME) ON 1 FEBRUARY
2019**

This document is important and requires your immediate attention. Carefully read this Offer Booklet in full and consult your stockbroker, solicitor, accountant, licensed financial adviser or other professional adviser if you are in any doubt as to what to do.

This document is not a prospectus. It does not contain all information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered by this document. This Offer Booklet does not take into account the individual investment objectives, financial situation or particular needs of each Eligible Shareholder.

If you do not lodge an Application for New Shares by 5.00pm (Sydney time) before 1 February 2019 you will not be issued New Shares in ASF Group Limited.

Chairman's Letter

10 January 2019

Dear Shareholder,

SHARE PURCHASE PLAN

On behalf of the Board, I am pleased to invite you to participate in the ASF Group Limited (ASX:AFA) Share Purchase Plan. The Share Purchase Plan is an opportunity for shareholders to apply for up to A\$15,000 worth of additional shares in the Company, to raise up to A\$5,000,000 before expenses.

The Company reserves the right to scale back applications if the amount applied for exceeds A\$5,000,000.

Funds raised from the Share Purchase Plan will be used for working capital to further progress our portfolio of assets and repayment of debt. Under the Share Purchase Plan, all Eligible Shareholders will be able to purchase additional shares in the capital of the Company at an issue price of \$0.08 per share. The Share Purchase Plan offer opens on 14 January 2019 and closes at 5:00pm (Sydney time) on 1 February 2019.

We enter an exciting 2019 for the Company where we seek to further enhance the value of our Oil & Gas and resource investments. We have also re-activated the development of the SYTECH engine technology to meet the rapid development of new engines in the automotive market where hybrid and electric engines are gaining market share especially in China.

Further details of the Share Purchase Plan are set out in this Offer Booklet.

You should consider seeking independent financial and taxation advice before making a decision as to whether or not to participate in the Share Purchase Plan. I encourage you to carefully read the enclosed Share Purchase Plan documentation.

In addition to the Share Purchase Plan, the Company intends to conduct a placement of shares to sophisticated and/or professional investors to raise up to a further \$9 million at a price no less than A\$0.08 per share.

Yours sincerely,



Min Yang
Executive Chairman

Important information

This Offer Booklet is dated 10 January 2019. The information contained in this Offer Booklet is important and should be read in full.

The SPP Offer is only available for acceptance by Eligible Shareholders. This Offer Booklet does not constitute an offer in any place which, or to any person whom, it would not be lawful to make such an offer. Excluded Shareholders (being Shareholders with their registered addresses outside Australia, New Zealand and China, Hong Kong & Macau as at the Record Date) will not be provided with this Offer Booklet and will not be able to participate in the SPP.

No person is authorised to give any information or make any representations in connection with the SPP other than as contained in this Offer Booklet. Any information or representation in connection with the SPP not contained in this Offer Booklet is not, and may not be relied on as having been, authorised by the Company (or any of its officers).

This is an Offer Booklet for an offer of continuously quoted securities (as defined in the Corporations Act) of the Company and has been prepared in accordance with ASIC Class Order 09/425 and the Corporations Act. In broad terms, ASIC Class Order 09/425 relates to share purchase plan offers that do not require the provision of a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Booklet is significantly less than that required in a prospectus or other disclosure document. Eligible Shareholders should therefore rely upon their own knowledge of the Company, refer to disclosures made by it to the ASX, and refer to their professional advisers before deciding whether to participate in the SPP.

Eligible Shareholders will receive an Application Form with this Offer Booklet.

Definitions of capitalised terms used in this Offer Booklet appear in the Glossary.

Privacy

The Company collects information about each Applicant provided on an Application for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application, each Applicant agrees that the Company may use the information provided by that Applicant on that Application for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to the ASX and other regulatory authorities.

If you do not provide the information required on the Application, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. Access requests must be made in writing to the Company's registered office.

Terms of the SPP

On 7 January 2019, the Company announced the details of a share purchase plan (**SPP**) to allow Eligible Shareholders to apply for up to A\$15,000 of New Shares in increments of A\$1,000, to raise up to A\$5 million of capital (before expenses).

The funds raised from the SPP will be used for repayment of convertible loans and general working capital purposes.

This Offer Booklet explains the terms and conditions of the SPP.

1. Key Dates

The key dates of the SPP are as follows:

Record Date	7:00pm (Sydney time), 4 January 2019
Offer opens	14 January 2019
Offer closes	5:00pm (Sydney time), 1 February 2019
Issue date	On or before 8 February 2019
Despatch of holding statements	11 February 2019

**All dates specified in this Offer Booklet are indicative and may be subject to change.*

2. Eligibility to Participate

You are eligible to participate in the SPP (**Eligible Shareholders**) if you were a registered holder of fully paid ordinary shares in the Company as at 7:00pm (Sydney time) on 4 January 2019 (**Record Date**) with a registered address in either Australia, New Zealand or China, Hong Kong & Macau. The offers to Shareholders in China, Hong Kong & Macau are only open to the extent that it is capable of being accepted without breaching any laws in that respective jurisdiction. If you hold Shares on behalf of persons who reside outside Australia, New Zealand or China, Hong Kong & Macau or who are "US Persons" (as defined in Regulation S of the *Securities Act of 1933* (as amended)) (**US Persons**) or who act for the account or benefit of a US Person, then you are not entitled to participate in the SPP.

Shareholders with registered addresses outside Australia, New Zealand or China, Hong Kong & Macau as at the Record Date will also not be eligible to participate in the SPP.

The Company has decided that it is unreasonable to make the SPP Offer to Excluded Shareholders, having regard to the number of Excluded Shareholders, the number and value of New Shares they would be offered, and the costs of complying with the relevant legal and regulatory requirements in those jurisdictions outside Australia, New Zealand and China, Hong Kong & Macau.

The SPP Offer is non-renounceable by Eligible Shareholders. This means that you cannot transfer your right to purchase New Shares to any other person.

Participation in the SPP is entirely optional (subject to the eligibility criteria set out above).

3. Offer Price

The offer price per New Share is A\$0.08, which is a 6.67% premium to the closing price of the Company's shares on 4 January 2019 of A\$0.075 and represents a 7.24% premium to the volume weighted average price of the Company's shares on the 5 trading days before the announcement of the SPP was made on 7 January 2019, such price being A\$0.0746.

No brokerage, commission or other participation costs are payable by you in respect of the acquisition of New Shares under the SPP.

Please note that the market price of Shares may rise or fall between the date on which the details of the SPP were announced, the date of this Offer Booklet and the date when the New Shares are issued to you. This means that the price you pay per New Share may exceed the price of Shares at the time the New Shares are allotted to you. Accordingly, you should seek your own independent financial advice in relation to this Offer Booklet and your participation in the SPP.

4. Participation by Eligible Shareholders

The SPP Offer is being made pursuant to ASIC Class Order 09/425. One of the conditions of that ASIC Class Order is that the SPP Offer must comply with the prescribed subscription limit, which means Eligible Shareholders may only acquire a maximum of A\$15,000 worth of Shares under a share purchase plan or similar arrangement in any 12-month period.

The Company has not undertaken any other share purchase plan in the previous 12-month period.

Accordingly, each Eligible Shareholder may participate in the SPP by applying for a parcel of New Shares valued at either A\$1,000, A\$2,000, A\$3,000, A\$4,000, A\$5,000, A\$6,000, A\$7,000, A\$8,000, A\$9,000, A\$10,000, A\$11,000, A\$12,000, A\$13,000, A\$14,000 or A\$15,000 (subject to scale back).

The following table sets out how the A\$15,000 subscription limit will be applied:

If you receive more than one offer under the SPP.	You may only apply for up to a maximum amount of A\$15,000 of New Shares.
If you are recorded with one or more other persons as joint holder of Shares.	<p>A joint holding is considered to be a single registered holding for the purpose of the SPP. Joint holders are only entitled to participate in the SPP in respect of that single holding.</p> <p>If the same joint holders receive more than one offer under the SPP due to multiple identical holdings, the joint holders may only apply for one maximum amount of A\$15,000 of New Shares.</p>
If you hold Shares as a custodian or nominee for one or more beneficiaries.	<p><i>“Custodians” as defined in ASIC Class Order 09/425</i></p> <p>If you hold Shares as a "custodian" (as defined in ASIC Class Order 09/425), then you may apply for a maximum amount of A\$15,000 of New Shares for each participating beneficiary, provided that you complete the Application Form and a Custodian Certificate, and submit them together with the Application Payment to the Share Registry before the Closing Date.</p> <p>Please contact the Share Registry to obtain the form of the Custodian Certificate which you are required to submit.</p> <p><i>All other custodians and nominees</i></p> <p>If you hold Shares as a trustee or nominee for another person, but are not a “custodian” as defined in ASIC Class Order 09/425, you cannot participate for beneficiaries in the manner described above.</p> <p>You may only apply for up to a maximum amount of A\$15,000 of New Shares, regardless of the number of participating beneficiaries.</p>

The SPP will be capped at A\$5 million. The Company reserves the right to scale back Applications in any of the following circumstances:

- (a) if total demand exceeds A\$5 million; or
- (b) if a Shareholder’s Application Payment exceeds A\$15,000; or
- (c) if a Shareholder’s Application Payment is between A\$1,000 and A\$15,000, but is not for an increment of A\$1,000.

The Company will not accept an Application if the Shareholder's Application Payment is less than A\$1,000.

If total demand exceeds A\$5 million, the Company will scale back Applications substantially on a pro rata basis, based on the number of New Shares Shareholders have applied for respectively, subject to such adjustments as the Board determines appropriate. Fractional entitlements will be rounded down.

If an Application is scaled back, any difference between the Application Payment and the issue price of the New Shares allotted to you will be refunded by the Company, without interest, following allotment of New Shares.

5. Applying for New Shares

If you wish to apply for New Shares under the SPP, please do one of the following:

(a) Payments by Cheque

If you wish to make Application Payment by cheque, please complete the Application Form in accordance with the instructions set out on that form.

All Application Forms must be accompanied by payment in full of the issue price of A\$0.08 per New Share applied for.

Payments will only be accepted in Australian currency and as follows:

- (i) Bank cheque drawn on and payable at any Australian bank; or
- (ii) Personal cheque drawn on and payable at any Australian bank.

Cheques or bank cheques should be made payable to "ASF Group Limited" and crossed "Not Negotiable". Applicants must not forward cash. Receipts for Application Payments will not be issued.

If you are a "custodian" as defined in ASIC Class Order 09/425, you must also submit a Custodian Certificate with your Application Form and Application Payment. Please contact the Share Registry to obtain the form of the Custodian Certificate which you are required to submit.

(b) Payments by BPay

If you wish to make Application Payment by BPay, please make a BPay payment using the personalised reference number shown on your Application Form. If you make payment using BPay you do not need to return your Application Form to the Share Registry.

Your Application Payment must be received by the Share Registry by 5.00pm (Sydney time) on 1 February 2019 (**Closing Date**). You should contact your financial institution to confirm that you are able to make a payment utilising BPay.

All Applications must reach the Share Registry by 5.00pm (Sydney time) on the Closing Date. The Company reserves the right to extend the Closing Date.

By making an Application to purchase New Shares under the SPP:

- (a) you warrant that you are an Eligible Shareholder;
- (b) you acknowledge your Application is irrevocable and unconditional;
- (c) you certify and represent in favour of the Company that the total of the application price for New Shares, whether the subject of your Application or the subject of any other application made by you, on your behalf (by a custodian or otherwise) or in conjunction with any other person, does not exceed A\$15,000;

- (d) you authorise the Company and the Share Registry (and their officers, employees or agents) to correct any error or omission in your Application Form and to complete the Application Form by the insertion of any missing details;
- (e) you accept the risk associated with any refund of your Application Payment that may be paid to you by direct credit or cheque to your address shown on the Company's members register; and
- (f) you irrevocably and unconditionally agree to be bound by the Terms of the SPP and the Company's constitution.

(Please note that the Company has not undertaken any other share purchase plan in the previous 12-month period.)

The Company reserves the right to reject any Application which it believes does not comply with the Terms of the SPP.

6. Allotment of New Shares

New Shares are expected to be issued on or before 8 February 2019 and the Company will apply for those New Shares to be listed for quotation on ASX.

The Company expects to dispatch a holding statement or confirmation advice in respect of the New Shares allotted to you under the SPP on 11 February 2019.

All New Shares issued under the SPP will rank equally with existing Shares from the date of issue, and therefore will carry the same voting rights, dividend rights and other entitlements as existing Shares

7. Shortfall

The SPP Offer is not underwritten. The Directors reserve the right to place any Shortfall in their absolute discretion at a price no less than the price of New Shares offered under the SPP, subject to the ASX Listing Rules and the Corporations Act.

8. Disputes

The Board may settle, in any manner it thinks fit, any disputes or anomalies which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any Shareholder, Applicant or Application. The decision of the Board will be conclusive and binding on all persons to whom the determination relates. The Company reserves the right to waive strict compliance with or vary any provision of the Terms of the SPP, or to vary, suspend or terminate the SPP at any time without notice.

9. Governing Law

This offer is governed by the law in force in New South Wales, Australia. By accepting the SPP Offer, you submit to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

10. Enquiries

For all enquiries regarding the SPP, your holding of Shares, change of address or other registry matters, please contact Boardroom Pty Limited on + 61 2 9290 9600.

Glossary

A capitalised term used in this Offer Booklet has the meaning specified below:

A\$	Australian dollars.
Applicant	An Eligible Shareholder who returns an Application.
Application	An application for New Shares under the SPP.
Application Form	The application form attached to this Offer Booklet.
Application Payment	The payment of the issue price under the SPP (ie, A\$0.08 per New Share) submitted by an Applicant for the purposes of making an Application.
ASX	ASX Limited (ABN 98 008 624 691).
ASX Listing Rules	The official Listing Rules of the ASX.
Board	The board of Directors.
Closing Date	5:00pm (Sydney time) on 1 February 2019 (unless varied).
Company	ASF Group Limited (ACN 008 924 570).
Corporations Act	<i>Corporations Act 2001</i> (Cth) as amended from time to time.
Custodian Certificate	A certificate required to be submitted by a custodian together with an Application in accordance with this Offer Booklet.
Directors	The directors of the Company.
Eligible Shareholder	A Shareholder who is eligible to participate in the SPP as specified in this Offer Booklet.
Excluded Shareholders	Shareholders other than Eligible Shareholders.
New Shares	The Shares offered under the SPP Offer.
Offer Booklet	This offer booklet under which the SPP Offer is being made.
Record Date	7:00pm (Sydney time) on 4 January 2019.
Share Registry	Boardroom Pty Limited (ABN 14 003 209 836).
Shareholder	A holder of Shares.
Shares	Ordinary shares in the capital of the Company.
Shortfall	Those New Shares not allotted to any Applicant.
SPP	The share purchase plan being conducted by the Company as described in this Offer Booklet.
SPP Offer	The offer of New Shares pursuant to the SPP.
Terms of the SPP	The terms and conditions set out in this Offer Booklet, including any modifications made by the Company.
US Persons	Has the meaning set out in section 2 of this Offer Booklet.

Corporate Directory

Directors

Min Yang (Chairman)
Nga Fong (Alex) Lao (Deputy Chairman)
Geoff Baker
Louis Chien
Quan (David) Fang
Wai Sang Ho
William Kuan

Company Secretary

William Kuan

Registered Office

Suite 2
3B Macquarie Street
Sydney NSW 2000
Australia

Legal Advisers

Thomson Geer
Level 25
1 O'Connell Street
Sydney NSW 2000
Australia

Share Registry

Boardroom Pty Limited
Level 12
225 George Street
Sydney, NSW 2000
Australia