



ASF GROUP LIMITED
ACN 008 924 570
Bennelong, 2/3B Macquarie Street
Sydney NSW 2000
Telephone: (61 2) 9251 9088
Facsimile: (61 2) 9251 9066
www.asfgroupltd.com

2 July 2014

The Manager
Company Announcements
Australian Stock Exchange Ltd
20 Bridge Street
Sydney 2000
via: www.asxonline.com

Dear Sir/Madam

Fully underwritten pro-rata non-renounceable 1 for 8 Rights Issue to raise approx. \$10m

ASF Group Limited (ASX: AFA) is pleased to announce a fully underwritten pro-rata non-renounceable one (1) for eight (8) rights issue of fully paid ordinary shares in the capital of the Company (**Offer**).

The Company will offer Eligible Shareholders one (1) share for every eight (8) shares held as at the record date of 8 July 2014 at \$0.18 per share (**Entitlement**). Compared to the closing price of the Company's shares on the ASX on 1 July 2014 of \$0.19, the offer price of \$0.18 per share again represents a discount of approximately 5.26%.

Offer is non-renounceable

The Offer is non-renounceable meaning that Eligible Shareholders who do not take up their Entitlement will not be able to transfer or receive any value for those Entitlements, and their equity interest in the Company will be diluted.

Eligible Shareholders may choose to accept all or part of their Entitlement or none at all. Entitlements of Eligible Shareholders, which are not taken up will form part of the Shortfall.

The Offer is being conducted in accordance with section 708AA of the Corporations Act (Cth) 2001 (Act) which means the Company is not required to lodge a prospectus with ASX or ASIC or provide one to shareholders. The Company has prepared a document explaining the Offer in more detail (**Offer Document**). The Offer Document and personalised acceptance forms will be mailed to Eligible Shareholders on Friday, 11 July 2014. The Offer Document is available on the Company's website at www.asfgroupltd.com and from the Company's registered office at Bennelong, 2/3B Macquarie Street, Sydney NSW 2000.

The closing date for the Offer will be 22 July 2014.

Effect on Capital Structure

The Company currently has 446,961,296 shares on issue. The maximum number of securities that may be issued under the Offer is 55,870,162 shares. Shares issued under the rights issue will rank equally with existing shares. The Company will apply for official quotation on ASX of the new shares issued under the Offer.

The maximum amount raised by the Offer would be \$10,056,629 if every Eligible Shareholder exercised its Rights to purchase New Shares, before expenses.

Fully Underwritten

The Offer is fully underwritten by the three largest shareholders of the Company (together the **Underwriters**), being:

1. FY Holdings Limited;
2. Ruby Bridge Group Limited; and
3. Suntimes International Ltd

FY Holdings Limited and Suntimes International Ltd are related parties of the Company.

Each of the Underwriters has severally agreed to subscribe for their full entitlement under the Offer and to underwrite 33.3% of the shortfall. Further information on the underwriting arrangements will be set out in the Offer Document.

Purpose of the Offer

The Company will use the proceeds raised under the Rights Issue to:

1. fund investments in current portfolio assets, including engaging property development consultants;
2. investigate and advance business development opportunities for the Company, with the goal of creating further value for shareholders; and
3. provide working capital to the Company generally.

Any person considering acquiring shares under the Offer should read the Offer Document carefully. Applications for shares under the Offer may only be made using the Application Form to be attached to, or accompanying the Offer Document. Shares will only be issued on the basis of an Application Form issued together with the Offer Document.

Timetable

The following timetable is indicative only. All dates are subject to change and accordingly are indicative only. The Company has the right to vary the dates of the Offer, without prior notice, subject to the Corporations Act and the ASX Listing Rules.

| Event | Date |
|---|--------------|
| Announcement of Offer, lodgment Appendix 3B and Section 708AA cleansing notice released to ASX | 2 July 2014 |
| Notice to Shareholders containing information required by Listing Rules | 3 July 2014 |
| "Ex" Date | 4 July 2014 |
| Record Date to determine Entitlement to New Shares | 8 July 2014 |
| Despatch of Offer Document and Entitlement and Acceptance Form and announcement that despatch completed | 11 July 2014 |
| Last day to extend Offer Closing Date | 17 July 2014 |
| Closing Date | 22 July 2014 |
| Securities quoted on a deferred settlement basis | 23 July 2014 |

| | |
|---|--------------|
| ASX notified of Shortfall | 25 July 2014 |
| Issue of New Shares, despatch date of holding statements | 29 July 2014 |
| Trading commences for New Shares on a normal settlement basis | 30 July 2014 |

*The above dates are indicative only and may change without notice. The Directors reserve the right to amend this indicative timetable at any time (subject to the Corporations Act and ASX Listing Rules), to extend the Closing Date or to cancel the Offer without prior notice in its absolute discretion. The commencement of quotation of new securities is subject to confirmation from the ASX.

*Shareholders should consult their professional advisors in regards to the definition of 'Ex' Date and Record Date to ensure that their entitlement to participate in the Offer is assured. Where fractions arise in the calculation of entitlements, they will be rounded up to the nearest whole number.

Read Offer Document Carefully

Any person considering acquiring shares under the Offer should read the Offer Document carefully. Applications for shares under the Offer may only be made using the Application Form to be attached to, or accompanying the Offer Document. Shares will only be issued on the basis of an Application Form issued together with the Offer Document.

William Kuan
Company Secretary
Ph: +612 9251 9088
Fax: +612 9251 9066