



ASF GROUP LIMITED
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19 November 2013

Dear Shareholder

Pro-rata Non-Renounceable 1 for 2 Rights Issue to Shareholders

1 Rights Issue

ASF Group Limited ACN 008 924 570 (ASX: AFA) (the **Company**) announced a pro-rata non-renounceable 1 for 2 rights issue on 15 November 2013 and is pleased to provide further detailed information on the non-renounceable 1 for 2 rights issue it will be undertaking (**Offer**).

The Offer is for new fully paid ordinary shares (**New Shares**) on the basis of one (1) New Share for every two (2) existing shares held (**Entitlement**) by Eligible Shareholders (defined below) on the Record Date (defined below) (**Existing Shares**), at a price of AUD0.10 per New Share (**Issue Price**).

Based on the current shares on issue in the Company, a total of 163,303,144 New Shares will be offered to raise up to AUD16,330,314 (before the costs of the Offer).

The Issue Price represents a discount of approximately 17% to the last closing price of the Company's shares on the ASX prior to the announcement of the Offer.

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.

2 Eligibility and Record Date

Holders of shares in the Company as at 7.00pm (EST) on Tuesday, 26 November 2013 (**Record Date**) will be eligible to participate in the Offer (**Eligible Shareholders**).

3 Placement of Shortfall

A Shortfall will arise if, the applications for New Shares under the Offer received are less than the total number of New Shares offered (**Shortfall Shares**).

The Directors will not place any Shortfall Shares.

4 Underwriting of Offer

The Offer will not be underwritten.

5 Use of proceeds from the Offer

The funds raised from the Offer will be used as working capital for the Company and to fund future investment opportunities of the Company, including the Company's proposed acquisition of 68.205% of Civil & Mining Resources Pty Ltd, should that transaction complete.

6 Offer Document

The Offer is being conducted in accordance with section 708AA of the *Corporations Act 2001* (Cth) (the **Act**), as modified by Australian Securities and Investment Commission Class Order 08/35. Accordingly, 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 has been lodged with the ASX on 18 November 2013 and will be sent to Eligible Shareholders on or before 29 November 2013, together with an Application Form.

A Cleansing Notice and Appendix 3B were also lodged with the ASX on 18 November 2013.

All documents are available for inspection on the ASX website at www.asx.com.au and the Company's website at www.asfgroupltd.com.

7 Timetable

The current proposed timetable for the Offer is set out below. 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	15 November 2013
Offer Document, Appendix 3B and Section 708AA cleansing notice released to ASX	18 November 2013
Notice to Shareholders containing information required by Listing Rules	19 November 2013
"Ex" Date	20 November 2013
Record Date to determine Entitlement to New Shares	26 November 2013
Despatch of Offer Document and Application Form and announcement that dispatch completed	29 November 2013
Closing Date	13 December 2013
Securities quoted on a deferred settlement basis	16 December 2013
ASX notified of under subscriptions	17 December 2013
Allotment of New Shares, despatch date of holding statements	19 December 2013
Trading commences for New Shares on a normal settlement basis	20 December 2013

8 Capital Structure

The effect of the Offer on the capital structure of the Company based on the current shares on issue is as follows:

- (a) the maximum number of New Shares that may be issued under the Offer is 163,303,144, raising a maximum of AUD16,330,314; and
- (b) after completion of the Offer, the maximum number of issued shares in the Company will be 489,909,431.

This assumes that no other shares are issued prior to the completion of the Offer.

9 Participating in the Offer

The Board recommends the Offer to shareholders.

However, before making a decision whether to apply for New Shares, Eligible Shareholders should read the Offer Document carefully and in its entirety when they receive it.

For further information on your Entitlement, please contact your professional advisor or the Company's share registry, Boardroom Pty Limited by phone on 02 9290 9600 (from within Australia) or +61 (2) 9290 9600 (from outside Australia).

Yours sincerely

ASF GROUP LIMITED

A handwritten signature in black ink, appearing to read 'myang', with a stylized flourish at the end.

Ms Min Yang
Chairman