



ASF GROUP LIMITED
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18 November 2013

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

Dear Sir/Madam

Cleansing Notice
Notice under Section 708AA(2)(f) of the Corporations Act

This Notice is given by ASF Group Limited ACN 008 924 570 (ASX: AFA) (**Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Act**), as modified by Australian Securities and Investment Commission Class Order 08/35 (**CO 08/35**).

On 15 November 2013, the Company announced a non-renounceable pro-rata rights issue (**Rights Issue**) of one (1) fully paid ordinary share (**New Share**) for every two (2) fully paid ordinary shares held at the record date to Eligible Shareholders.

Pursuant to the Rights Issue, the Company may issue up to 163,303,144 New Shares at an issue price of AUD0.10 each, to raise up to AUD16,330,314 (before costs).

The Company States that:

- 1 it will offer the New Shares for issue without disclosure to investors under Part 6D.2 of the Act, as notionally modified by CO 08/35;
- 2 it is providing this notice under section 708AA(2)(f) of the Act, as modified by CO 08/35.
- 3 as at the date of this notice, the Company has complied with:
 - (a) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (b) section 674 of the Act.
- 4 as at the date of this notice, there is no information:
 - (a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - (b) that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (ii) the rights and liabilities attaching to the New Shares.

Set out below is information on the potential effect that the Rights Issue may have on the control of the Company:

- 1 If all Eligible Shareholders take up their entitlement under the Rights Issue, the Rights Issue will have no effect on the control of the Company;
- 2 the proportional shareholdings of shareholders who are not residents in Australia, New Zealand, Hong Kong and the People's Republic of China may be diluted as those shareholders are not entitled to participate in the Rights Issue;
- 3 if an Eligible Shareholder does not take up their entitlement in full it may have the effect of diluting that shareholder's proportionate shareholding;
- 4 the Rights Issue is not underwritten; and
- 5 In the event that there is a shortfall in the take up of entitlements by Eligible Shareholders under the Rights Issue, the Company will not place any such shortfall.

Further information

- 6 On completion of the Rights Issue, and assuming it is fully subscribed, the issued capital of the Company will comprise approximately 489,909,431 shares.
- 7 The New Shares will rank equally in all respects with the Company's existing shares. If an Eligible Shareholder's entitlement results in a fraction of a New Share, the entitlement will be rounded up to the nearest whole number.
- 8 Trading in the New Shares is expected to commence on 20 December 2013.
- 9 An Appendix 3B applying for quotation of the New Shares will be released to the ASX separately to this letter.
- 10 The Company encourages all Eligible Shareholders to participate in the Rights Issue.

William Kuan

Company Secretary
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