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**ASSET LOANS LIMITED**  
**(SUBJECT TO DEED OF COMPANY ARRANGEMENT)**

**ACN 107 745 095**

**NOTICE OF GENERAL MEETING**

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**TIME:** 11am (EST)

**DATE:** Monday, 28 June 2010

**PLACE:** Nicols and Brien  
Level 2, 350 Kent Street  
Sydney, NSW

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE**

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The General Meeting of the Shareholders of Asset Loans Limited (Subject to Deed of Company Arrangement) will be held at 11am (EST) on Monday, 28 June 2010 at:

Nicols and Brien  
Level 2, 350 Kent Street  
Sydney, NSW

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**YOUR VOTE IS IMPORTANT**

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You may vote by attending the meeting in person, by proxy or authorised representative.

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**VOTING IN PERSON**

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To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 11am (EST).

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**VOTING BY PROXY**

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To vote by proxy, please complete and sign the proxy form enclosed with this Notice of General Meeting as soon as possible and either:

- (a) post or deliver the proxy to the principal office of the Company at c/- Nicols and Brien, Level 2, 350 Kent Street, Sydney, New South Wales; or
- (b) facsimile to the Company on facsimile number +61 (02) 9299 2239; or
- (c) email to the Company at richughes@deloitte.com.au,

so that it is received not later than 11am (EST) on 26 June 2010.

Proxy forms received later than this time will be invalid.

Dear Shareholder

On 9 September 2008, I was appointed Joint Administrator of Asset Loans Limited (**Asset Loans** or the **Company**) along with my partner, John Greig of Deloitte Touche Tohmatsu (**Deloitte**), in accordance with the provisions of Part 5.3A of the Corporations Act (**Deed Administrators**).

Prior to this date, on 29 August 2008, the Company's securities were suspended from trading on the official list of ASX Limited (**ASX**).

A second meeting of creditors was held on 5 December 2008 and, at that meeting, creditors voted that the Company enter into a Deed of Company Arrangement (**DOCA**). The Company subsequently entered into a recapitalisation deed on 30 October 2009 with a group of investors, represented by Harmsup Pty Ltd (**Harmsup**) to recapitalise the Company (**Recapitalisation Deed**). Harmsup paid a deposit of \$25,000 (**Deposit**).

On 21 December 2009, the Company obtained the approval of its creditors to vary the existing DOCA to reflect the recapitalisation of the Company in accordance with the Recapitalisation Deed. The varied DOCA was executed by the Company on 10 January 2010.

On completion of the Recapitalisation Deed:

- (a) certain loans of Asset Loans Co. Pty Ltd (**ALC**) (in liquidation), a wholly owned subsidiary of Asset Loans, will be assigned to Asset Loans to be part of an "Instant Loans" business post recapitalisation (**Retained Loans**);
- (b) Harmsup will pay \$325,000 to the Deed Administrators who will transfer this amount to a Creditors' Trust;
- (c) the Creditors' Trust will be:
  - (i) paid \$325,000 (as referred to above) together with a \$25,000 deposit previously paid by Harmsup to the Deed Administrators; and
  - (ii) transferred all of Asset Loans' assets, excluding company records, the loans from ALC assigned to Asset Loans as mentioned above and all the shares of Asset Life Pty Ltd (**Asset Life**), a wholly owned subsidiary of Asset Loans which holds intellectual property for a "Life Settlements" business and was previously granted an Australian Financial Services Licence (**AFS Licence**), but including any amounts paid to the Company or ALC in connection with the Loan Management Agreement;
- (d) if the ASX confirms that it will approve the re-instatement of Shares to the ASX without Asset Loans having to re-comply with Chapters 1 and 2 of the ASX Listing Rules, Asset Loans will also issue 5,000,000 Shares to the Creditors' Trust and pay the Deed Administrators an amount of \$111,000 (which will then be paid to the Creditors' Trust);
- (d) the Company will come out of administration; and
- (e) the current board of directors of Asset Loans will be removed and replaced by nominees of Harmsup.

To raise the funds necessary to complete the Recapitalisation Deed, Harmsup indicated it would be prepared to undertake the following capital raisings:

- (a) the issue of 100,000,000 Shares at an issue price of 0.05 cents each to persons nominated by Harmsup to raise \$50,000;
- (b) the issue of 150,000,000 Shares at an issue price of 0.5 cents each to raise \$750,000;
- (c) the issue of up to 100,000,000 Shares at an issue price of 1 cent each to raise up to \$1,000,000; and
- (d) if the ASX confirms that it will only approve the re-instatement of Shares to the ASX if Asset Loans re-complies with Chapters 1 and 2 of the ASX Listing Rules, the issue of up to an additional 75,000,000 Shares at an issue price of 1 cent each to raise up to an additional \$750,000.

The ASX has advised that the Company will need to re-comply with Chapters 1 and 2 of the ASX Listing Rules before its Shares will be re-instated to trading on the ASX once it comes out of administration. As a result, Harmsup has indicated that:

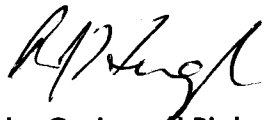
- (a) it will complete the capital raisings under clauses (a) and (b) above but will not at this stage seek to complete the capital raisings under clauses (c) or (d) above;
- (b) it will use the funds raised to expand the existing business of the Company and to investigate additional opportunities to acquire assets or a business that have the potential to provide an attractive return to Shareholders. It will not seek to have its Shares re-listed on the ASX while it is seeking suitable opportunities; and
- (c) in the event a suitable opportunity is identified, it will seek to complete the capital raisings under clauses (c) and (d) and to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

The resolutions proposed in the attached Notice will enable the terms of the DOCA to be completed. If the resolutions are passed and the proposed restructuring and recapitalisation is completed, the Company will come out of administration (with all creditors' claims arising before the date of appointment of the Administrators being transferred to a Creditors' Trust) and look to expand its remaining businesses, being an Instant Loans business, a property development business and a life settlements business, and look for other opportunities that may provide Shareholders with an attractive return on investment.

If any of these resolutions are not passed by the Shareholders of the Company, the Company will remain subject to the DOCA, the trading suspension imposed by the ASX will remain in force and the Administrators will need to consider other alternatives, which is likely to include placing the Company into liquidation (in which event no return to Shareholders is anticipated).

The Administrators have not prepared, and are not responsible for, the contents of the Notice or the Explanatory Statement. Each of those documents has been prepared by Harmsup.

Yours faithfully

A handwritten signature in black ink, appearing to be 'R. Hughes' or similar, written in a cursive style.

**John Greig and Richard Hughes  
Deed Administrators**

**24 May 2010**

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## NOTICE OF GENERAL MEETING

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Notice is given that a General Meeting of Shareholders of Asset Loans Limited (Subject to Deed of Company Arrangement) will be held at Nicols and Brien, Level 2, 350 Kent Street, Sydney, New South Wales at 11am (EST) on Monday, 28 June 2010.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

Pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 11am (EST) on 26 June 2010.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

It is a requirement of the business of the Meeting that each of the Resolutions set out below are passed, otherwise none of the Resolutions will have any effect.

## AGENDA

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### SPECIAL BUSINESS

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered as special business.

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#### 1. RESOLUTION 1 – ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary Resolution**:

*"That, subject to the passing of Resolutions 2 to 7, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue:*

*(a) 100,000,000 Shares at an issue price of 0.05 cents each to Harmsup or their nominees to raise \$50,000; and*

*(b) 150,000,000 Shares at an issue price of 0.5 cents each to Harmsup or their nominees to raise \$750,000,*

*on the terms and conditions set out in the Explanatory Statement."*

**Short Explanation:** To the extent that the proposed Directors take up Shares (as contemplated by Resolutions 2 to 4), the number of Shares issued in accordance with Resolution 1 will be reduced.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Harry Fung, Giuseppe Cossari, Robert Pertich and any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 2. RESOLUTION 2 – ISSUE OF SHARES – MR HARRY FUNG

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary Resolution**:

*"That, subject to the passing of Resolutions 1 and 3 to 7 (inclusive), for the purposes of Listing Rule 10.11, Section 208 of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue up to:*

*(a) 20,000,000 Shares at an issue price of 0.05 cents each; and*

*(b) 25,000,000 Shares at an issue price of 0.5 cents each,*

*to Mr Harry Fung (or his nominee/s) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Harry Fung (or his nominee) and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 3. RESOLUTION 3 – ISSUE OF SHARES – MR GIUSEPPE COSSARI

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary Resolution**:

*"That, subject to the passing of Resolutions 1 and 2 and 4 to 7 (inclusive), for the purposes of Listing Rule 10.11, Section 208 of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue up to:*

*(a) 2,000,000 Shares at an issue price of 0.05 cents each; and*

*(b) 4,000,000 Shares at an issue price of 0.5 cents each,*

*to Mr Giuseppe Cossari (or his nominee/s) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Giuseppe Cossari (or his nominee) and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 4. RESOLUTION 4 – ISSUE OF SHARES – MR ROBERT PERTICH

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary Resolution**:

*"That, subject to the passing of Resolutions 1 to 3 (inclusive) and 5 to 7 (inclusive), for the purposes of Listing Rule 10.11, Section 208 of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue up to:*

(a) 2,400,000 Shares at an issue price of 0.05 cents each; and

(b) 4,000,000 Shares at an issue price of 0.5 cents each,

to Mr Robert Pertich (or his nominee/s) on the terms and conditions set out in the Explanatory Statement."

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Robert Pertich (or his nominee) and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**5. RESOLUTION 5 – ELECTION OF DIRECTOR – MR HARRY FUNG**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to the passing of Resolutions 1 to 4 (inclusive) and 6 and 7, in accordance with the Company's Constitution and for all other purposes, Mr Harry Fung, being eligible and having consented to act, be elected as a director of the Company, effective from the date of the resignation of the Deed Administrators of the Company."*

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**6. RESOLUTION 6 – ELECTION OF DIRECTOR – GIUSEPPE COSSARI**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to the passing of Resolutions 1 to 5 (inclusive) and 7, in accordance with the Company's Constitution and for all other purposes, Mr Giuseppe Cossari, being eligible and having consented to act, be elected as a director of the Company, effective from the date of the resignation of the Deed Administrators of the Company."*

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**7. RESOLUTION 7 – ELECTION OF DIRECTOR – ROBERT PERTICH**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to the passing of Resolutions 1 to 6 (inclusive), in accordance with the Company's Constitution and for all other purposes, Mr Robert Pertich, being eligible and having consented to act, be elected as a director of the Company, effective from the date of the resignation of the Deed Administrators of the Company."*

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**8. RESOLUTION 8 – CHANGE OF NAME**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*"That, in accordance with section 157(1) of the Corporations Act and for all other purposes, the Company change its name to ASQ Financial Group Limited."*



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**DATED: 24 MAY 2010**

**BY ORDER OF THE ADMINISTRATORS**

  
**John Greig and Richard Hughes**  
**Deed Administrators**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared by Harmsup for the shareholders of Asset Loans Limited (subject to Deed of Company Arrangement) (**Asset Loans** or **Company**) in connection with a General Meeting of the Company. The Deed Administrators have not prepared, and are not responsible for, the contents of the Notice or this Explanatory Statement.

In considering the resolutions, Shareholders must bear in mind the current financial circumstances of the Company. In this regard, Shareholders should note that separate reports have been made by the Administrators to creditors of the Company in accordance with the Corporations Act. The reports set out in detail the financial position of the Company, the actions and investigations taken by the Administrator, the reasons for the failure of the Company and the Administrators' recommendations for the future of the Company.

If Resolutions 1 to 7 are passed and the proposed re-structuring set out in the recapitalisation proposal is completed, the Company will come out of administration (with all creditors' claims arising before the date of appointment of the Administrators being transferred to a Creditors' Trust) and look to maintain its remaining businesses, being an "Instant Loans" business, a property development business and a life settlements business, as set out further below, and look for alternative opportunities to acquire assets or a business that has the potential to provide an attractive return to Shareholders.

The Company will not seek the reinstatement of its Shares to official quotation on ASX until such time as a suitable opportunity has been identified and the Company has raised additional capital and is otherwise in a position to be able to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

**If Shareholders reject the proposed restructuring the future of the Company is uncertain. A possibility is that the Company may be placed into liquidation. In this circumstance, it is likely that there would be no return to Shareholders.**

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### 1. OVERVIEW

#### 1.1 Background

A general background and history in respect of the appointment of the Administrators is set out in the letter to Shareholders at the beginning of this Notice.

#### 1.2 Post Capitalisation Business Plan

##### ***Loans Business***

Prior to being placed into administration in September 2008, Asset Loans' core business was the provision of short-term financing to businesses that could not source funds from mainstream banks or institutional financiers. These lending activities were financed through the issue of unsecured notes by Asset Loans. Asset Loan Co Pty Ltd (**ALC**) (in liquidation), the wholly owned subsidiary of Asset Loans, conducted a loans business with a loan book of \$7.3m as at December 2007 and approximately \$13 million at the time the administrators were appointed. Some of the loans are unsecured. Others are secured against various properties.

This loan book is to be assigned to Asset Loans as part of the recapitalisation. The Deed Administrators have sold some of the loan book but loans totalling approximately \$10.9 million (as valued in the management accounts) will be assigned to Asset Loans as part of the recapitalisation. Any amounts paid to the Company or ALC in connection with the Loan Management Account must be paid to the Deed Administrators or the Creditors' Trustees (as the case may be).

Harmsup intends to re-start and expand the Company's lending business and to this end has secured a \$20 million loan terms sheet from FP Investment Partners Pty Ltd.

### ***Property Development Business***

Asset Loans conducted a property development business prior to administrators being appointed, including owning interests in various property developments. A significant number of these real property assets were acquired from borrowers who were unable to service their debts.

The administrators have realised some of the property development assets. Of the remaining assets, the Company will retain rights over developments which relate to the loan book to be retained by the Company as noted above. The remaining property development assets will be transferred to a Creditors' Trust as part of the recapitalisation process.

Harmsup intends to re-start the property development business on the basis of these retained development assets, and to seek new property development assets using funding from the loans business.

### ***Life Settlements Business***

Asset Life Pty Ltd (**Asset Life**), a wholly owned subsidiary of Asset Loans, holds an Australian Financial Services licence and certain intellectual property rights that it intended to use to commence a life settlements business. These assets will be retained as part of the recapitalisation and are intended to be used to commence the life settlements business.

### ***Additional Opportunities***

The Company will look to identify additional opportunities for assets or businesses that have the potential to provide an attractive return to Shareholders. Where any such opportunity is identified, the Company will apply for any necessary Shareholder approvals and re-comply with Chapters 1 and 2 of the ASX Listing Rules with a view to having the Company's Shares re-instated to quotation on the ASX. Re-instatement is at the discretion of the ASX and there can be no assurance given that the Shares will be re-instated.

### ***Outstanding Financial Report***

The Company has not lodged annual financial reports for either the 2008 or 2009 financial years as required by the *Corporations Act 2001*. The Company has commenced the reviews necessary to complete these outstanding reports and intends to use part of the seed funds raised from the capital raisings referred to in this Notice of Meeting to complete the reports.

## **1.3 Purpose of the issue of Shares**

The purpose of the issues of Shares set out in this Notice of Meeting is to:

- (a) make payments to the Deed Administrators and Creditors' Trust as set out in the letter to Shareholders;
- (b) provide funds for the further development of the Company's existing businesses;
- (c) provide funds for the review and acquisition of alternative/new projects; and
- (d) meet the administration costs of the Company (including completing outstanding financial reports) and the expenses of the recapitalisation of the Company.

## 1.4 Capital Structure and Use of Funds

### *Proposed Capital Structure*

Item	Number
Shares currently on issue	46,568,000
0.05 cent Shares issued to Harmsup and/or its nominees	100,000,000
0.5 cent Shares issued to sophisticated and professional investors under Section 708 of the Corporations Act	150,000,000
<b>Total</b>	<b>296,568,000</b>

### *Use of Funds – Expenditure Budget*

An indicative two year expenditure budget for the funds raised under the Proposal is set out below.

Item	\$0.8m raised
Cost of recapitalisation process	\$80,000
Payment to Creditors' Trust	\$350,000
Review and development of existing business	\$130,000
Review of new projects	\$60,000
Working capital	\$180,000
<b>Total</b>	<b>\$800,000</b>

The above table is a statement of current intentions as at the date of this Notice. Future events may alter the manner in which funds are applied.

## 1.5 Recapitalisation Deed

The terms of the Recapitalisation Deed are summarised in the letter to Shareholders. Completion under the Recapitalisation Deed is to occur as soon as reasonably practicable after Shareholders approve the resolutions in this Notice of Meeting.

## **1.6 Deed of Company Arrangement**

A Deed of Company Arrangement has been entered into by the Company and the Administrators. The Deed of Company Arrangement incorporates the terms of the Recapitalisation Deed.

Completion and effectuation of the Deed of Company Arrangement may only occur once Shareholders approve all of the Resolutions set out in the Notice.

## **1.7 Proposed Directors**

Harmsup intends to procure the appointment of Mr Harry Fung, Mr Giuseppe Cossari and Mr Robert Pertich as Directors. Initially, Mr Harry Fung will be largely responsible for the day to day running of the Company (being the only executive director).

At an appropriate point in time, the Directors will consider appointing additional full time staff and/or a CEO or Managing Director.

### **Harry Fung**

Mr Fung has had over 15 years experience in commercial business transactions specialising in financial markets.

Mr Fung's business interests and experience ranges from property development, hospitality, publishing and advertising, retail franchising, information technology and financial services.

Mr Fung has been employed as a consultant with MLC Financial Services to introduce the rollout of an online portal for the self-managed superannuation market. He spent three years working for a boutique fund management company and was recently CEO of a boutique fund management company in Melbourne.

He holds a diploma in Financial Markets. Mr Fung is currently a director of Media Group International Limited, an ASX listed company (ASX: MUI).

### **Mr Giuseppe "Joe" Cossari**

Mr Giuseppe Cossari is a partner in boutique independent financial planning practice Veri Financial Services Pty Ltd. Mr Cossari has been involved specifically with investment strategy formulation within the financial services industry.

Mr Cossari has also had extensive experience with commercial business transactions. He is or has been a director of many private companies ranging from information technology, asset maintenance, residential and commercial property development and hospitality.

Until recently, Mr Cossari was a councillor for the Collier Ward in the City of Knox, he served this local community post from 2005 until 2008. In this position he controlled an annual budget of \$100 million.

Mr Cossari is also a Justice of the Peace. Mr Cossari is currently a director of Media Group International Limited, an ASX listed company (ASX: MUI).

### **Mr. Robert Pertich**

Mr Pertich is a Certified Practicing Accountant and has over 16 years experience in various business advisory and commercial roles. Robert was the sole director of his own consulting and business services firm concentrating on assisting the management of growing businesses in a variety of industries including energy, mechanical services and construction.

Robert commenced his career in 1992 as a tax accountant and over 4 years obtained his tax agent license and CPA qualifications. He then moved into to a new role, which included senior audit work, due diligence, forensic accounting and dealing with multi-national companies and their specific requirements. In 2003 Robert decided to venture into his own business and recruited his own staff to provide a highly specialized business services firm.

Robert has been involved with various sized enterprises in differing industries. He has extensive experience in the management of accounting and finance functions as well as commercial negotiations and the structuring of finance.

## **1.8 ASX Listing**

The Company is admitted to the Official List. However trading in the existing Shares was suspended on 29 August 2008. The Company will not seek the reinstatement to trading of its Shares on ASX following recapitalisation until such time as a suitable opportunity has been identified and the Company has raised additional capital and is otherwise in a position to be able to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

## **1.9 Conclusion**

The Resolutions set out in the Notice are important and affect the future of the Company. Shareholders are therefore urged to give careful consideration to the Notice and the contents of this Explanatory Statement.

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## **2. RESOLUTION 1 – ISSUE OF SHARES**

### **2.1 General**

Resolution 1 seeks Shareholder approval for the allotment and issue of:

- (i) 100,000,000 Shares at an issue price of 0.05 cents each to persons nominated by Harmsup to raise \$50,000; and
- (ii) 150,000,000 Shares at an issue price of 0.5 cents each to persons nominated by Harmsup to raise \$750,000.

The number of securities issued in accordance with Resolution 1 will be reduced to the extent that the Directors participate in the issues referred to above (as contemplated by Resolutions 2, 3 and 4).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of Resolution 1 will be to allow the Directors to issue the Shares during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

## 2.2 Shareholder Approval

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the proposed issue of Shares under Resolution 1:

- (a) the maximum number of Shares to be issued is:
  - (i) 100,000,000 Shares at an issue price of 0.05 cents each to raise \$50,000; and
  - (ii) 150,000,000 Shares at an issue price of 0.5 cents each to raise \$750,000;
- (b) the Shares will be issued within three months after the date of the Meeting (other than the Shares to be issued to the Related Parties under Resolutions 2, 3 and 4 which shall be issued within one month of the date of the Meeting) unless the ASX provides otherwise;
- (c) other than the Shares to be issued to the Related Parties under Resolutions 2, 3 and 4, the Shares will be issued to parties nominated by Harmsup, the details of which are not known as at the date of this Notice. Any third party that will be issued Shares will not be a related party of the Company and must be approved by Harmsup to ensure that, following the issue of Shares to the third party, the voting power in the Company of each nominee (allowing for the relevant interests of any associates) is not more than 20%;
- (d) the Shares issued will rank equally with the existing Shares on issue; and
- (e) the funds raised from the issue of Shares will be used for the purposes set out in section 1.3 of this Explanatory Statement.

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## 3. RESOLUTIONS 2, 3 AND 4 – ISSUE OF SHARES TO RELATED PARTIES

### 3.1 General

The Company will, subject to obtaining Shareholder approval, allot and issue a total of 57,400,000 Shares to Messrs Harry Fung, Giuseppe Cossari and Robert Pertich (or their nominee/s) (**Related Parties**) on the terms and conditions set out below.

Resolutions 2 to 4 allow the Related Parties to participate in the issues of securities contemplated by Resolution 1.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

Messrs Harry Fung, Giuseppe Cossari and Robert Pertich are "related parties" under the Listing Rules and the Corporations Act because they are proposed directors of the Company.

### **3.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)**

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares under Resolutions 2, 3 and 4:

- (a) the related parties are Messrs Harry Fung, Giuseppe Cossari and Robert Pertich and they are related parties by virtue of being proposed directors of the Company;
- (b) the maximum number of Shares (being the nature of the financial benefit being provided) to be issued to the Related Parties is:

<b>Allotee (or nominee/s)</b>	<b>0.05 cent Shares</b>	<b>0.5 cent Shares</b>
Harry Fung	20,000,000	25,000,000
Giuseppe Cossari	2,000,000	4,000,000
Robert Pertich	2,400,000	4,000,000

- (c) the shareholding of each Related Party upon issue of the Shares will be as set out below (assuming Shares are only issued to the Related Parties and no other Shares are issued or Options converted):

<b>Allotee (or nominee/s)</b>	<b>% shareholding</b>
Harry Fung	15.2%
Giuseppe Cossari	2.0%
Robert Pertich	2.1%
Total	19.3%

- (d) the Shares will be issued to the Related Parties within one month after the date of the Meeting, with it being anticipated that all of the Shares will be issued on or about completion under the DOCA;
- (e) the Shares issued will rank equally with the existing Shares on issue;
- (f) none of the Related Parties have any interest in securities of the Company as at the date of this Notice;
- (g) no remuneration or other emoluments have been paid to any of the Related Parties over the past 12 months. It is proposed that the new



Executive Director, Mr Harry Fung, will be paid a fee of \$5,000 per month after settlement of the recapitalisation proposal. It is proposed that the Non-Executive Directors, Messrs Cossari and Pertich, will be paid fees of \$3,000 each per month after settlement of the recapitalisation proposal;

- (h) if Shareholders approve the issue of Shares to the Related Parties as contemplated by Resolutions 2, 3 and 4 and all of the Shares are issued, the effect will be to dilute the shareholding of Shareholders by up to approximately 19.4% (assuming all of the Shares to be issued pursuant to this Notice are issued and no other Shares are issued or Options converted);
- (i) the Company's Shares have not traded on ASX since 29 August 2008. The last available trading price was 6 cents. Over the preceding 12 month period has ranged from a high of 33 cents on 31 August 2007 to a low of 6 cents on 29 August 2008;
- (j) the funds raised from the Shares will be used for the purposes set out in section 1.3 of this Explanatory Statement; and
- (k) as the Company has been placed into administration, there are no existing Directors to make a recommendation to Shareholders in relation to these Resolutions.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Shares to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

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#### **4. RESOLUTIONS 5, 6 AND 7 - ELECTION OF DIRECTORS**

The recapitalisation proposal provides that following completion of the proposal, the Board will be comprised of nominees of Harmsup.

Resolutions 5, 6 and 7 seek the election of Mr Harry Fung, Mr Giuseppe Cossari and Mr Robert Pertich as Directors. The Constitution provides that new directors may be appointed by a resolution of Shareholders passed at a Meeting.

Set out earlier in this Explanatory Statement is a summary of the background on the three proposed directors.

It should be noted that these persons will be appointed to the Board following termination of the Deed of Company Arrangement.

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#### **5. RESOLUTION 8 – CHANGE OF NAME**

Resolution 8 seeks shareholder approval to change the name of the Company to "ASQ Financial Group Limited". The proposed Directors considers that a name change is appropriate to reflect the fact that the Company has been recapitalised and has undergone a change of directors and management.

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## GLOSSARY

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**Administrators and Deed Administrators** means John Greig and Richard Hughes of Deloitte Touche Tohmatsu, Brisbane Queensland.

**ALC** means Asset Loans Co. Pty Ltd (ACN 107 746 798).

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited, or the Australian Securities Exchange (as the context requires).

**ASX Listing Rules** or **Listing Rules** means the Listing Rules of ASX.

**Board** means the board of directors of the Company.

**Company** and **Asset Loans** means Asset Loans Limited (subject to Deed of Company Arrangement) (ACN 107 745 095).

**Completion** means the completion of the transactions set out in the Recapitalisation Deed, summarised in the letter to shareholders in this Notice of Meeting.

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Creditors' Trust** means the creditors' trust for the Company.

**Creditors' Trustees** means John Greig and Richard Hughes.

**Directors** means the directors of the Company (from time to time).

**DOCA** means the deed of company arrangement entered into by the Company and the Administrator in relation to the Company, under which the proposal put forward by Harmsup (as outlined in the Explanatory Statement) will be implemented.

**EST** means Eastern Standard Time.

**Explanatory Statement** means the Explanatory Statement accompanying the Notice of Meeting.

**Harmsup** means Harmsup Pty Ltd ACN 136 403 293

**Loan Management Agreement** means the loan management agreement between ALC and Tricom Nominees Pty Ltd 060 709 926.

**Meeting** or **General Meeting** means the meeting convened by the Notice.

**Notice** means the Notice of Meeting.

**Option** means an option to acquire a Share.

**Optionholder** means the holder of an Option.

**Recapitalisation** means the recapitalisation proposed by the Recapitalisation Deed.

**Recapitalisation Deed** means the recapitalisation deed between the Company, Harmsup, the Administrators and ALC dated 30 October 2009.

**Retained Loans** means those loans set out in the Recapitalisation Deed.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means the holder of a Share.

**Subsidiary** has the meaning given to that term by Section 46 of the Corporations Act.

## PROXY FORM

### APPOINTMENT OF PROXY ASSET LOANS LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT) ACN 107 745 095

I/We

of

being a member of Asset Loans Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR

☐

the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at 11am (EST) on Monday, 28 June 2010 at Nicols and Brien, Level 2, 350 Kent Street, Sydney, New South Wales and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

☐

If the Chair of the General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolutions 1 to 4** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 1 to 4 and that votes cast by the Chair of the General Meeting for Resolutions 1 to 4 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 1 to 4 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1 to 4.

**OR**

#### Voting on Business of the General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Issue of Shares – Mr Harry Fung	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Shares – Mr Giuseppe Cossari	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Shares – Mr Robert Pertich	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Election of Director – Mr Harry Fung	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Election of Director – Mr Giuseppe Cossari	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Election of Director – Mr Robert Pertich	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Change of Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If more than one proxy is being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%

Signature of Member(s): \_\_\_\_\_

Date: \_\_\_\_\_

Individual or Member 1

Member 2

Member 3

Sole  
Secretary

Director/Company

Director

Director/Company Secretary

Contact Name: \_\_\_\_\_ Contact Ph (daytime): \_\_\_\_\_

**ASSET LOANS LIMITED**  
**ACN 107 745 095**

**Instructions for Completing 'Appointment of Proxy' Form**

1. **(Appointing a Proxy):** A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
  - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post or deliver the proxy to the principal office of the Company at c/- Nicols and Brien, Level 2, 350 Kent Street, Sydney, New South Wales; or
  - (b) facsimile to the Company on facsimile number +61 2 9299 2239; or
  - (c) email to the Company at richughes@deloitte.com.au,

so that it is received not later than 11am (EST) on 26 June 2010.

**Proxy forms received later than this time will be invalid.**

6. For any questions, please call Steve Nicols on +61 2 9299 2289.