



ASF GROUP LIMITED

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

Dear Sir/Madam

ASF Resources Limited - Share Buyback

ASF Group Limited ("ASF") wishes to announce that ASF Resources Limited ("ASFR") has re-purchased 81,818,182 fully paid ordinary ASFR shares representing the 45% interest in ASFR previously held by Longluck Investment (Australia) Pty Ltd ("Longluck") for A\$5,500,000 ("ASFR Buy-back"). The shares re-purchased under the ASFR Buy-back have been cancelled in accordance with the *Corporations Act 2001 (Cth)* and the ASFR Shareholders Agreement has been terminated, relieving ASF of any further commercial and financial obligations under that agreement.

Set out below is a table showing the shareholding structures of ASFR before and after the ASFR Buy-back:

Shareholder	Number of shares before ASFR Buy-back	% of shares before ASFR Buy-back	Number of shares after ASFR Buy-back	% of shares after ASFR Buy-back
Longluck Investment (Australia) Pty Ltd	81,818,182	45%	0	0%
ASF Group Limited	89,000,000	48.95%	89,000,000	89%
Yongbin International Holdings Limited	11,000,000	6.05%	11,000,000	11%
Total	181,818,182	100%	100,000,000	100%

The consideration for the ASFR Buy-back was funded from the internal available cash resources of ASFR. Representatives of Longluck on the Board of Directors of ASFR have resigned.

As a result of the ASFR Buy-back, it is anticipated that a significant accounting loss will be brought to account, adversely affecting the financial result of ASF for the year ending 30 June 2013. Also the carrying value of ASFR in the Company's financial statements



as at 30 June 2013 will be re-assessed by the Board after taking into account the ASFR Buy-back transaction.

As a consequence of the termination of the ASFR Shareholders Agreement there is no longer an obligation on ASF to demerge ASFR and seek its listing as previously announced. The prospect of a potential demerger of ASFR may be considered at some stage in the future.

Information about ASF

ASF is unique among ASX-listed public companies in Australia as a creator and facilitator of two-way cross-border investments, trade and funds management between China and Australia. Since its transformation into a Sino-Australian investment and trading house in 2006, ASF has focused principally on the identification, incubation and realisation of embryonic opportunities across various industries.

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