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ASX Announcement

The Manager
Company Announcements
Australia Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

1 August 2012

The Company has received inquiries from a small number of shareholders in relation to its loan (the "Loan") of \$5.63m (being the principal amount) to St Leonard's Property Pty Ltd ("SLP"). The nature of the inquiry is whether the Loan is impaired as a result of SLP having been placed in the hands of Receivers and Managers by the first mortgagee.

The Loan is secured by way of second mortgages against the property that is owned by SLP and other property located in the Sydney CBD and East Melbourne.

Based on the information currently available to the Company, in the form of the most recent property valuations and the debt levels owed to the first mortgagees, the Company is of the view that an impairment is currently not necessary. This position is predicated on the assumption that the sale of the secured properties by the first mortgagee will be in-line with the most recent valuations and that the fees charged by the Receivers and Managers and their solicitors will be reasonable.

To mitigate the risk to the Company of the SLP owned property being sold well below market value, the Company is considering the option of acquiring the property. In such a situation the property will be managed by the Company's property funds management group, with a view of reselling the property sometime in the future either outright or in a managed fund structure.

The Company is closely monitoring the current situation and, consistent with its continuous disclosure obligations, will release further information to the market should there be a change to the Company's perspective on the carrying value of the loan.