



ASF GROUP LIMITED
ACN 008 924 570
Bennelong, 2/3B Macquarie Street
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www.asfgroupltd.com

29 May 2017

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

Dear Sir/Madam

ASF Group Limited (ASX:AFA)
Despatch of Letters to Shareholders

ASF Group Limited confirms that it has despatched the enclosed letters to shareholders today.

William Kuan
Company Secretary
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Dear Shareholder

Non-Renounceable 1 for 8 Rights Issue to Shareholders

1 Rights Issue

ASF Group Limited ACN 008 924 570 (ASX: AFA) (the **Company**) announced a non-renounceable 1 for 8 rights issue on 26 May 2017 (**Offer**) and is pleased to provide further detailed information on the Offer.

The Offer is for new fully paid ordinary shares (**New Shares**) on the basis of one (1) New Share for every eight (8) existing shares held (**Entitlement**) by Eligible Shareholders (defined below) on the Record Date (defined below) (**Existing Shares**), at a price of \$0.16 per New Share (**Issue Price**).

Based on the current shares on issue in the Company, a total of 75,399,252 New Shares will be offered to raise up to \$12,063,880 (before the costs of the Offer).

The Issue Price represents a discount of approximately 16.93% to the weighted average price of the Company's shares on the ASX in the five trading days up to and including the day prior to the announcement of the Offer (this price being \$0.193). The Issue Price is equal to the last closing price of the Company's shares on the ASX on 25 May 2017 (this price being \$0.16).

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 Offer Document

The Offer is being conducted in accordance with section 708AA of the *Corporations Act 2001* (Cth) (the **Act**). 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 was lodged with the ASX on 26 May 2017 and will be sent to Eligible Shareholders on or before 5 June 2017, together with a personalised Entitlement and Acceptance Form.

A Cleansing Notice and Appendix 3B were also lodged with the ASX on 26 May 2017.

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

3 Eligibility and Record Date

Holders of shares in the Company as at 7.00pm (Sydney time) on 31 May 2017 (**Record Date**) will be eligible to participate in the Offer (**Eligible Shareholders**).

4 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 Company will allow Eligible Shareholders, in addition to applying for all of their Entitlements, to apply for such further number of Shortfall Shares which the Eligible Shareholder may specify in the Entitlement and Acceptance Form.

In the event that there is no Shortfall, the Application Monies relating to the Shortfall will be returned to the Eligible Shareholder as soon as practicable following the Closing Date without interest.

In the event that applications from Eligible Shareholders to participate in the Shortfall exceed the number of Shortfall Shares, those applications will be scaled back in the discretion of the Directors.

No Shortfall Shares will be issued to any Eligible Shareholder or any third party if it results in an Eligible Shareholder increasing its shareholding to more than 20% of the Company's issued capital.

Notwithstanding any application received by the Company for Shortfall Shares from Eligible Shareholders, the Directors may at their complete and absolute discretion place the Shortfall Shares with any third party at not less than the issue price within 3 months of the Closing Date.

The Rights Issue is not being underwritten.

5 Use of proceeds from the Offer

The Company will use the proceeds raised under the Offer to:

- (a) fund investments in current portfolio assets, including engaging property development consultants;
- (b) fund future investment opportunities; and
- (c) provide working capital to the Company generally.

6 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, lodgment Appendix 3B and Section 708AA cleansing notice released to ASX	26 May 2017
Notice to Shareholders containing information required by Listing Rules	29 May 2017
"Ex" Date	30 May 2017
Record Date to determine Entitlement to New Shares	31 May 2017
Despatch of Offer Document and Entitlement and Acceptance Form and announcement that despatch completed	5 June 2017
Last day to extend Offer Closing Date	16 June 2017
Closing Date	21 June 2017

Securities quoted on a deferred settlement basis	22 June 2017
ASX notified of Shortfall	26 June 2017
Issue of New Shares, despatch date of holding statements	28 June 2017
Trading commences for New Shares on a normal settlement basis	29 June 2017

7 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 75,399,252, raising a maximum of \$12,063,880; and
- (b) after completion of the Offer, the maximum number of issued shares in the Company will be 678,593,264.

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

8 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), +61 (2) 9290 9600 (from outside Australia).

Yours sincerely
ASF GROUP LIMITED



Min Yang
Chairman



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29 May 2017

Dear Shareholder

Non-Renounceable Rights Issue - Notification to Ineligible Shareholders

I refer to the non-renounceable rights issue (**Offer**) announced by ASF Group Ltd (**Company**) on 26 May 2017, under which the Company will raise up to \$12,063,880 (before the costs of the Offer).

Pursuant to the Offer, Eligible Shareholders will be offered the opportunity to acquire additional fully paid ordinary shares (**New Shares**) in the Company on the basis of one (1) new fully paid ordinary shares (**New Shares**) for every eight (8) existing shares held (**Entitlement**) by Eligible Shareholders (defined below) at 7.00pm (Sydney time) on 31 May 2017 (**Record Date**), at a price of \$0.16 per New Share (**Issue Price**).

This letter is to inform you about the Offer and to explain why you will not be able to subscribe for New Shares under the Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. You are not required to do anything in response to this letter.

The Offer is to be implemented under section 708AA of the Corporations Act 2001 (**Act**) (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84).

The Company has decided that it is unreasonable to make offers under the Rights Issue to shareholders with a registered address outside Australia, New Zealand, Hong Kong, Macau and the People's Republic of China (**Ineligible Shareholders**), having regard to the number of such shareholders, their holdings and the compliance costs required to offer the shares under the Offer to those shareholders.

Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Act, the Company wishes to advise you are an Ineligible Shareholder and that it will not be extending the Offer to you.

If you have any additional questions regarding the Offer, please contact the Company between 9.00am and 5.00pm (Sydney time) on business days by calling (02) 9251 9088 from within Australia or + 61 2 9251 9088 from outside Australia

Otherwise, on behalf of the Board and management of the Company, we thank you for your continued support of the Company.

Yours sincerely
ASF GROUP LIMITED

A handwritten signature in black ink, appearing to read 'Min Yang', written over a faint, stylized signature line.

Min Yang
Chairman