



ASF GROUP LIMITED

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16 April 2008

The Manager
Company Announcements
Australian Stock Exchange
20 Bridge Street
Sydney 2000
Via: www.asx.online.com

ASF Properties Pty Limited

ASF Group Limited (“the Company”) wishes to announce that it has made a provision for impairment in the value of goodwill in its consolidated accounts in the amount of \$999,990. This has the effect of writing down the value of goodwill, which arose from the acquisition of ASF Properties Pty Limited (formerly known as AS Fortune Holdings Pty Limited) in 2006, from \$2,599,990 to the amount of \$1,600,000.

The Company will adopt a value for this goodwill item no greater than \$1,600,000 in its accounts to be prepared as at 30 June 2008. The goodwill write-down, while having no bearing on cashflows, will be a charge to the Company’s consolidated Profit & Loss account in the amount of \$999,990.

The property business carried on by ASF Properties Pty Limited is in early stages of development and, as a result of the additional time taken to establish and complete transactions, its performance is tracking below budget in the current financial year. Accordingly, as a prudent financial decision, the Directors’ determined to make the goodwill write-down at this time.

The Directors have confirmed their satisfaction with the business model for ASF Properties Pty Limited and expect the segment to make a positive profit contribution to ASF Group Limited in the current half year.

The principal current activity of ASF Properties Pty Limited is the marketing and sale of Australian property to Chinese investors on behalf of Australian developers. The company is also working to package and market significant property projects in China to investors, including Australian investors. In this regard, the Company is currently negotiating to secure marketing rights to a He Fei property project, the subject of an announcement by the Company on 10 April 2008.

For further information contact:

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