



ASF GROUP LIMITED

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26 May 2017

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

Dear Sir/Madam

Pro-rata non-renounceable 1 for 8 Rights Issue to Eligible Shareholders

ASF Group Limited (ASX: AFA) is pleased to announce a pro-rata non-renounceable one (1) for eight (8) rights issue of fully paid ordinary shares in the capital of the Company (**Offer**).

The Company will offer Eligible Shareholders one (1) share for every eight (8) shares held as at the record date of 31 May 2017 at \$0.16 per share (**Entitlement**).

Compared to the weighted average price of the Company's shares on the ASX in the five trading days up to and including 25 May 2017, of \$0.193 (rounded to three decimal places), the offer price represents a discount of approximately 16.93%. The offer 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).

Offer is non-renounceable

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.

Eligible Shareholders may choose to accept all or part of their Entitlement or none at all. Entitlements of Eligible Shareholders which are not taken up will form part of the Shortfall.

The Offer is being conducted in accordance with section 708AA of the Corporations Act (Cth) 2001 (**Act**), which means 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 and personalised acceptance forms will be mailed to Eligible Shareholders on Monday, 5 June 2017. The Offer Document is available on the Company's website at www.asfgroupltd.com and from the Company's registered office at Bennelong, 2/3B Macquarie Street, Sydney NSW 2000.

The closing date for the Offer will be 21 June 2017.

Effect on Capital Structure

The Company currently has 603,194,012 shares on issue. The maximum number of securities that may be issued under the Offer is 75,399,252 shares. Shares issued under the rights issue will rank equally with existing shares. The Company will apply for official quotation on ASX of the new shares issued under the Offer.

The maximum amount raised by the Offer would be \$12,063,880 if every Eligible Shareholder exercised its Rights to purchase New Shares, before expenses.

Shortfall

There is no minimum acceptance amount and Eligible Shareholders are also invited to apply for additional New Shares which will be allocated from any Shortfall. The Directors may at their discretion place any Shortfall to third parties, at not less than the issue price within 3 months of the Closing Date.

Purpose of the Offer

The Company will use the proceeds raised under the Rights Issue to:

1. fund investments in current portfolio assets, including engaging property development consultants;
2. fund future investment opportunities; and
3. provide working capital to the Company generally.

Any person considering acquiring shares under the Offer should read the Offer Document carefully. Applications for shares under the Offer may only be made using the Application Form to be attached to, or accompanying the Offer Document. Shares will only be issued on the basis of an Application Form issued together with the Offer Document.

Timetable

The following timetable is indicative only. 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

*The above dates are indicative only and may change without notice. The Directors reserve the right to amend this indicative timetable at any time (subject to the Corporations Act and ASX Listing Rules), to extend the Closing Date or to cancel the Offer without prior notice in its absolute discretion. The commencement of quotation of new securities is subject to confirmation from the ASX.

*Shareholders should consult their professional advisors in regards to the definition of 'Ex' Date and Record Date to ensure that their entitlement to participate in the Offer is assured. Where fractions arise in the calculation of entitlements, they will be rounded up to the nearest whole number.

Read Offer Document Carefully

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William Kuan

Company Secretary

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