



ASF GROUP LIMITED

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ASF Group Limited

Address by Ms Min Yang, Chairman, to the 2012 AGM

The year ended 30 June 2012, was one of intense activity and ASF Group was very pleased to report a consolidated profit after tax of over \$21 million.

As a Sino-Australian investment company, ASF is focused principally on the identification, incubation and realisation of opportunities, especially in the resources sector. The Company has demonstrated its expertise in identifying early-stage investment opportunities in Australia and maturing these projects in conjunction with our expanding network of major Chinese strategic investor partners.

We anticipate that attractive investment and transactional opportunities for the Company should continue throughout the current year, and we are working to reduce the lead times to implement transactions and also to build upon our recurring income, which arises through ASF providing services to our investee companies.

In this address I intend to highlight only some of our more significant investments and related activities that were undertaken during 2012 financial year and subsequent to year-end.

Canning Basin

The Canning Basin of W.A. continues to be an important focus of ASF for thermal coal and other sources of energy. In December 2011, the Company initiated a \$16 million capital injection into the share capital of our initial Canning Basin-focused subsidiary, ASF Resources Limited, by a subsidiary of Beijing Guoli Energy Investment Co., Ltd.

During the year, the Company sold for \$6 million an 80% beneficial interest in ASF Kaili Resources Pty Limited, which also holds Canning Basin tenements.

The Company further strengthened its position in the Canning Basin through subscriptions to the share capital of ASX listed, Rey Resources Limited, during June and September this year. ASF now holds approximately 23% of the share capital of Rey, which has been moving its Duchess-Paradise coal project towards development.

Other Investments

Following our participation in share placements during May and November 2012, ASF now holds 19.9% of the share capital of ASX listed, ActivEx Limited. ActivEx is a junior exploration company which holds a number of promising copper and precious metals projects in Queensland.

Other Activities

ASF's 75% owned financial services company, ASF Balmoral Pty Limited continues to develop its businesses and ASF Properties Pty Ltd continues to successfully provide property and marketing services.

I wish to thank my fellow directors, our staff, consultants and team members for their excellent work during the year, and acknowledge the continuing support of our shareholders, partners and investors.

Min Yang
Chairman

30 November 2012
Sydney

