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11 October 2007

e-Lodgement

FOR PUBLIC RELEASE

Company Announcements
Australian Stock Exchange Limited
SYDNEY NSW 2000

Dear Sir/Madam

NOTICE OF ANNUAL GENERAL MEETING
&
2007 ANNUAL REPORT

Attached please find:

1. Notice of meeting and Appointment of Proxy form for the 2007 Annual General Meeting. Details for the timing and location of the meeting are located in the Notice of Meeting; and

2. ASF Group Annual Report for the year ended 30 June 2007

Yours faithfully,
ASF GROUP LIMITED

Tony SP Teng
Company Secretary

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ASF Group Limited

ACN 008 924 570

Notice of 2007 Annual General Meeting and Explanatory Memorandum

Date of meeting: 8 November 2007

Time of meeting: 10 am

Place of meeting: Prince Albert Room
Sir Stamford Hotel at Circular Quay
93 Macquarie Street, Sydney, NSW 2000

This is an important document.
If you are in any doubt as to how to act you should consult your financial or legal adviser.

ASF Group Limited

ACN 008 924 570

NOTICE OF MEETING

This is a Notice of Annual General Meeting of the shareholders of the Company to be held at the Prince Albert Room, Sir Stamford Hotel at Circular Quay, 93 Macquarie Street, Sydney NSW 2000 on 8 November 2007 commencing at 10 am.

The Explanatory Memorandum that accompanies and forms part of this Notice of Annual General Meeting describes the various resolutions to be considered at the Meeting.

AGENDA

Business

Financial Statements and Reports

To receive and consider the Financial Statements of the Company for the year ended 30 June 2007 and the Reports of Directors and Auditors thereon.

Resolution 1 Adoption of Remuneration Report

To consider the Remuneration Report as it appears in the Annual Report of the Company for the year ended 30 June 2007 and, if thought fit, pass the resolution as an ordinary resolution in accordance with section 250R of the Corporations Act 2001:

'That the Company's Remuneration Report for the year ended 30 June 2007 be adopted.'

Note The vote on this resolution is advisory only and does not bind the Directors or the Company.

Resolution 2 Re-election of a Director, David Fang

To consider and if thought fit, pass the following resolution as an ordinary resolution:

'That David Fang, who retires by rotation in accordance with the Company's Constitution and having offered himself for re-election and being eligible, is hereby re- elected as a director of the Company.'

Resolution 3 Re-election of a Director, Alan Humphris

To consider and if thought fit, pass the following resolution as an ordinary resolution:

'That Alan Humphris, who retires in accordance with Article 80 of the Articles of Association and ASX Listing Rule 14.4 and having offered himself for re-election and being eligible, is hereby re- elected as a director of the Company.'

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Resolution 4 Ratification of prior share issue

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given for the previous issue and allotment of 209,000,000 Shares to the parties set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting'.

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by a person who participated in this issue and by any associates of those persons. However the Company need not disregard a vote if it is cast by a person as proxy for persons entitled to vote, in accordance with directions on the Proxy Form or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form.

Resolution 5 Approval of issue of shares to Gold Star Industry Limited

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'That, for the purposes of Listing Rules 7.1 and 10.11, and for all other purposes, approval is given for the Company to issue 50,000,000 Shares to Gold Star Industry Limited, on the terms of which are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.'

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by Geoff Baker and Gold Star Industry Limited and by any associates of those persons. However the Company need not disregard a vote if it is cast by a person as proxy for persons entitled to vote, in accordance with directions on the Proxy Form or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form.

Resolution 6 Approval of share consolidation

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'That, in accordance with section 254H of the Corporations Act 2001 and Article 45 of the Articles of Association, approval is given to the consolidation by the Company of its share capital by consolidating every ten (10) Shares on issue into one (1) Share with effect from the date that is the next Business Day after the date of this Meeting if Resolution 5 is passed or failing the passing of Resolution 5, the date that this Resolution 6 is passed, with fractions of a Share being rounded to the nearest whole number, as detailed in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.'

Resolution 7 Approval of Capital Raising

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'That, subject to the approval by members of Resolution 6, for the purposes of ASX Listing Rules 7.1 and 10.11, and for all other purposes, approval is given for the Company to issue under a Prospectus up to 40,000,000 Shares at an issue price of approximately $0.25 for each Share and for the issue of any Shares offered under the Prospectus, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.'

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by any person that intends to participate in the capital raising and by any associates of such person(s). However the Company need not disregard a vote if it is cast by a person as proxy for persons entitled to vote, in accordance with directions on the Proxy Form or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form.

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Resolution 8 Approval of ASF Share Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That for the purposes of ASX Listing Rule 7.2 Exception 9(b) and for all other purposes, approval is given for the adoption by the Company of the ASF Share Plan on the terms and conditions as summarised in the Explanatory Memorandum accompanying this Notice of Annual General Meeting and for the issue of securities from time to time under the ASF Share Plan as an exception to the ASX Listing Rule 7.1."

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by the Directors and by any associates of the Directors. However the Company need not disregard a vote if it is cast by a person as proxy for persons entitled to vote, in accordance with directions on the Proxy Form or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy directs.

Resolution 9 Amendment to Articles of Association

To consider and, if thought fit, pass the following resolution as a special resolution:

"That the existing Article 3 of the Articles of Association of the Company be deleted and replaced with the following new Article 3:

3. Paramount effect of Listing Rules

While the Company remains on the Official List, the following provisions apply:

(1) despite anything contained in these Articles, if the Listing Rules prohibit an act being done, the act must not be done;

(2) nothing contained in these Articles prevents an act being done that the Listing Rules require to be done;

(3) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);

(4) if the Listing Rules require these Articles to contain a provision and it does not contain such a provision these Articles must be treated as containing that provision;

(5) if the Listing Rules require these Articles not to contain a provision and it contains such a provision, these Articles must be treated as not containing that provision; and

(6) if any provision of these Articles is or becomes inconsistent with the Listing Rules, these Articles must be treated as not containing that provision to the extent of the inconsistency.

Where any rule, or provision in any rule, is expressed to be subject to the Listing Rules or contains words to the same effect, the rule or provision is only subject to the provisions of the Listing Rules while the Company remains on the Official List."

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PROXIES

A member entitled to attend and vote at the Annual General Meeting may appoint a proxy and, if entitled to cast two or more votes is entitled to appoint two proxies in which case each proxy may be appointed to represent a specified proportion of the member's voting rights. A proxy need not be a member of the Company and a member may appoint an individual or a body corporate to act as its proxy.

Unless instructed to the contrary, the Chairman of the meeting intends to vote proxies in favour of all resolutions at the meeting.

For an appointment of a proxy to be effective, Proxy Forms and, if applicable, the powers of attorney (or a certified copy of the powers of attorney) under which they are signed must be lodged at the Company's share registry, Registries Limited, PO Box R67 Royal Exchange, Sydney NSW 1223 Australia (or Fax +612 9251 9066) no later than 5pm on 7 November 2007.

A Proxy Form is provided with this notice. Please read the instructions on the Proxy Form.

If you are entitled to vote and wish to appoint a proxy, you should be aware that your proxy's vote on your behalf will be valid only if you direct your proxy how to vote on the proxy Form and the proxy does vote as directed.

Voting Intentions

The Chairperson of the Company intends to vote in favour of all resolutions on the agenda in respect of undirected proxy votes where the Chairperson is appointed as proxy.

Voting Entitlement

The Company has determined, in accordance with Regulation 7.11.37 of the Corporations Regulations 2001, that for the purposes of voting at the meeting or adjourned meeting, shares will be taken to be held by those persons in the Company's Register of Members as at 7.00pm (Sydney Time) on 7 November 2007. Transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at this meeting.

Dated: 3 October 2007

By order of the Board

Tony Teng
Company Secretary

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ASF GROUP LIMITED

ACN 008 924 570

EXPLANATORY MEMORANDUM

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INTRODUCTION

This Explanatory Memorandum accompanies and forms part of the Notice of Annual General Meeting of ASF Group Limited ("the Company" or "ASF") and is intended to provide shareholders of the Company with information to assess the merits of the resolutions contained in the business to be conducted at the Annual General Meeting to be held 8 November 2007.

The directors ("the Directors") of the Company recommend that shareholders read this Explanatory Memorandum before making any decisions in relation to the Resolutions.

Shareholders should note that all Directors approved the proposal to put the Resolutions to shareholders as outlined in the Notice of Annual General Meeting and the preparation of this Explanatory Memorandum.

Financial Statements and Reports

The Financial Report, the Directors' Report and the Independent Audit for the year ended 30 June 2007 will be presented for consideration.

Each shareholder has been sent an Annual Report which contains the Financial Report for the year ended 30 June 2007. The Chairman will give shareholders a reasonable opportunity to ask questions of the Auditor relevant to the content of the Independent Audit Report or the conduct of the audit.

Adoption of Remuneration Report: (Resolution 1)

The Remuneration Report is set out in the Company's 2007 Annual Report. Under section 250R(2) of the Corporations Act, all listed companies are required to present their remuneration reports for each financial year for adoption at the company's annual general meeting. Please note that in accordance section 250R (3) of the Corporations Act, the vote on this resolution is advisory only and the outcome will not be binding on the Directors or the Company. Shareholders will be given a reasonable opportunity to ask questions or make comments on the Remuneration Report at the Annual General Meeting.

Re-election of David Fang as a Director: (Resolution 2)

David Fang retires by rotation and being eligible, offers himself for re-election as a Director.

David Fang was appointed to the Board on 9th September 2005. He has extensive property expertise developed over 15 years of working in Australia, China and many parts of South East Asia. He has an extensive business network in China, Macao, Hong Kong and Taiwan, has undertaken property transactions and deal origination throughout greater China and Asia Pacific.

The Directors (with David Fang abstaining) unanimously recommend that you vote in favour of this Ordinary Resolution.

Re-election of Alan Humphris as a Director: (Resolution 3)

Article 80(1) of the Company's Articles of Association allows the Directors at any time to appoint a person qualified to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Under Article 80(2) of the Company's Articles of Association and Listing Rule 14.4, Directors appointed by the Board since the last Annual General Meeting hold office until the next Annual General Meeting and are eligible for re-election at that Annual General Meeting. Having been appointed by the Directors on 5 September 2007 as an addition to the existing Directors, Mr Alan Humphris ceases to hold office unless re-elected at the Annual General Meeting. Being eligible, Mr Alan Humphris offers himself for re-election.

Alan Humphris is an Investment Banker with more than 30 years experience in Australian and international markets with a focus on the resource sector. He is Managing Director of Balmoral Capital Pty Limited, an investment banking firm specialising in providing corporate advisory services. He is also a non executive director of Rey Resources Limited and of several private companies.

Prior to 1997, Alan Humphris was Group Executive Director of merchant bank, Hambros Australia Limited and Head of Hambros Corporate Finance Limited. He was also Managing Director of CH China Investments Limited, an investment management company formed as a joint venture between CITIC and Hambros, which listed on the ASX in 1994, and which was a successful investor in China' developing securities markets.

Previously, Alan Humphris was a director of JP Morgan Australia Limited, where he specialized in advice to corporations in the resources sector. He also gained early experience in Australia – China business, having acted for CITIC in 1984-85 in their major investments in the Portland aluminium smelter and subsequent cross border transactions.

Alan Humphris holds the degrees of Bachelor of Science, Bachelor of Economics (acc/econ), and Masters of Laws (dist.) and is an FCPA.

The Board believes that Alan Humphris' extensive resource sector background, commercial and legal expertise are valuable to the Company and that, if elected, he will make a significant contribution to the work of the Board as well as continue to play an important role in the Mining, Resource and Energy business unit.

The Directors (with Alan Humphris abstaining) unanimously recommend that you vote in favour of this Ordinary Resolution.

Ratification of Prior Share Issue: (Resolution 4)

Resolution 4 of the Notice of Annual General Meeting proposes the ratification by shareholders of the prior issue and allotment of 209,000,000 Shares (being pre-consolidation shares prior to the share consolidation which will take effect subject to, and after, the passing of Resolution 6) thereby satisfying the requirements of ASX Listing Rule 7.4.

ASX Listing Rule 7.1 provides that an ASX listed company may not issue equity securities comprising more than 15% of its issued shares in any 12 month period without obtaining shareholder approval unless the issue comes within any of the specified exceptions set out in ASX Listing Rule 7.2. Shareholder approval is not required for the issue of the Shares outlined in Resolution 4, but is sought for the purposes of ASX Listing Rule 7.1 in order to provide the Company with flexibility during the next 12 month period to issue further equity securities within the limits imposed by ASX Listing Rule 7.1.

ASX Listing Rule 7.4 provides that an issue of shares made without shareholder approval is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach the 15% limit and shareholders subsequently approve the issue.

In compliance with the information requirements of ASX Listing Rules, shareholders are advised of the following particulars in relation to the prior issue for which ratification by shareholders is sought:

(a) Number of securities issued and allotted:

Date of Allotment	Shares Allotted and Issued:
16 April 2007	20,000,000
8 May 2007	22,000,000
12 June 2007	112,000,000
18 July 2007	55,000,000
TOTAL:	209,000,000 (Pre-consolidation Shares)

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(b) Price at which the securities were issued:

1.0 cent per Share

(c) Terms of the securities:

The Shares rank equally in all respects with the existing Shares on issue.

(d) Name of the allottee:

Shares were allotted and issued to various sophisticated and institutional investors with the majority in number placed to clients of Novus Capital Limited, Financial Advisors, Sydney.

(e) Purpose of issue:

Working Capital, including the PRD Nationwide roll out in China and further development of the Companies business units such as mineral resources section and property section.

The Directors unanimously recommend that you vote in favour of this Ordinary Resolution.

Issue of Shares to Gold Star Industry Limited (Resolution 5)

ASX listing Rule 10.11 states that unless one of the exceptions in ASX Listing Rule 10.12 applies, an entity may not issue equity securities to a related party without the approval of holders of ordinary securities by ordinary resolution:

Gold Star Industry Limited is controlled by Geoff Baker, a Director. Accordingly, in order to issue Shares to Gold Star Industry Limited, it is necessary to obtain the approval of shareholders.

In accordance with ASX Listing Rule 10.13, the following information is provided to shareholders:

(a) Name of the person:

Gold Star Industry Limited

(b) Number of securities to be issued:

50,000,000 Shares (being pre-consolidation shares to be issued prior to the share consolidation which will take effect subject to, and after, the passing of Resolution 6)

(c) Date of issue:

Subject to Resolution 5 being passed, on the date of this Meeting and as soon as practicable after the Meeting and in any event no later than 1 month after the date of the meeting.

(d) Relationship between person and director:

Gold Star Industry Limited is controlled by Geoff Baker, a Director.

(e) Issue price and a statement of the terms of issue:

The Shares are being issued at 1.0 cent per share in consideration for international services rendered by Gold Star Industry Limited to the Company in 2006 including services for the development of the Company's business in China and reconstruction of the Company throughout 2006. The Shares will rank, on and from the date of issue, equally in all respects with existing Shares on issue.

(f) Use of funds raised

No funds are being raised.

The Directors (with Geoff Baker abstaining) unanimously recommend that you vote in favour of this Ordinary Resolution.

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Approval of Shares Consolidation (Resolution 6)

Background

Section 254H of the Corporations Act and Article 45 of the Company's Articles of Association provide that the Company may, by ordinary resolution passed in general meeting, convert all or any of its shares into a smaller number of shares.

This resolution proposes a consolidation of the Company's issued share capital.

The Company currently has on issue 1,640,811,168 Shares. The resolution proposes the consolidation of the capital of the Company by consolidating every 10 Shares currently on issue into 1 Share. The result will be that each shareholder will hold in number 1/10th of the shares held prior to the consolidation. The resolution, if approved, will take effect:

(a) if Resolution 5 is passed, on the date that is the next Business Day after the date of this Meeting; or

(b) if Resolution 5 is not passed, the date that this Resolution 6 is passed.

Consolidation on this basis will result in the existing Shareholders holding approximately the following number of shares on completion of the consolidation:

	Current	Post consolidation
Issued shares	1,640,811,168	164,081,117

** This number is calculated without regard to the issue of shares to Gold Star Industry Limited and will vary due to the rounding up and down of fractional entitlements. The number of shares on issue will change as a result of the issue of shares to Gold Star Industry Limited, if approved by shareholders.*

The consolidation will not involve the payment of or distribution of any amounts to Shareholders and will not alter the Company's paid up capital. Consolidation of the Shares will reduce the number of Shares held by each Shareholder on a proportionate basis and will not otherwise alter the relative interests of each Shareholder (except in a minor way due to rounding on fractional entitlements). Each Shareholder will generally retain the same percentage interest in the Company both prior to, and after, consolidation of the Shares (subject to rounding on fractional entitlements).

Fractional entitlements

Fractions of shares resulting from the consolidation will be rounded up or down to the nearest whole number. Fractional entitlements to ½ of a share will be rounded up. Shares resulting from rounding up will be issued as fully paid up.

The Company reserves the right to aggregate holdings held by shareholders for the purpose of calculating entitlements.

Example of effect of consolidation

For a shareholder holding shares prior to the consolidation, the effect of this resolution (if approved) will be as follows:

Pre consolidation	Post consolidation
Number of shares 1,000	100
5,000	500
10,000	1,000
50,000	5,000
100,000	10,000
250,000	25,000
1,000,000	100,000

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Reasons for consolidation

The Company's ordinary shares remain suspended from quotation for trading on the ASX and the Company wishes to seek official requotation of its securities on the ASX. The Company must satisfy the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the Company was making an initial application for its Shares to be admitted to the Official List and for its Shares to be officially quoted for trading on ASX. One of the requirements is that the issue or sale price of the Company's securities for which requotation is sought must be at least 20 cents per share.

The Directors believe that by consolidation of the shares of the Company on a ratio of one (1) share for every ten (10) shares held shall place the Company in a position to comply with the Listing Rules.

Consolidation will assist the Company to comply with one of the Listing Rule requirements and enable the Company to apply for requotation of its Shares on the ASX.

In addition, the Company proposes to undertake the Capital Raising the subject of Resolution 7. The Listing Rules requires that the issue price of the Shares (for which requotation will be sought) must be at least 20 cents per Share, Accordingly, the issue of Shares by the Company at an issue price of $0.25 for each Share under the Capital Raising will assist in the Company's compliance with the relevant Listing Rule requirement.

The Board also considers that the smaller number of shares on issue would make the Company more attractive to potential investors. The proposed share consolidation will not have any impact (except for an immaterial impact resulting from rounding of fractional entitlements) on the proportional shareholding of individual shareholders and the net asset backing of all of the issued shares in aggregate will remain the same post consolidation.

Australian tax implications

The Directors consider that it is not appropriate to give Shareholders advice regarding the taxation consequences of the share consolidation. The Company and its officers do not accept any responsibility or liability for any taxation consequences of the share consolidation. As a result, Shareholders should consult their own professional tax advisers in connection with the share consolidation.

Timetable

An indicative timetable for the consolidation is set out below.

Event	Date
Resolution 6 put to shareholders	8 November 2007
Company announces Shareholder approval and implementation of consolidation	8 November 2007
Date on which the consolidation takes effect (ie. Resolution 6, if approved, becomes effective)	12 November 2007
Record Date. Last day for registration of transfers on a pre consolidation basis	16 November 2007
Date of registration of shares on a post-consolidation basis	19 November 2007
Despatch holding statements to shareholders.	23 November 2007

The Directors unanimously recommend that you vote in favour of this Ordinary Resolution.

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Approval of Capital Raising (Resolution 7)

The Company intends to raise new capital of up to $10 million by the issue of new Shares at an issue price of approximately $0.25 for each Share under the Prospectus. The capital raising is proposed to raise a minimum of $3 million and a maximum of $10 million. The raising may include attaching options with the Shares issued to subscribers on terms yet to be confirmed.

The proceeds from the Capital Raising will be used to fund the Company's planned diversified growth strategy where the Company plans to build upon its business units both organically, and by identifying external opportunities including, acquisitions, joint venture opportunities and strategic investments.

Of the 40 million Shares to be offered, up to 10 million Shares may be offered in priority to the Shareholders with a registered address in Australia or New Zealand on a first come first served basis, subject to the Directors' discretion. The capital raising will therefore give Shareholders an opportunity to participate in the capital raising and new investors to make an initial investment in the Company.

This resolution is only effective if Resolution 6 is approved by Shareholders.

Under ASX Listing Rule 7.1, an ASX listed company may not issue equity securities comprising more than 15% of its issued shares in any 12 month period without obtaining shareholder approval unless the issue comes within any of the specified exceptions set out in ASX Listing Rule 7.2. Shareholder approval is sought for the purposes of ASX Listing Rule 7.1 for the proposed issue of Shares under the Prospectus as the maximum number of Shares to be issued under the Prospectus, when aggregated with shares issued by the Company during the previous 12 months, will exceed 15% of the number of the Company's securities on issue at the start of that 12 month period.

ASX Listing Rule 7.3 requires specific information to be included in the notice of meeting in relation to the proposed issue of Shares. In accordance with ASX Listing Rule 7.3, the following information is provided to Shareholders:

(a) Maximum number of securities to be issued:

Up to 40,000,000 Shares. The Company proposes to raise a minimum of $3 million, comprising 12,000,000 Shares, and a maximum of $10 million, comprising 40,000,000 Shares.

(b) Date by which the Company will issue the securities:

All the Shares to be issued under the Capital Raising will be issued following close of the offer period under the Prospectus. The offer period is presently expected to be 30 days.

In any event, the Shares will be issued no later than 3 months after the date of this Meeting.

(c) Issue price of the securities:

The issue price of each Share to be issued is approximately $0.25.

(d) Names of the allottees or the basis upon which allottees will be identified or selected:

The subscribers of the Shares are expected to be Shareholders, investors and members of the general public.

(e) Terms of the securities:

The Shares are to be issued at approximately $0.25 for each Share with all Shares to rank, on and from the date of issue, equally in all respects with existing Shares on issue.

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(f) Intended use of the funds raised:

The Company presently intends that the funds raised under the Capital Raising will be used to fund the Company's planned diversified growth strategy where the Company plans to build upon its business units both organically, and by identifying external opportunities including, acquisitions, joint venture opportunities and strategic investments. See Use of Funds table* below:

Description	**Maximum Subscription ($3,000,000)**	**Minimum Subscription ($10,000,000)**
Property Business		
PRD Investment	$1,000,000	$2,800,000
Project Marketing/ Management	$250,000	$850,000
Property Trust Development	$250,000	$850,000
Resources		
Mineral exploration (Ellendale & Tasmania)	$300,000	$1,200,000
Potential acquisitions	$300,000	$1,200,000
Travel Business		
Proposed business expansion	$250,000	$1,200,000
Working Capital		
ASF Ventures	$250,000	$850,000
Corporate	$200,000	$450,000
General	$200,000	$600,000
Total	**$3,000,000**	**$10,000,000**

**The above outline of use of funds may be subject to change as the Company is presently in negotiations with potential joint venture partners which may reduce or alter the spending requirements. Also, as with any budget, intervening events and new circumstances have the potential to affect the way that funds will ultimately be applied and the board reserves the right to alter the way funds are applied on this basis. The above figures are based on the present existing circumstances and are the best estimate of the Board.*

(g) Pro Forma Balance Sheet:

	30.06.2007 $	**Post capital raising $**
Current Assets	6,877,530	16,877,530
Non-current Asssets	4,289,190	4,289,190
Total Assets	11,166,720	21,166,720
Current Liabilities	6,219,992	6,219,992
Total Non-current Liabilities	-	-
Total Liabilities	6,219,992	6,219,992
Net Assets	**$4,946,728**	**$14,946,728**
Total Equity	**$4,946,728**	**$14,946,728**

Notes:
1. *Pro Forma shows maximum A$10 million fund raised increasing cash account and issued capital.*
2. *Capital raising cost was not included in Pro Forma Balance Sheet.*

(h) Dates of allotment:

All the Shares and Options to be issued under the Capital Raising are proposed to be allotted shortly after close of the offer period under the Prospectus. The offer period is presently expected to be 30 days. In any event, the Shares will be allotted and issued no later than 3 months after the date of this Meeting.

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(i) Voting exclusion statement:

Please refer to the Notice of Meeting.

(j) Pro Forma Capital Structure

	Minimum Subscription ($3,000,000)	**Maximum Subscription ($10,000,000)**
Shares on issue post – consolidation on a 1:10 basis[1]	164,081,117	164,081,117
Shares to be issued subject to the passing of Resolution 5[2]	5,000,000	5,000,000
Shares to be issued pursuant to the Capital raising[3]	12,000,000	40,000,000
TOTAL	**181,081,117**	**209,081,117**
Offer price per Share - approx	25 cents	25 cents
Market Capitalization at the Offer price	$45,270,279	$52,270,279

Notes:

1. *This represents the Shares on issue at the date of this Notice, calculated on a post-consolidation basis assuming that Resolution 6 is passed.*
2. *This represents the Shares to be issued subject to the passing of Resolution 5 prior to the Share consolidation but converted to the number of Shares on issue on a post-consolidation basis.*
3. *This does not include the costs associated with the proposed offer and any shares issued as a part of the costs of the offer.*

The Directors unanimously recommend that you vote in favour of this Ordinary Resolution.

Approval of Employee Share Option Plan (Resolution 8)

This resolution seeks shareholder approval to adopt and maintain an incentive share plan, the ASF Share Plan, to provide ongoing incentives to Directors, executives and employees of the Company. The terms of the ASF Share Plan are summarised below.

Staff, executive and Directors can be rewarded through an incentive share plan, which awards incentive shares or rights to shares to them. Thus, they are given an incentive to improve the Company's performance benefiting both themselves and shareholders. Accordingly, in line with industry practice, shareholders should consider providing incentives for further efforts by staff, executives and directors to continue the advances made by the Company by approving incentive shares or rights in the Company.

By granting these shares or rights, the Directors not only have a tool to improve the Company's performance but can attract key executives and directors to strengthen the company. Shareholders benefit if the Company's share price improves as a result of better performance from the staff, executive and directors.

If the resolution is passed, the ASF Share Plan will enable the Company to issue shares to Directors, executives and employees of the Company as part of a performance based incentive program. Directors will be able to participate in the ASF Share Plan. However, under the Corporations Act and the ASX Listing Rules, no shares can be issued to a Director without shareholder approval for the number of shares to be issued.

Resolution 8 is proposed to obtain shareholder approval for the adoption of the ASF Share Plan and to enable the Company to subsequently issue securities under the ASF Share Plan under ASX Listing Rule 7.2 exception 9. Under ASX Listing Rule 7.1 an entity must not issue, or agree to issue, more than 15% of its capital without the approval of its members. By obtaining approval under ASX Listing Rule 7.2 exception 9, securities may be issued under the ASF Share Plan without the need to obtain shareholder approval pursuant to ASX Listing Rule 7.1, for a period of 3 years (subject to the provisions of the ASX Listing Rules).

In obtaining shareholder approval for the issue of securities under the ASF Share Plan pursuant to Resolution 8, the Company retains the ability to issue up to 15% of its capital to take advantage of any capital raising opportunities.

As the ASF Share Plan is a new incentive plan, no securities have been issued under the Plan and the Plan has not been previously approved.

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Summary of the ASF Share Plan:

1. The Board may in its sole discretion invite any director, executive, manager or employee to apply for shares or rights in the Company pursuant to the Plan. These shares or rights will be issued on such terms and conditions prescribed by the Board in accordance with the terms of the Plan.
2. The Company may not invite participation in the Plan other than in accordance with the requirements of the Corporations Act or by fulfilling the conditions and requirements of an applicable exemption from the Corporations Act.
3. Once the Directors have determined the terms of issue of shares, number of shares or rights and the class of members who are eligible for those shares, then staff executives or Directors, depending on eligibility may apply for the shares according to those terms. A "member" extends to any director, executive, manager or employee of the company.
4. The company may reject any application where the Member has received a termination of his or her engagement with the Company e.g. he or she is dismissed as an employee.
5. Shares or rights will be subject to such escrow requirement as may be imposed by the ASX, but otherwise listing of shares will be subject to policy adopted by the Directors.
6. There are the other provisions concerning the keeping of registers, issue of certificates or holding statements and application procedures etc as are normally used with administering such incentive share plans.
7. The Plan may be amended by the Board subject to the ASX Listing Rules, the Corporations Act and all other applicable laws..
8. The Plan will be administered by the Board or an administrator appointed by the Board. The Board may make such rules for the conduct of the plan as it thinks fit.

Any shareholder requiring a copy of the full terms of the Plan will be sent one free on request to the Company Secretary.

The Directors and their associates are excluded from voting on this Ordinary Resolution. Accordingly, the Directors make no recommendation in relation to this Ordinary Resolution.

Amendment to Articles of Association (Resolution 9)

This special resolution proposes that the existing Article 3 of the Articles of Association of the Company be replaced with the following new Article 3 (which replicates provisions contained in the Listing Rules):

3. Paramount effect of Listing Rules

While the Company remains on the Official List, the following provisions apply:

(1) despite anything contained in these Articles, if the Listing Rules prohibit an act being done, the act must not be done;

(2) nothing contained in these Articles prevents an act being done that the Listing Rules require to be done;

(3) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);

(4) if the Listing Rules require these Articles to contain a provision and it does not contain such a provision these Articles must be treated as containing that provision;

(5) if the Listing Rules require these Articles not to contain a provision and it contains such a provision, these Articles must be treated as not containing that provision; and

(6) if any provision of these Articles is or becomes inconsistent with the Listing Rules, these Articles must be treated as not containing that provision to the extent of the inconsistency.

Where any rule, or provision in any rule, is expressed to be subject to the Listing Rules or contains words to the same effect, the rule or provision is only subject to the provisions of the Listing Rules while the Company remains on the Official List."

The Directors unanimously recommend that you vote in favour of this Special Resolution.

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Glossary

In this Notice and Explanatory Memorandum:

AGM or **Meeting** means the annual general meeting of the Company to be held at 10am on 8 November 2007;

ASX means ASX Limited;

ASX Listing Rules means the listing rules of the ASX Limited;

Board means the board of Directors;

Business Day has the meaning set out in Chapter 19 of the ASX Listing Rules;

Capital Raising means the proposed capital raising to be undertaken by the Company involving the issue of up to 40,000,000 Shares raising a maximum of $10 million;

Company means ASF Group Limited ACN 008 924 570;

Corporations Act means the Corporations Act 2001 (Cth);

Directors mean the directors of the Company from time to time;

Explanatory Memorandum means the explanatory memorandum which accompanies, and is incorporated as part of, this Notice;

Meeting means the general meeting of Shareholders to be convened in accordance with the Notice of Meeting;

Notice and **Notice of Meeting** means this Notice of AGM;

Prospectus means the prospectus under which the Capital Raising will be offered to Shareholders and the public;

Related Party has the meaning set out in section 228 of the Corporations Act and extends to any person whose relationship with the Company or a related party (as defined under section 228 of the Corporations Act) is in the ASX's opinion, such that shareholder approval should be obtained;

Resolution means a resolution set out in the Notice of Meeting;

Shareholder means a holder of a Share;

Shares means fully paid ordinary shares in the capital of the Company.

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PROXY FORM

ASF GROUP LIMITED
ACN 008 924 570
Annual General Meeting
Proxy Form

All correspondence to :
Registries Limited
PO Box R67
Royal Exchange, Sydney NSW 1223
Enquiries : 61 2 9290 9600
Facsimile : 61 2 9279 0664
www.registriesltd.com.au
registries@registriesltd.com.au

☐ Mark this box with an 'X' if you are Issuer Sponsored and want to make any changes to your address details (see the following instructions.)

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Appointment of Proxy

If appointing a proxy to attend the Annual General Meeting on your behalf, please complete the form and submit it in accordance with the directions on the following page.

I/We being a shareholder/shareholders of ASF Group Limited pursuant to my/our right to appoint not more than two proxies, appoint

☐ The Chairman of the Meeting (mark with an "X") **OR** [ ]

Write here the name of the person you are appointing if this person **is someone other than** the Chairman of the Meeting.

or failing him/her [ ]

Write here the name of the other person you are appointing.

or failing him/her, (or if no proxy is specified above) the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting to be held at the Prince Albert Room, Sir Stamford Hotel at Circular Quay, 93 Macquarie Street, Sydney NSW 2000 on 8 November 2007 at 10.00am and at any adjournment of that Meeting.

This proxy is to be used in respect of _____% of the ordinary shares I/we hold.

☐ If you do not wish to direct your proxy how to vote, please place a mark in the box. If you have appointed the Chair of the meeting to exercise your proxy, by marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of a particular resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. The Chair intends to vote 100% of all open proxies in favour of the resolution.

If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

Voting directions to your proxy – please mark ☒ to indicate your directions

RESOLUTION		For	Against	Abstain*
1.	Adoption of Remuneration Report	☐	☐	☐
2.	Re-election of a Director – Mr David Fang	☐	☐	☐
3.	Re-election of a Director – Mr Alan Humphris	☐	☐	☐
4.	Ratification of prior Share Issue	☐	☐	☐
5.	Approval of issue of shares to Gold Star Industry Limited	☐	☐	☐
6.	Approval of share consolidation	☐	☐	☐
7.	Approval of Capital Raising	☐	☐	☐
8.	Approval of ASF Share Plan	☐	☐	☐
9.	Amendment to Articles of Association	☐	☐	☐

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.
Executed in accordance with section 127 of the Corporations Act:

Individual or Shareholder 1	Joint Shareholder 2	Joint Shareholder 3
Sole Director & Sole Company Secretary	**Director**	**Director / Company Secretary**

Dated this _____ **day of** _____ **2007**

_____ _____
Contact Name **Contact Business Telephone / Mobile**

INSTRUCTIONS FOR COMPLETING PROXY FORM

1. Your pre-printed name and address is as it appears on the share register of the Company. If you are Issuer Sponsored and this information is incorrect, please mark the box at the top of the Proxy Form and make the correction on the form. Security holders sponsored by a broker on the CHESS subregister should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

2. Completion of a Proxy Form will not prevent individual shareholders from attending the Annual General Meeting in person if they wish. Where a shareholder completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Annual General Meeting.

3. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment do not specify this proportion, each proxy may exercise half of the votes.

4. A proxy need not be a shareholder of the Company.

5. If you mark the Abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

6. If a representative of a company shareholder is to attend the meeting, a properly executed original (or certified copy) of the appropriate "Certificate of Appointment of Corporate Representative" should be produced for admission to the Annual General Meeting. Previously lodged "Certificates of Appointment of Corporate Representative" will be disregarded by the Company.

7. If a representative as Power of Attorney of a shareholder is to attend the meeting, a properly executed original (or certified copy) of an appropriate Power of Attorney should be produced for admission to the Annual General Meeting. Previously lodged Powers of Attorney will be disregarded by the Company.

8. **Signing Instructions**

   You must sign this form as follows in the spaces provided:

   Individual: Where the holding is in one name, the holder must sign.

   Joint Holding: Where the holding is in more than one name, all of the shareholders should sign.

   Power of Attorney: If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy Form.

   Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person.

   If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone.

   Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

9. **Lodgement of a Proxy**

   This Proxy Form (and any Power of Attorney under which it is signed) must be received at either of the addresses below, or at the fax number below, not later than 10.00am on 6 November 2007 (48 hours before the commencement of the meeting). Any Proxy Form received after that time will not be valid for the scheduled meeting.

Hand deliveries: **Registries Limited**
Level 2
28 Margaret Street
Sydney NSW 2000

Postal address: **Registries Limited**
PO Box R67
Royal Exchange NSW 1223

Fax number: **(02) 9279 0664**

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mining | property | travel | ventures

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ASF GROUP LIMITED ABN 50 008 924 570 AND ITS CONTROLLED ENTITIES

annual report 2007

Bridging business between Australia & China

ASF

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Bridging business between Australia & China

Chairman and President's Report

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The results of the ASF Group for 2007 are now beginning to reflect the major transformation and restructuring of the ASF Group following its change of majority ownership in March 2006. While the Group did not reach profitability, strong growth in revenues and business investment occurred during the year. On a consolidated basis, the Group produced revenues of A$20,117,000 and a net loss after adjusting for minority interests of A$1,541,413 for the financial year ending 30 June 2007.

We are now setting about delivering an exciting future for the Group to position the business for rapid growth in a number of critical areas building on the continued rapid growth of trade and investment between China and Australia:

- **Resources:** the Group through its wholly owned subsidiary ASF Resources Pty Limited ("ASFR") has assembled mineral exploration projects in Australia both in Tasmania (prospective for base metals and tin in the established mineralized belt of western Tasmania) and Western Australia (2,000 square kilometres in the Canning Basin comprising seven Exploration Licences and two Exploration Licence Applications prospective for coal and diamonds). ASFR's strategy is to build a portfolio of quality exploration and mining projects and enter partnering and co-investing arrangements with major Chinese mining groups.
- **Property:** the Group has the exclusive master license for PRDnationwide in China and Macau. It will now roll out sub-licenses in China. In addition we have the exclusive international marketing rights for major Sydney developers including Rosecorp, - which has in recent years proved very popular in China. We are now promoting these high quality Australian developers to our international sales centres in China and eventually through our PRDnationwide overseas network. We are also in advanced stages of the formation of an Australian China focused Property Trust, investing in property projects in China.
- **Travel:** we own a 40% interest in ASF Macau Multinational Holdings Limited which owns a substantial travel group in southern China and Macau and which we are looking to expand. The full year's performance of the Travel group is now reflected in this financial year's results.

In addition to these three major areas of development we are also investing considerable time and resources in developing other business opportunities. We have formed an entity called ASF Ventures Limited which will be a facilitator of capital and supplier of funds for Chinese and Australian entities.

Through the financial year 2007 the Company successfully concluded a private capital raising of $2.09m from new investors and is in the process of doing a capital reconstruction to enable it to be re-quoted on the ASX. At the same time it is considering doing a further capital raising from the public by issuing a prospectus shortly where the Company may raise up to $10m of new capital to fund its diversified growth strategy.

The future for the Group is very exciting. We have built within the Group highly skilled executives that know how to do business in China, that have successfully built businesses in the past and are eager to develop value in the Group. This will enable us to build a Group that will successfully bridge opportunities between Australia and China creating a diversified Group investing in Resources & Energy, Property and China Ventures.

Min Yang
Chairman and President
3 October 2007

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Directors' Report

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The Directors present their report together with the financial report of ASF Group Limited ("the Company") and of the consolidated entity, being the Company and its controlled entities, for the year ended 30 June 2007 and the auditor's report thereon.

Review of Operations

Company Growth

ASF Group Limited has begun to successfully build its operations throughout the year. It now has a strong Australia-China focus, is result driven and oriented organization. ASF Group Ltd not only acts as a bridge, building synergies for business opportunities between Australia, and China, but more importantly our company will incubate and co-invest with partners to ensure business ventures achieve their ultimate goals.

ASF Group Limited operates from its Sydney head office and across China with offices in Beijing, Shanghai, Guangzhou, Hong Kong and Macau. In addition the directors and senior management each have extensive experience in dealing in China and operating businesses in Australia. The focus of the company is as follows:

- Mineral Resources and Energy
- Property Marketing and Services
- Travel Services
- China Ventures

Mineral Resources & Energy – ASF Resources Pty Limited

The Company, through its wholly owned subsidiary, ASF Resources Pty Limited ("ASFR"), has assembled mineral exploration projects in Australia. ASFR's strategy is to build a portfolio of quality exploration and mining projects and enter partnering and co-investing arrangements with major Chinese mining groups.

The Company has established relationships with a number of major mining groups in China that are interested to invest in Australia's resources sector and, in this regard, it has entered into a Partner Agreement with Xin Wen Mining Group of Shandong Province. In this way, the Company acts as both a 'gateway' and co-investor for certain Chinese mining groups that are ready to 'internationalise' by participating in Australia's resources sector.

ASFR's current resource interests are:

- A large project area in the Canning Basin of Western Australia comprising seven Exploration Licences and two Exploration Licence Applications covering an area of approximately 2,000 square kilometres. These tenements are known to be prospective for coal and diamonds.
- Two projects in Tasmania that are prospective for base metals and tin in the established mineralized belt of western Tasmania.

The Company, through ASFR, intends to expand and further investigate this portfolio of resource assets. In doing so, the Company intends to fund most of the required mineral exploration expenditure on these projects by way of co-investing arrangements at either the project level or within ASFR.

Property Marketing & Services – ASF Properties Pty Limited

The Company is broadening the Property activities under its wholly owned subsidiary ASF Properties Pty Ltd and now operates in the following areas:

- Property Marketing & Services
  - ASF Properties undertakes International Property Marketing where it undertakes project marketing for some of Australia's leading Developers in China. This includes the Award winning residential development Breakfast Point, Rosecorp's $1.5 billion development at Canada Bay, Sydney.
  - ASF Properties is currently in negotiations to obtain rights to acquire land and existing properties in multiple locations around China including He Fei, Yan Cheng and Macau.
  - Services are provided in China through the Company's offices and include:
    - Planning & concept design
    - Project management from conception to completion

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- China Property Trust
    - ASF Properties has engaged advisors to assist it in establishing a China focused Property Trust initially raising up to $200 million focused on land mark commercial, hotel and residential developments in China in the regional areas of China.
    - The Trust's Board of Directors will have experienced China property directors guiding the development of the Trust
    - ASF Properties will become the manager of the China Property Trust and will source property projects for the proposed Trust.
- PRDnationwide China

ASF Properties owns the Master License for PRDnationwide in China and Macau. As a result ASF now has access to world leading Project Marketing and franchise systems supplied by PRDnationwide.

PRDnationwide was established in 1976 in Australia and has more than 130 offices throughout Australia with affiliate offices in Hong Kong, Singapore, Kuala Lumpur and Jakarta. It employs approximately 200 people in Australia and an additional 1500 people are employed throughout the PRDnationwide franchise network in Australia.

PRDnationwide China has been set up by ASF to take advantage of the rapid rise in property development in China and is concentrated solely on project marketing. This provides an excellent platform for developers across Australia, China and other countries.

It is planned to roll out 150 plus PRDnationwide licensed regional offices in China in the next three to five years in the major regional centres of China.

ASF has established three wholly owned and operated PRDnationwide offices in China: Shanghai, Beijing and Guangzhou. Also, part of ASF's plans is to build wholly owned PRDnationwide International Property Exhibition Centers across Chinese major cities. The first centre recently opened in Shanghai and the second in Guangzhou.

Travel Services – ASF Macau Multinational Holdings Ltd

ASF owns 40% of Multinational Travel Group in Macau and HK, which includes a managed interest in an extensive Southern China travel operator in Guangzhou - (GSITS). The remaining 60% is owned by a company controlled by Alex Lao (Director of ASF Group Ltd).

The Multinational Travel Group is a leading travel group in Macau and Southern China with:

- 25 owned and affiliated offices Macau, Hong Kong and Guangdong
- 200+ staff in these owned and affiliated offices & 40+ buses operating through the region
- Serves close to 500,000 tourists per year

The Macau Special Administrative Region of the People's Republic of China, known as Macau (or Macao) with over 20m visitors every year and Gaming revenue already surpassing Las Vegas is now one of the world's hottest tourist destinations.

China Ventures – ASF Ventures Limited

ASF Ventures has been recently formed to make minority equity investments in companies that have roots in both Australia and China, often associated with successful Australian entrepreneurs of mainland Chinese background. It will act as a venture investor, along with a group of co-investors, in early stage or expansion opportunities, involving some form of Australia - China business synergy, such as:

- Expansion of Australian companies into the China market
- Relocation of operational elements of Australian companies, such as manufacturing or software development, to China
- The international expansion of private Chinese companies, via a platform incorporating key Australian activities such as product development
- Supporting China based start ups of Chinese Australians

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The industries of focus will tend to reflect the background of ASF's principals and their close advisers, most notably, education services and cleantech associated investments.

ASF Ventures has examined many potential ventures. A small number are currently being further investigated , including, viz:

- **Large scale energy storage systems**- based upon technology from Australia to be manufactured in China and distributed there and internationally
- **Educational Services**– expansion of the domestic adult education and international education arms of a major national Chinese university, in co-operation with an experienced Australian commercial education operator
- **Renewable energy** – exploitation in China, via use of Australian technology, of a major new source of clean energy

Review and results of operations

The net loss from ordinary activities after income tax for the consolidated entity for the financial year ended 30 June 2007 was A$1,541,413 (2006: $2,643,947 profit). The net loss for the year compared to the prior year's performance is primarily due to set up costs in the establishment of a platform for ASF Group's growth for the future.

In addition the Company is in the process of preparing for a fundraising to raise up to $10m.

Further Goldchoice Investment Limited has indicated recently that it will convert its $1m convertible note to ordinary shares of the company at an issue price of 0.75c per share.

Events Subsequent to Balance Date

Since June 2007 the Company has made three announcements:

1. Secured two Tasmanian mineral exploration Tenements on 7 August 2007;
2. Opened the Guangzhou PRD office on 23 August 2007; and
3. On September 5, 2007 Alan Humphris was appointed a new Director following the retirement of Tony Teng as Director of ASF Group Limited.

These developments have been incorporated in the Overview of Activities above and details of the management in subsequent sections.

Dividends

No dividend has been declared or paid by the Company since the end of the previous financial year. The directors do not recommend the payment of a dividend in respect of the current financial year.

Significant changes in State of Affairs

In the opinion of Directors there were no significant changes in the state of affairs of the consolidated entity during the financial year under review not otherwise disclosed in this Directors' Report or the Annual Financial Report.

Share/Options

There were no shares and/or options granted to Directors or executives during or since the end of the financial year except those outlined herein.

Directors' Report – continued

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Directors

The directors during or since the end of the financial year are set out in the tables, below:

Name and qualifications Directors	Age	Experience and special responsibilities
Ms Min Yang Director and Chairman	40	Appointed a director on 9 September 2005 and Chairman on 16 February 2006. Min Yang has extensive business connections in the Asia Pacific region including greater China. Min Yang has been involved in businesses and transactions across a number of sectors including resources, telecommunications, property, travel and media.
Mr Alex Lao Vice Chairman / Non-Executive Director	44	Appointed as Vice Chairman and non-executive director effective 30 November 2006. Mr Lao is Managing Director of ASF Macau Multinational Holdings Limited in charge of the operations in Multinational Youth Travel Agency Limited. Mr Lao resides in Macau where he has business interests in the property, travel and retail industries and is Chairman of the Macau Travel Agency Association.
Mr Quan (David) Fang Director	38	Appointed a director on 9 September 2005. David Fang was born in Shanghai. He has extensive business experience, particularly in property development and sales, hotel businesses and investments.
Wai Sang Ho Non-Executive Director	55	Appointed a Non–Executive director on 30 November 2006. Mr Ho is a Hong Kong resident and large property developer in Southern China. He has substantial property interests in Hong Kong and China and is a major shareholder in the Company.
Mr Geoff Baker Director	51	Appointed a director on 30 November 2006. Geoff Baker has responsibility for international operations of the Group. He joined ASF after practising extensively for 28 years as a lawyer in Australia, Japan, Asia and China. Geoff is a qualified lawyer in Australia and Hong Kong with a Commerce degree (Accounting and Financial management), a Law degree and MBA.
Mr Alan Humphris Non-Executive Director	66	Appointed a Non-Executive director on 5 September 2007. Alan Humphris is an Investment Banker with more than 30 years experience in Australian and international markets. He is Managing Director of Balmoral Capital Pty Limited, an investment banking firm specialising in providing corporate advisory services, which he founded in 1997. He holds degrees in science, economics and law and is an FCPA. Mr Humphris is a non-executive director of Rey Resources Limited.
Former directors who held office during the year under review but since retired		
Mr Tony Sin Pyng Teng Director and Company Secretary	54	Appointed a director on 16 July 1997 and Secretary on 3 October 1997 but resigned as a Director on 31 August 2007. Mr Teng is a Certified Practising Accountant, a Fellow of the Australian Institute of Company Directors and an Associated Fellow of the Australian Institute of Management.

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Directors' meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year are:

Director	Directors' Meetings	
	No. of Meetings Attended	No. of Meetings held whilst in Office
Min Yang	6	6
David Fang	6	6
Alex Lao	2	4
Wai Sang Ho	2	4
Geoff Baker	4	4
Tony S P Teng	6	6

Company secretary

Mr TSP Teng was appointed to the position of Company Secretary on 3 October 1997. Mr Teng is a Certified Practicing Accountant, a Fellow of the Australian Institute of Company Directors and an Associated Fellow of the Australian Institute of Management.

Remuneration Report

The Board determines remuneration packages and policies applicable to the Executive management team, senior executives and directors themselves. It is also responsible for incentive performance packages, superannuation entitlements, retirement and termination entitlements, and fringe benefits.

Remuneration policies

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced directors, senior executives and consultants.

In view of the financial position of the Company, non-executive directors were not paid directors' fees during the year under review. Executive directors receive fees for providing consulting services to the consolidated entity.

Executive directors and other executives may receive bonuses based on the achievement of specific performance hurdles. No bonuses were granted during the financial year under review.

The following table provides the details of all directors of the Company and the executives of the consolidated entity who receive the highest remuneration.

	Base remuneration (Salary, Fees and Commissions) $	Related Party Fees $	Cash Bonus $	Non-cash benefits $	Options issued $	Total $
Directors						
Non-executive						
Alex Lao	-	-	-	-	-	-
Wai Sang Ho	-	-	-	-	-	-
Geoff Baker	-	92,600	-	-	-	92,600
Tony S P Teng	-	66,000	-	-	-	66,000
Min Yang	-	58,800	-	-	-	58,800
David Fang	-	58,800	-	-	-	58,800
		276,200				276,200

Directors' Report – continued

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Directors' interests

The relevant interest of each director in the shares or options issued by the Company, as notified by the directors to the Australian Stock Exchange at the date of this report is as follows:

	Ordinary shares	
	Direct Interest	Indirect Interest
Min Yang		650,000,000
David Fang		650,000,000
Tony S P Teng	1,791,606	-
Alex Lao	129,280,000	-
Wai Sang Ho	83,333,333	
Geoff Baker		2,345,165
Alan Humphris	2,000,000	5,000,000

Non-Audit Services

Hall Chadwick provided non-audit services during the year. Hall Chadwick provided tax services and due diligence services.

The Board is satisfied that the provision of non-audit services during the year by the auditors is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the board to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out APES 110: Code of Ethics for professional accountants set by the Accounting Professional & Ethical Standards Board, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of amounts paid to Hall Chadwick, for audit and non-audit services provided during the year are set out below.

	2007 $	2006 $
Statutory audit services:		
Hall Chadwick	55,500	20,000
Other services:		
Hall Chadwick		
- Taxation services	4,350	5,000
- Corporate advisory services	7,300	20,000
	67,150	45,000

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Indemnification and insurance of Directors and officers

Indemnification

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been a director or officer of the Company.

Insurance premiums

The Company does not have directors' and officers' liability and legal expenses' insurance policies against liability which may arise from holding the position of Director or Officer.

Proceedings on Behalf of Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of any proceedings.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2007 has been received and can be found on page 10 of the Report.

Signed in accordance with a resolution of the Board of Directors.

Min Yang, Director

Geoff Baker, Director

3 October 2007

Auditor's Independence Declaration

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Hall Chadwick
Chartered Accountants & Business Advisers

ASF GROUP LIMITED
ABN 50 008 924 570
AND ITS CONSOLIDATED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ASF GROUP LIMITED AND CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2007 there have been:

i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Hall Chadwick
Level 29, St Martins Tower
31 Market Street, Sydney, NSW 2000

Drew Townsend
Partner
Dated: 3 October 2007

Sydney

Level 29
St. Martins Tower
31 Market Street
Sydney, NSW 2000

GPO Box 3555
Sydney, NSW 2001
or
DX 1451 Sydney

Telephone: (02) 9263 2600
Facsimile: (02) 9263 2800
Email: sydney@hall chadwick.com.au

Penrith

Telephone: (02) 4721 8144
Facsimile: (02) 4721 8155

Partners
Robert Elliott
Geoffrey McDonald
Drew Townsend
David Kenney
Richard Albarran
Gino Malacco
Paul Leroy
Steven Gladman

Associates
Blair Pleash
Graham Webb
Lyle Vallance
Bill Petrovski

National Association
Hall Chadwick

Other Independent firms in:
Melbourne
Brisbane
Adelaide
Gold Coast
Perth

www.hallchadwick.com.au

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Corporate Governance Statement

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Board of Directors

Director education

The consolidated entity has an informal process to educate new directors about the nature of the business, current issues, the corporate strategy and the expectations of the consolidated entity concerning performance of directors. Directors also have the opportunity to visit consolidated entity facilities and meet with management to gain a better understanding of business operations.

Independent professional advice and access to Company information

Each Director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the Chairman, may seek independent professional advice from a suitably qualified adviser at the Company's expense. A copy of the advice received by the Director is to be made available to all other members of the board.

Composition of the Board

The composition of the board is determined using the following principles:

- a majority of independent non-executive directors; the Company is working towards satisfying this principle.
- a majority of directors having extensive knowledge of the Company's industries, and those which do not, have extensive expertise in significant aspects of auditing and financial reporting, or risk management of large companies; and
- a non-executive independent director as Chairperson; the Company will work towards this principle, however at this time while the Company is in the reconstruction and development phase, the Board believes is not appropriate to meet this criterion.

Nomination of directors

The Board oversees the appointment and induction process for directors and committee members, and the selection, appointment and succession planning process of the Company's executive management team. The appropriate skill mix, personal qualities, expertise and diversity are factors taken into account in each case. When a vacancy exists or there is a need for particular skills, the Board determines the selection criteria based on the required skills.

The Board annually reviews the effectiveness of the functioning of the Board, individual directors, and senior executives.

Audit Committee Work

The Company has not established an Audit Committee and the Board performs this role. The Board advises on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the consolidated entity. After expansion of the number of Directors, the Board intends to establish an Audit Committee.

Currently the Board:

- reviews the annual, half-year and concise financial reports and other financial information distributed externally. This includes approving new accounting policies to ensure compliance with Australian Accounting Standards and generally accepted accounting principles, and assessing whether the financial information is adequate for shareholder needs;
- assesses whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence. Each reporting period the external auditor provides an independence declaration in relation to the audit or review;
- assesses the adequacy of the internal control framework and the Company's code of ethical standards;
- discusses the external audit and internal audit plans, identifying any significant changes in structure, operations, internal controls or accounting policies likely to impact the financial statements and to review the fees proposed for the audit work to be performed;
- monitors the procedures to ensure compliance with the Corporations Act 2001 and the ASX Listing Rules and all other regulatory requirements; and

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- addresses any matters with the auditors, Australian Taxation Office, Australian Securities and Investments Commission, and ASX
- reviews the nomination and performance of the external auditor. The current external auditor was appointed at the Company's 28 March 2006 General Meeting;

Risk Management

Overview of the risk management system

The board oversees the establishment, implementation, and annual review of the Company's Risk Management System, including assessing, monitoring and managing operational, financial reporting, and compliance risks for the consolidated entity. The financial reporting risk management and associated compliance and controls have been assessed and found to be operating efficiently and effectively. The operational and other compliance risk management have also been assessed and found to be operating efficiently and effectively. All risk assessments covered the whole financial year and the period up to the signing of the annual financial report for all material operations in the consolidated entity, and material associates and joint ventures.

Risk management and compliance and control

The consolidated entity strives to ensure that its products are of the highest standard. Towards this aim it has undertaken a program to achieve AS/NZS ISO 9002 accreditation for each of its business segments.

The board is responsible for the overall internal control framework, but recognises that no cost-effective internal control system will preclude all errors and irregularities.

Practices have been established to ensure:

- capital expenditure and revenue commitments above a certain size obtain prior board approval;
- financial exposures are controlled, including the use of derivatives. Further details of the Company's policies relating to interest rate management, forward exchange rate management and credit risk management are included in the financial statements;
- occupational health and safety standards and management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations;
- business transactions are properly authorised and executed;
- the quality and integrity of personnel;
- financial reporting accuracy and compliance with the financial reporting regulatory framework.

Financial reporting

Monthly actual results are reported against budgets approved by the directors and revised forecasts for the year are prepared regularly.

Ethical standards

All directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the consolidated entity.

Conflict of interest

Directors must keep the board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. The board has developed procedures to assist directors to disclose potential conflicts of interest and all employees have signed non disclosure agreements.

Communication with shareholders

The board provides shareholders and investors with information as required in accordance with the ASX Continuous Disclosure Policy which includes identifying matters that may have a material effect on the price of the Company's securities and notifying them to the ASX.

The board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the consolidated entity's strategy and goals. Important issues are presented to the shareholders as single resolutions.

Income Statement

FOR YEAR ENDED 30 JUNE 2007

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	Note	Economic Entity 2007 $	Economic Entity 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
Sales Revenue	2	19,973,197	-	-	-
Cost of Sales		(17,693,984)	-	-	-
Gross Profit		2,279,213	-	-	-
Other Income	2	143,803	3,465,995	9,012	2,806,530
Marketing expenses		(504,298)	(66,996)	-	(66,996)
Consultants expenses		(1,131,596)	(220,159)		(220,159)
Occupancy expenses		(363,535)	(82,326)	-	(82,326)
Professional fees		(153,445)	(154,600)		(34,600)
Administrative expenses		(287,385)	(180,385)	-	(180,387)
Employment expenses		(759,758)	(64,042)	-	(64,042)
Corporate expenses		(20,192)	(25,173)		(25,173)
Depreciation and amortisation		(270,067)	(2,168)	-	(817)
Legal expenses		(6,639)	(10,688)		(10,688)
Finance costs		(169,902)	-	-	-
Research & Development expenses		-	(11,415)	-	(11,415)
Other expenses		(91,096)	-	-	-
Provision for doubtful debts		-	(4,096)	-	(155,487)
(Loss)/Profit before income tax	3	(1,334,897)	2,643,947	9,012	(1,954,440)
Income tax expense	4	(18,972)	-	-	-
(Loss)/Profit for the Year		(1,353,869)	2,643,947	9,012	1,954,440
Profit attributable to minority equity interest		(187,544)	-	-	-
(Loss)/Profit attributable to members of the parent entity		(1,541,413)	2,643,947	9,012	1,954,440
Basic & diluted earnings/(loss) per share (cents per share)	7	($0.001)	$0.005	-	-

The accompanying notes form part of these financial statements.

Balance Sheet

FOR YEAR ENDED 30 JUNE 2007

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	Note	Economic Entity 2007 $	Economic Entity 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	8	2,066,069	166,842	1,102,541	166,832
Trade and other receivables	9	4,806,789	50,440	150,000	50,440
Inventories	10	4,672	-	-	-
TOTAL CURRENT ASSETS		6,877,530	217,282	1,252,541	217,272
NON-CURRENT ASSETS					
Trade and other receivables	9	247,360	-	1,998,992	120,000
Property, Plant and equipment	14	620,683	139,176	-	139,176
Investments accounted for using the equity method	11	-	1,300,000	-	1,300,000
Financial Assets	12	-	-	3,900,004	2,600,002
Other Non Current Assets	15	180,531	-	-	-
Intangible Assets	16	3,240,616	2,599,990	-	-
TOTAL NON-CURRENT ASSETS		4,289,190	4,039,166	5,898,996	4,159,178
TOTAL ASSETS		11,166,720	4,256,448	7,151,537	4,376,450
CURRENT LIABILITIES					
Trade and other payables	17	4,134,132	258,389	612,000	258,391
Financial liabilities	19	2,084,400	-	1,000,000	-
Current tax liabilities	18	1,460	-	-	-
Short-term provisions	20	-	2,134	-	2,134
TOTAL CURRENT LIABILITIES		6,219,992	260,523	1,612,000	260,525
TOTAL LIABILITIES		6,219,992	260,523	1,612,000	260,525
NET ASSETS		4,946,728	3,995,925	5,539,537	4,115,925
EQUITY					
Issued capital	21	39,010,891	37,596,291	39,010,891	37,596,291
Reserves	22	(441,863)	-	-	-
Accumulated losses		(35,141,779)	(33,600,366)	(33,471,354)	(33,480,366)
Parent Entity Interest		3,427,249	3,995,925	5,539,537	4,115,925
Minority Equity Interests		1,519,479	-	-	-
TOTAL EQUITY		4,946,728	3,995,925	5,539,537	4,115,925

The accompanying notes form part of these financial statements.

Statement Of Changes In Equity

FOR YEAR ENDED 30 JUNE 2007

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Economic Entity	Issued Capital Ordinary $	Accumulated Losses $	Foreign Currency Translation Reserves	Minority Equity Interest	Total $
Balance at 1.7.2005	32,716,291	(36,244,313)			(3,528,022)
Profit attributable to members of parent entity		2,643,947			2,643,947
Share issued during year	4,930,000				4,930,000
Share issue cost	(50,000)				(50,000)
Balance at 30.06.2006	**37,596,291**	**(33,600,366)**			**3,995,925**
Share issued during year	1,540,000				1,540,000
Share issue costs	(125,400)				(125,400)
Minority equity Interest recognised on acquisition				1,707,023	1,707,023
Loss attributable to members of parent entity		(1,541,413)			(1,541,413)
Profit attributable to minority shareholders				(187,544)	(187,544)
Revaluation Increments			(441,863)		(441,863)
Balance at 30.06.2007	**39,010,891**	**(35,141,779)**	**(441,863)**	**1,519,479**	**4,946,728**

Parent Entity	Issued Capital Ordinary $	Accumulated Losses $	Total $
Balance at 1.7.2005	32,716,291	(35,434,807)	(2,718,516)
Profit attributable to members of parent Entity		1,954,441	1,954,441
Shares issued during the year	4,930,000		4,930,000
Share Issue costs	(50,000)		(50,000)
Balance at 30.06.2006	**37,596,291**	**(33,480,366)**	**4,115,925**
Profit attributable to members of parent entity		9,012	9,012
Shares issued during the year	1,540,000		1,540,000
Share Issue Costs	(125,400)		(125,400)
Balance at 30.06.2007	**39,010,891**	**(33,471,354)**	**5,539,537**

The accompanying notes form part of these financial statements.

Cash Flow Statement

FOR YEAR ENDED 30 JUNE 2007

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	Note	Economic Entity 2007 $	Economic Entity 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
CASH FLOWS FROM OPERATING ACTIVITIES					
Sales received		16,913,540	-	-	-
Payments to suppliers and employees		(16,017,791)	(1,119,596)	(355,743)	(119,594)
Sundry income received		55,446	-	-	-
Interest received		88,357	-	9,012	-
Interest paid		(169,902)	-	-	-
Income tax paid/(refund)		(18,286)	-	-	-
Net cash provided by (used in) operating activities	26(b)	851,364	(1,119,596)	(346,731)	(119,594)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for exploration expenditure		(180,531)	-	-	-
Payments for plant & equipment		(39,551)	(139,994)	-	(139,994)
Proceeds from disposal of non-current assets		91	-	139,176	-
Net cash provided by (used in) investing activities		(219,991)	(139,994)	139,176	(139,994)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		1,414,600	980,010	1,414,600	980,010
Proceeds from borrowings		(1,986,096)	50,000	1,000,000	-
Repayment of borrowings		-	(50,000)	(1,271,336)	(1,000,012)
Net cash provided by (used in) financing activities		(571,496)	980,010	1,143,264	(20,002)
Net increase/(decrease) in cash held		59,877	(279,580)	935,709	(279,590)
Cash acquired on acquisition of controlled entities		1,196,812	-	-	-
		1,256,689	(279,580)	935,709	(279,590)
Cash at beginning of financial year		166,842	446,422	166,832	446,422
Effect of exchange rates on cash holdings in foreign currencies		(441,862)	-	-	-
Cash at end of financial year	26(a)	981,669	166,842	1,102,541	166,832

The accompanying notes form part of these financial statements.

Notes To The Financial Statements

FOR YEAR ENDED 30 JUNE 2007

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NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the economic entity of ASF Group Limited and controlled entities, and ASF Group Limited as an individual parent entity. ASF Group Limited is a listed public company, incorporated and domiciled in Australia.

The financial report of ASF Group Limited and controlled entities, and ASF Group Limited as an individual parent entity comply with all International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Consolidated group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conversions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The accounting policies have been consistently applied, unless otherwise stated.

(a) Going concern

The financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The net loss after income tax for the consolidated entity for the financial year ended 30 June 2007 was $1,541,413 (2006: $2,643,947 profit).

The Directors nevertheless believe that it is appropriate to prepare the financial report on a going concern basis because:-

a) included in the current liabilities is an amount owed to Goldchoice Investment Limited of $1 million which matures on 30 September 2007 under a Convertible Loan Facility established in 1 July 2006. Goldchoice has given notice that it intends to convert all of the outstanding loan to equity in the Company based on the issue price set by the Facility of 0.75 cent per share.

b) the ability to meet operating expenditure is also dependent upon the success of the capital raising currently being undertaken and future fundraising or the company business opportunities generating positive cash flows.

In the event that the consolidated entity is unable to raise sufficient funds there is a significant uncertainty whether it will be able to continue as a going concern and therefore whether the Company and the consolidated entity can realise its assets and extinguish its liabilities at the amounts stated in the statement of balance sheet. In this situation, the going concern basis would not be appropriate.

(b) Principles of Consolidation

A controlled entity is any entity ASF Group Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 13 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/ excluded from the date control was obtained or until the date control ceased.

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

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NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(d) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is calculated using the first in first out method. Net realisable value is determined by reference to the sales proceeds of items sold in the ordinary course of business subsequent to the balance sheet date or to management estimates based on prevailing market conditions.

(e) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment – Diminishing value	**37.5%**
Leasehold improvements	**37.5%**
Assets in MYTA	
Furniture, fixtures and Office Equipment-prime cost	**10% to 20%**
Motor vehicles – prime cost	**12% to 20%**

Notes To The Financial Statements

FOR YEAR ENDED 30 JUNE 2007

For personal use only

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(f) Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(g) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the economic entity, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(h) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

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NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair-value are taken directly to equity.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financal instruments, a prolongued decline in the value of the instrument is considered to determine whether an inpairment has arisen impairment losses are recognised in the income statement.

(i) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(j) Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognised group's share of post-acquisition reserves of its associates.

(k) Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(l) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Notes To The Financial Statements

FOR YEAR ENDED 30 JUNE 2007

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NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

– assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;

– income and expenses are translated at average exchange rates for the period; and

– retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

(m) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(n) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(o) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(p) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from investment properties is recognised on an accruals basis or straight-line basis in accordance with lease agreements.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(q) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

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NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(s) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(t) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(u) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates - impairment

At each reporting date, the Group reviews the carrying value of tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amounts of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Notes To The Financial Statements

FOR YEAR ENDED 30 JUNE 2007

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NOTE 2: REVENUE

	Note	Economic Entity 2007 $	Economic Entity 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
Operating Activities					
Sales revenue		19,973,197	-	-	
Other income					
– sale of intellectual property		-	620,000	-	620,000
– Research & Development off-set refund received		-	292,006	-	292,006
– Interest received		88,357	-	9,012	-
– Gain on disposal of controlled entity		-	4,893	-	-
– Sundry Income		55,446	-	-	-
– Write-back of creditors under Deed of Company Arrangement		-	2,549,096	-	1,894,525
Total Revenue		20,117,000	3,465,995	9,012	2,806,530

NOTE 3: (LOSS)/PROFIT FOR THE YEAR

	Note	Economic Entity 2007 $	Economic Entity 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
Expenses:					
Cost of Sales		17,693,984	-	-	-
Rental expense on operating leases					
- minimum lease payments		280,850	82,326	-	82,326
Research & Development expenses		-	11,415	-	11,415
Depreciation and amortisation expense		270,067	2,168	-	817
Loss on disposals of plant and equipment		1,396			
Financial costs:					
– external		45,797			
– related parties – Goldchoice		124,105			

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NOTE 4: INCOME TAX EXPENSE

	Note	Economic Entity 2007 $	Economic Entity 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
a.	The components of tax expense comprise:				
	Current tax	(526,606)	(5,482,425)	(54,510)	(4,907,589)
	Deferred tax	50,672	5,425,589	57,213	4,840,275
	Deferred tax assets not recognised	544,504	-	-	-
	Deferred Tax Liability not recognised	(49,598)	56,836	(2,703)	67,314
		18,972	-	-	-
b.	The prima facie tax on (loss)/profit from ordinary activities before income tax is reconciled to the income tax as follows:				
	Prima facie tax payable on (loss)/profit from ordinary activities before income tax at 30% (2006: 30%)				
	– economic entity	(462,295)	793,184	-	-
	– parent entity	-	-	(2,703)	586,333
	Add:				
	Tax effect of:				
	– Non-deductible depreciation & amortisation	5,026	-	-	-
	– other non-allowable items		2,310	-	2,310
	Less:				
	Tax effect of:				
	– Non-assessable debt written-off	(18,665)	(764,728)	-	(568,358)
	– Research & Development tax offset not assessable	-	(87,602)	-	(87,602)
	Deferred Tax Assets not recognised	544,504	-	-	-
	Deferred Tax Liability not recognised	(49,598)	56,836	2,703	67,314
	Income tax attributable to entity	18,972	-	-	-

Notes To The Financial Statements

FOR YEAR ENDED 30 JUNE 2007

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NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

a. Names and positions held of economic and parent entity key management personnel in office at any time during the financial year are:

Key Management Person	Position
Min Yang	Chairman
Alex Nga Fong Lao	Director
David Fang	Director
Geoff Baker	Director
Tony Teng	Director / Secretary

Remuneration of Key Management Personnel by the consolidated entity

Given the financial position of the consolidated entity, Directors were not paid directors' fees during the year of review. Executive Directors supplied their services under consulting arrangements to the consolidated entity.

Key Management Personnel may receive bonuses based on the achievement of specific performance hurdles. The performance hurdles are a blend of the consolidated entity's and individual performance results. There is no separate profit-share plan. No bonuses were granted during the financial year under review. Neither non-executive nor executive Directors were issued options on securities during the year.

The following table provides the details of all Key Management Personnel of the Consolidated entity who received fees directly or indirectly through Related Party transactions – see Note 29.

	Consulting or service fees	
Directors	**2007 $**	**2006 $**
Executive		
Min Yang	58,800	26,300
David Fang	58,800	26,300
Tony Teng	66,000	84,000
Geoff Baker	92,600	-

Directors were not remunerated with Directors' fees in either 2007 or 2006.

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NOTE 6: AUDITORS' REMUNERATION

	Note	Economic Entity 2007 $	Economic Entity 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
Remuneration of the auditor of the parent entity for:					
Auditing or reviewing the financial report		55,500	20,000	55,500	20,000
Taxation services		4,350	5,000	4,350	5,000
Corporate advisory		7,300	20,000	7,300	20,000
Remuneration of other auditors of subsidiaries for:					
Auditing or reviewing the financial report of subsidiaries		26,325			
Corporate advisory services		6,310	-	-	-

NOTE 7: EARNINGS PER SHARE

Earnings/(loss) per share

Classification of securities as ordinary shares

All ordinary shares have been classified as ordinary securities and included in basic earnings per share.

Earnings

Earnings used in the calculation of basic and diluted earnings per share were the net loss of $1,541,413 (2006: $2,643,947 profit).

Weighted average number of shares used as the denominator

The number of shares used in the calculation of basic and diluted earnings per share is 1,580,811,168 (2006: 528,272,356).

NOTE 8: CASH AND CASH EQUIVALENTS

	Note	Economic Entity 2007 $	Economic Entity 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
Cash at bank and in hand		2,066,069	166,842	1,102,541	166,832

Notes To The Financial Statements

FOR YEAR ENDED 30 JUNE 2007

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NOTE 9: TRADE AND OTHER RECEIVABLES

	Note	Economic Entity 2007 $	Economic Entity 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
CURRENT					
Trade Receivables		1,491,818	-	-	-
Other Receivables		276,139	50,440	150,000	50,440
Amount receivables from related companies		751,193	-	-	-
Receivables and prepayments		2,287,639	-	-	-
–		4,806,789	50,440	150,000	50,440
NON-CURRENT					
- Amount owing by controlled entities		875,427	875,427	2,874,419	995,427
Provision for doubtful debt		(875,427)	(875,427)	(875,427)	(875,427)
Prepayments		247,360	-	-	-
		247,360	-	1,998,992	120,000

NOTE 10: INVENTORIES

Finished goods- at cost		4,672	-	-	-

NOTE 11: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Associated companies		-	1,300,000	-	1,300,000

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NOTE 12: OTHER FINANCIAL ASSETS

	Note	Economic Entity 2007 $	Economic Entity 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
NON-CURRENT					
Available for sale financial assets		-	-	3,900,004	2,600,002
Less: provision for diminution		-	-	-	-
		-	-	3,900,004	2,600,002
Available for sale financial assets comprise:					
- Shares in controlled entities		-	-	3,900,004	2,600,002

NOTE 13: CONTROLLED ENTITIES

Particulars in relation to controlled entities

a) Parent Entity	Domicile	2007 %	2006 %
ASF Group Limited			
Controlled entities			
ASF Corporate Pty Ltd	Australia	100%	100%
ASF Properties Pty Ltd	Australia	100%	100%
PRD Nationwide China Pty Ltd	Australia	100%	100%
Aria Power Products Inc.	USA	90%	90%
ASF Resources Pty Ltd	Australia	100%	-
ASF China Holdings Limited	BVI	100%	-
Controlled entities acquired during the year			
ASF Macau Multinational Holdings Limited	Macau	40%	-
Guangdong Great Scenery International Travel Service Co., Limited	China	-	-

b. Controlled entities with Ownership interest of up 50% or less

Pursuant to a Share and Sale Agreement dated 30 June 2006 (as amended on 1 July 2006) ASF Group Limited acquired a 40% controlling interest in ASF Macau Multinational Holdings Limited (formerly Aim Jumbo Limited) for a consideration of $1.3m which owns 100% of a well established Macau based travel agency, the Multinational Youth Travel Agency Company Limited (MYTA) and Guangdong Great Scenery International Travel Service Limited (GGSIT) through a management agreement between MYTA and GGSIT which stipulates that MYTA has full power and authority to manage and control all the business and activities of GGSIT. These entities were consolidated effective 1 July 2006 on the basis of board control and majority voting power.

Notes To The Financial Statements

FOR YEAR ENDED 30 JUNE 2007

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NOTE 14 PROPERTY, PLANT AND EQUIPMENT

	Note	Economic Entity 2007 $	Economic Entity 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
Plant and equipment					
- At cost		189,320	24,961	-	16,835
- Accumulated depreciation		(140,320)	(8,943)	-	(817)
		49,000	16,018	-	16,018
Leasehold improvements					
- At cost		124,231	123,158	-	123,158
- Accumulated amortisation		(46,564)	-	-	-
		77,667	123,158	-	123,158
Leased plant & equipment					
- At cost		-	12,919	-	-
- Accumulated depreciation		-	(12,919)	-	-
		-	-	-	-
Motor Vehicles					
- At cost		1,455,902	-		-
- Accumulated amortisation		(961,886)	-		-
		494,016	-		
Total plant & equipment		620,683	139,176	-	139,176

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NOTE 14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliations of the carrying amounts for each class of plant & equipment and leasehold improvements are set out below

	Note	Economic Entity 2007 $	Economic Entity 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
Plant and equipment					
Carrying amount at start of year		16,018	1,350	16,018	-
- Additions		8,487	16,835	-	16,835
- Additions through acquisition of subsidiaries		49,016	-	-	-
- depreciation		(23,216)	(2,167)		(817)
Disposals		(1,305)		16,018	
Carrying amount at end of year		49,000	16,018	-	16,018
Leasehold Improvements					
Carrying amount at start of year		123,158	-	123,158	-
Additions					
- leasehold improvements		1,073	123,158	-	123,158
- amortisation		(46,564)	-	-	-
Disposals		-	-	(123,158)	-
Carrying amount at end of year		77,667	123,158	-	123,158
Leased plant & equipment					
Carrying amount at start of year		-	12,919	-	-
- Disposal		-	(12,919)	-	-
- Amortisation		-	-	-	-
Carrying amount at end of year		-	-	-	-
Motor Vehicles					
Carrying amount at start of year					
- Additions		29,991	-	-	-
- Additions through acquisitions of subsidiaries		647,096	-	-	-
- Disposal		-	-	-	-
- Depreciation		(183,071)	-	-	-
Carrying amount at end of year		494,016	-	-	-
Total Property, Plant and Equipment		620,683	139,176	-	139,176

Notes To The Financial Statements

FOR YEAR ENDED 30 JUNE 2007

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NOTE 15: OTHER NON CURRENT ASSETS

	Note	Economic Entity 2007 $	Economic Entity 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
Exploration, and Evaluation Expenditure capitalised		180,531	-	-	-

The ultimate recoupment of balances carried forward in relation to areas of interest still in the Exploration or Valuation phase is dependent on successful development and commercial exploitation, or alternatively sales of the respective areas.

When the Company purchased the exploration licences ELs 04/1435; 04/1436; 04/1428; 04/1433 and 04/1434 the minimum annual exploration expenditure requirements had not been met. The Directors believe that the Company will retain title to these Exploration Licenses. Accordingly, the Board has committed to provide the Department of Industry and Resources Western Australia with a submission detailing planned work programs and expenditure for the next 12 months in order to satisfy the expenditure shortfalls incurred. The expected penalties will be 10% of the expenditure shortfall.

NOTE 16: INTANGIBLE ASSETS

Goodwill	3,240,616	2,599,990	-	-
Accumulated impairment losses	-	-	-	
Net Carrying value	3,240,616	2,599,990	-	-

The recoverable amount of goodwill is determined based on value-in-use calculations. These calculation use cash flow projections on financial budgets approved by management covering a five years period with the period extending beyond five years extrapolated using a terminal value of the year's cash flow projections. In performing the value-in-use calculations, the economic entity has applied post-tax discount rate of 25% to discount the forecast future attributable post tax cash flow. The cash flows are based on budgets for each cash generating unit. These budgets use historical growth rates to project revenue between 10 - 20%. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the period. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular cash generating unit.

NOTE 17: TRADE AND OTHER PAYABLES

CURRENT				
Trade payables	1,418,996	-	-	-
Sundry payables and accrued expenses	847,096	253,389	12,000	253,391
Share subscription money received in advance	600,000	-	600,000	-
Amounts payable to:				
– Related parties	225,234	-	-	-
– Director	1,042,806	-	-	-
	4,134,132	253,389	612,000	253,391

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NOTE 18: CURRENT TAX LIABILITIESS

Provision for tax	1,460	-	-	-	-

NOTE 19: CURRENT FINANCIAL LIABILITIES

		Consolidated Group		Parent Entity	
		2007	2006	2007	2006
	Note	$	$	$	$
CURRENT					
Bank overdraft – secured liabilities		1,084,400	-	-	-
Goldchoice Loan – unsecured liability		1,000,000	-	1,000,000	-
		2,084,400	-	1,000,000	-

Bank overdraft facilities were granted to the Company on different pledged assets. The Goldchoice Loan is provided with an option to covert to ordinary shares of the Company.

Banking facilities were granted to the Company on the following securities:

a) Properties owned by Mr Alex Lao

b) Fixed deposits of a total of MOP2,784,292 (A$371,239); and

c) Personal guarantees given by a director to the extent of HKD7,700,000 (A$1,026,667)

At the balance date letters of guarantee issued by the Bank to its trade creditors as security for settlement of the trade debts amounted to MOP2,654,000 (A$353,866). All these guarantees were pledged by the relevant fixed deposits placed at the Bank.

NOTE 20: PROVISIONS

		Consolidated Group		Parent Entity	
		2007	2006	2007	2006
	Note	$	$	$	$
Current					
Employee benefits		2,134	2,134	-	2,134
Reconciliations					
Carrying amount at start of year		2,134	10,813	2,134	10,813
- Additions		-	6,060	(2,134)	6,060
- Leave taken		(2,134)	(14,739)	-	14,739
		-	2,134	-	2,134

Notes To The Financial Statements

FOR YEAR ENDED 30 JUNE 2007

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NOTE 21: ISSUED CAPITAL

	Note	Economic Entity 2007 $	Economic Entity 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
Share Capital					
1,580,811,168(2006: 1,426,811,168) Ordinary Shares Fully Paid		39,010,891	32,596,291	39,010,891	37,596,291
Movements in ordinary share capital:					
Balance at the beginning of the financial year		37,596,291	32,716,291	37,596,291	32,716,291
Shares issued		1,540,000	4,230,000	1,540,000	4,230,000
233,333,333 options converted during the year into ordinary share capital		-	700,000	-	700,000
Share issue costs		(125,400)	(50,000)	(125,4000)	(50,000)
Balance at end of financial year:		39,010,891	37,596,291	39,010,891	37,596,291
Share Capital Summary:					
Ordinary Shares Fully Paid					
Balance at the start of year		1,426,811,168	303,477,835	1,426,811,168	303,477,835
- Placement		-	110,000,000	-	110,000,000
- Allotment		154,000,000	780,000,000	154,000,000	780,000,000
- Conversion of Options		-	233,333,333	-	233,333,333
Balance at end of financial year		1,580,811,168	1,426,811,168	1,580,811,168	1,426,811,168

During the year, the company issued 154,000,000 ordinary shares at $0.01 each. The shares rank for dividends paid after 1 July 2007.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

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NOTE 22: RESERVES

Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

NOTE 23: CAPITAL AND LEASING COMMITMENTS

	Note	Economic Entity 2007 $	Economic Entity 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
b. Operating Lease Commitments					
Non-cancellable operating leases contracted for but not capitalised in the financial statements					
Payable –					
– not later than 12 months		158,820	144,996	-	144,996
– between 12 months and 3 years		159,863	253,743	-	253,743
		318,683	398,739	-	398,739

The property lease is a non-cancellable lease with a 3 years term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require the minimum lease payments shall be increased by the lower of CPI or 5% per annum. An option exists to renew the lease at the end of the 3 year term for an additional term of 3 years.

NOTE 24: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities at the Balance date.

Notes To The Financial Statements

FOR YEAR ENDED 30 JUNE 2007

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NOTE 25: SEGMENT REPORTING

Business segments

The operations of the consolidated entity include Mining, Resource and Energy; Property Marketing and Services; Travel Services; and Ventures Services.

The company has a strong Australia-China focus and is a result driven and oriented organisation. ASF not only acts as a bridge, building synergies for business opportunities between Australia, and China, more importantly it incubates and co invests to insure business ventures achieve their ultimate goal.

Primary Reporting — Business Segments

The economic entity operates in the following business segments:

	Property Marketing and Services	Mineral and Resources	Travel Services	Venture and Financial Services	Elimination	Total
	$	$	$	$	$	$
(a) 30 June 2007						
Total Revenue	345,515	-	19,740,358	31,127	-	20,117,000
Segment result	(704,154)	(369,129)	312,574	(593,160)	(187,544)	(1,541,413)
Total assets	(811,087)	(362,168)	6,207,158	6,792,208	(659,391)	11,166,720
Total liabilities	(13,055)	(6,957)	(4345,138)	(1,854,842)	-	(6,219,992)
Depreciation expenses	493	-	216,008	53,566	-	270,067
(b) 30 June 2006						
Total Revenue	-	-	-	(4,617,377)	1,151,382	(3,465,995)
Segment result	(120,000)	-	-	(3,523,937)	999,990	(2,643,947)
Total assets	-	-	-	4,376,450	(120,002)	4,256,448
Total liabilities	-	-	-	4,115,925	(120,000)	3,995,925
Depreciation expenses	-	-	-	2,168	-	2,168
Investment accounted for using the equity method	-	-	1,300,000	-	-	1,300,000
Depreciation expenses	493	-	216,008	53,566	-	270,067

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NOTE 25: SEGMENT REPORTING (CONTINUED)

The economic entity operates in the following geographical segments:

	Australia $	Asia $	Eliminations $	Total $
(a) 30 June 2007				
Total Revenue	376,642	19,740,358	-	20,117,000
Segment result	(1,666,443)	312,574	(187,544)	(1,541,413)
Total Assets	5,618,953	6,207,158	(659,391)	11,166,720
Total Liabilities	(1,874,854)	(4,345,138)	-	(6,219,992)
Depreciation expenses	54,059	216,008	-	270,067
(b) 30 June 2006				
Total Revenue	(4,617,377)	-	1,151,382	(3,465,995)
Segment result	(3,643,937)	-	999,990	(2,643,947)
Total Assets	4,376,450	-	(120,002)	4,256,448
Total Liabilities	4,115,925	-	(120,000)	3,995,925
Depreciation expenses	2,168	-	-	2,168
Investment accounted for using the equity method	-	1,300,000	-	1,300,000

Notes To The Financial Statements

FOR YEAR ENDED 30 JUNE 2007

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NOTE 26: CASH FLOW INFORMATION

	Note	Economic Entity 2007 $	Economic Entity 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
Notes to the statements of cash flow					
a) Reconciliation of cash					
Cash and cash equivalents	8	2,066,069	166,842	1,102,541	166,842
Bank overdraft		(1,084,400)	-	-	-
		981,669	166,842	1,102,541	166,842

For the purposes of the statement of cash flows, cash includes cash on hand and cash at bank and short term deposits at call. Cash as at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statements of financial position as follows

b) Reconciliation of (loss)/profit from ordinary activities after income tax to net cash used in operating activities					
(Loss)/Profit from ordinary activities after income tax		(1,353,869)	2,643,947	9,012	1,954,441
Add items classified as investing/financing activities:					
Add/(less) non-cash items:					
- Amortisation		-	-	-	-
- Depreciation		270,067	2,168	-	817
- Write-off creditors through Deed of Company Arrangement		-	(2,549,096)	-	(894,165)
- Write-off inter-company balances		-	(1,000,000)	-	(1,000,000)
- Loss on sales of property, plant and equipment		1,396	-	-	-
- Profit on disposal of net assets of subsidiaries		-	(4,894)	-	-
Net cash used in operating activities before changes in assets and liabilities		(1,082,406)	(907,875)	9,012	61,093
Change in assets and liabilities:					
Decrease in inventories		528	-	-	-
(Increase)/decrease in receivables		477,306	(46,120)	-	(166,122)
Increase/(decrease) in payables		1,457,384	(156,922)	(353,609)	(5,886)
Increase/(decrease) in provisions		(2,134)	(8,679)	(2,134)	(8,679)
Increase/(decrease) income tax payable		686	-	-	-
Net cash used in operating activities		851,364	(1,119,596)	(346,731)	(119,594)

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NOTE 26: CASH FLOW INFORMATION (CONTINUED)

	Note	Economic Entity 2007 $	Economic Entity 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
Notes to the statements of cash flow					
c) Acquisition of entities					
Details of the entities acquired are disclosed in Note 13(b).					
Assets and liabilities held at acquisition date:					
Cash		1,196,812	-	-	-
Receivables		4,359,812	-	-	-
Inventories		5,199	-	-	-
Property, Plant and equipment		1,834,716	-	-	-
Payables		(2,418,360)	-	-	-
Borrowings		(2,986,096)	-	-	-
Income Tax		(774)	-	-	-
		1,991,309	-	-	-
Goodwill on consolidation		640,626	-	-	-
Minority Equity Interest in acquisitions		(1,331,935)	-	-	-
		1,300,000	-	-	-

As disclosed in Note 13(b) the Company acquired a 40% interest in ASF Macau Multinational Holdings Limited for a consideration of $1,300,000 effective 30 June 2006. The consideration paid is reflected in the 2006 Financial Report.

The assets and liabilities arising from the acquisition are recognised at fair value which is equal to its carrying value.

NOTE 27: NEW OR REVISED ACCOUNTING STANDARDS NOT YET ADOPTED

The following Australian Accounting Standards have been issued or amended and are applicable to the parent and consolidated group but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	Standards Affected	Outline of Amendment	Application Date of Standard	Application Date for Group
AASB 2005-10 Amendments to Australian Accounting Standards	AASB 1 First time of AIFRS AASB 4 Insurance Contracts AASB 101 Presentation of Financial Statements AASB 114 Segment Reporting AASB 117 Leases AASB 133 Earnings per Share AASB 139 Financial Instruments: Recognition and Measurement	The disclosure requirements of AASB 132: Financial Instruments: Disclosure and Presentation have been replaced due to the issuing of AASB 7: Financial Instruments: Disclosures in August 2005. These amendments will involve changes to financial instrument disclosures within the financial report. However, there will be no direct impact on the financial report as it is a disclosure standard.	1 Jan 2007	1 July 2007
AASB 7 Financial Instruments: Disclosures	AASB 132 Financial Instruments: Disclosure and Presentation	As above	1 Jan 2007	1 July 2007

Notes To The Financial Statements

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NOTE 28: EVENTS AFTER THE BALANCE SHEET DATE

Since June 2007 the Company has:

1. Secured two Tasmanian mineral exploration Tenements on 7 August 2007;
2. Opened the Guangzhou PRD office on 23 August 2007; and
3. On September 5, 2007 Alan Humphris was appointed a new Director following the retirement of Tony Teng as Director of ASF Group Limited.

These developments have been incorporated in the Overview of Activities above and details of the management in subsequent sections.

NOTE 29: RELATED PARTY TRANSACTIONS

Directors

The names of each person holding the position of director of ASF Group Limited during the financial year are:

Min Yang

Alex Lao

David Fang

Wai Sang Ho

Geoff Baker

Tony Teng

The aggregate amount of remuneration or fees received or receivable by the directors (directly or indirectly) is disclosed in Note 5.

Apart from the details disclosed in this note, no director has entered into a material contract with the Company or the consolidated entity since the end of the previous financial year and there were no material contracts involving directors' interests subsisting at year-end.

Directors' holdings of shares and share options

The interest of directors of the reporting entity and their director related entities in shares and share options of entities within the consolidated entity at year-end are set out below:

	Consolidated Number Held	
	2007	2006
ASF Group Limited		
Ordinary shares	866,750,104	651,791,606

Shares owned by directors of the reporting entity or director related entities at 30 June 2007:

FY holdings Limited, a company associated with Ms Min Yang and David Fang holds 650,000,000 shares, Tony S P Teng through his superannuation fund holds 1,791,606 ordinary shares, Alex Lao holds 129,280,000 shares, Wai Sang Ho holds 83,333,333 and Gold Star Industry Limited, a company associated with Geoff Baker holds 2,345,165 ordinary shares.

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NOTE 29: RELATED PARTY TRANSACTIONS (CONTINUED)

Related parties (continued)

Directors' transactions with the Company or its controlled entities

The aggregate amounts recognised during the year relating to directors and director-related entities were as follows:

		Consolidated		The Company	
		2007	2006	2007	2006
Director	**Transaction**	**$**	**$**	**$**	**$**
Current					
Tony S P Teng	Consulting fees	66,000	84,000	-	84,000
Min Yang	Consulting fees	58,800	26,300	-	26,300
David Fang	Consulting fees	58,800	26,300	-	26,300
Geoff Baker	Consulting fees	92,600	-	-	-
Alex Lao		-	-	-	-

The terms and conditions of the transactions with the directors and their director-related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

These amounts have been included as directors' remuneration report in the directors' report.

a. During the year, properties owned by Mr. Alex Lao were used as head office by the Company free of charge. One of the branch offices was let from Mr Alex Lao at total rental charges of MOP24,000 (A$3,595)in the year.

b. In addition, properties owned by Mr Alex Lao were pledged to a bank for banking facilities granted to the Company. Such facilities were utilized by Multinational Holdings Group Limited, a company of which Mr Alex Lao has controlling interest. Interest of MOP281,110 (A$42,110) (2006 MOP114,360 =A$17,131) was incurred in respect of such banking facilities which had been charged back to this related company at the same amount to cover the expenses incurred.

Receivables/payables

Amounts receivable from wholly-owned controlled entities are set out in Note 9.

Amount owed by or to related companies of Mr Alex Lao amounted to $751,195 and $225,234 are set out in Note 9 and Note 17, respectively.

Percentage of equity interest

Details of interests in wholly owned controlled entities are set out in Note 13.

Notes To The Financial Statements

FOR YEAR ENDED 30 JUNE 2007

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NOTE 30: FINANCIAL INSTRUMENTS

(a) Interest rate risk exposures

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities is set out below:

				Fixed interest maturing in:			
	Note	Weighted average interest rate %	Floating rate $	1 year or less $	1-5 years $	Non-interest bearing $	Total $
2007							
Financial assets							
Cash assets	8	5.25	2,066,069	-	-	-	2,066,069
Receivables	9	-	-	-	-	5,054,149	5,054,149
Total			2,066,069	-	-	5,054,149	7,120,218
Financial liabilities							
Payables	17	-	-	-	-	4,134,132	4,134,132
Bank Overdraft	19	6.5	1,084,400	-	-	-	1,084,400
Goldchoice Loan	19	7.0	-	1,000,000	-	-	1,000,000
Total			1,084,400	1,000,000	-	4,134,132	6,218,532

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NOTE 30: FINANCIAL INSTRUMENTS (CONTINUED)

	Note	Weighted average interest rate %	Floating rate $	Fixed interest maturing in: 1 year or less $	1-5 years $	Non-interest bearing $	Total $
2006							
Financial assets							
Cash assets	9	4.5	166,842	-	-	-	166,842
Receivables	10	-	-	-	-	50,440	50,440
Total			166,842	-	-	50,440	217,282
Financial liabilities							
Payables	17	-	-	-	-	258,389	258,389
Employee Benefit	19	-	2,134	-	-	-	2,134
Total			2,134	-	-	258,389	260,523

(b) Credit risk exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

Recognised financial instruments

The credit risk on financial assets is the carrying amount, net of any provision for doubtful debts.

(c) Net fair values of financial assets and liabilities

The net fair value of financial assets and liabilities are not materially different to the carrying value of the financial assets aand liabilities.

Notes To The Financial Statements

FOR YEAR ENDED 30 JUNE 2007

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NOTE 31: COMPANY DETAILS

Corporate directory

Company Secretary

Mr Tony S P Teng

Principal Registered Office

Suite 2/ 3B Macquarie Street
Sydney NSW 2000
Telephone: 02 9251 9088
Facsimile: 02 9251 9066
Email: info@asfgroupltd.com

Share Registry

Registries Limited
Level 2, 28 Margaret Street
Sydney NSW 2000

Home Exchange

Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Auditors

Hall Chadwick
Level 29, 31 Market street
Sydney NSW 2000

Solicitors

Deacons, Lawyers
Level 8, 1 Alfred Street
Sydney NSW 2000

Bankers

Australian & New Zealand Banking Group Limited
68 Pitt Street
Sydney NSW 2000

Other information

ASF Group Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

Directors' Declaration

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The directors of the company declare that:

1. the financial statements and notes, as set out on pages 13 to 43 are in accordance with the *Corporations Act 2001* and:
   a. comply with Accounting Standards and the Corporations Regulations 2001; and
   b. give a true and fair view of the financial position as at 30 June 2007 and of the performance for the year ended on that date of the company and economic entity;
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
   a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
   b. the financial statements and notes for the financial year comply with the Accounting Standards; and
   c. the financial statements and notes for the financial year give a true and fair view;
3. in the director's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Min Yang, Director

3 October 2007

Geoff Baker, Director

Independent Audit Report
To The Members Of ASF Group Limited

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Hall Chadwick

Chartered Accountants & Business Advisers

ASF GROUP LIMITED
ABN 50 008 924 570
AND ITS CONSOLIDATED ENTITIES
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASF GROUP LIMITED

Report on the Financial Report

We have audited the accompanying financial report of ASF Group Limited (the company) and ASF Group Limited and Controlled Entities (the consolidated entity), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of ASF Group Public Limited on 3 October 2007 would be in the same terms if provided to the directors as at the date of this auditor's report.

Basis for Qualified Auditor's Opinion

Revenue from travel agency businesses

Included in Note 3 to the financial report is revenue earned from the group's travel agency businesses in Macau and Guangdong amounting to $19,625,134. We have been unable to determine if this revenue has been correctly recorded in accordance with AASB 118 "Revenue", which requires revenue to be disclosed as commission where an agency relationship exists. We have been unable to obtain all information and explanations we require in order to satisfy ourselves as to whether an agency relationship exists in relation to some or all of the revenue from these businesses by other audit procedures.

In addition, the amount of receivables and payables in relation to the group's travel agency businesses are shown as a gross amount reflecting all asset and liabilities owed from or to third parties. Some of these amounts may reflect transactions on a gross basis which may have been undertaken as an agent.

Whilst this will not have any impact on the group's gross profit, the revenue for the group may be overstated by up to $19,625,134 and cost of sales overstated by up to $17,693,984. Also, the receivables and payables may be overstated as they would reflect the gross balance in relation to possible agency transactions. The balance of receivables and payables at 30 June 2007 in relation to this business was $1,484,080 and $1,259,948 respectively.

Liability limited by a Scheme approved under Professional Standards Legislation

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Independent Audit Report
To The Members Of ASF Group Limited – continued

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Chartered Accountants & Business Advisers

ASF GROUP LIMITED
ABN 50 008 924 570
AND ITS CONSOLIDATED ENTITIES
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASF GROUP LIMITED

Deposits Paid
Included in Note 9 to the financial report is an amount owed by a hotel operator to the travel agency business in Macau for prepaid hotel rooms amounting to $1,499,293. We have been unable to obtain the necessary information to satisfy ourselves as to the accuracy of this balance.

Loan Receivables
Included in Note 9 to the financial report are amounts owed by related companies of one of the directors totalling $751,193 in relation to the Macau business. We have been unable to obtain the necessary information to satisfy ourselves as to the recoverability of these balances.

Goodwill
Included in Note 16 to the financial report is goodwill relating to the acquisition of the Macau travel agency business amounting to $640,626. Although the directors have provided discounted cash flow projections to support the carrying value of this business, we have been unable to satisfy ourselves as to the basis of the underlying assets upon which the discounted cash flow projections are based.

Included in Note 16 to the financial report is goodwill relating to the acquisition of the real estate business amounting to $2,599,990. Although the directors have provided discounted cash flow projections to support the carrying value of this business, we have been unable to obtain the necessary information to satisfy ourselves as to whether the company has the ability to enable it to meet these projections.

Qualified Auditor's Opinion
In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the matters referred to in the preceeding paragraphs, the financial report of ASF Group Limited and ASF Group Limited and controlled entities is in accordance with the Corporations Act 2001, including:

a. the financial report of ASF Group Limited and ASF Group Limited and Controlled Entities is in accordance with the Corporations Act 2001, including:
   i. giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date; and
   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
b. the financial report also complies with International financial Reporting Standards as disclosed in Note 1.

Without further qualification to the opinion expressed above, attention is drawn to the following matter:
Material Uncertainty Regarding Continuation as a Going Concern
We draw attention to Note 1(a) "Going Concern" which indicates that the group's ability to continue as a going concern is dependent upon either/or the successful capital raising currently being undertaken; other possible future private placements; the success of business opportunities that the group is pursuing and Goldchoice Investments Limited electing to convert it's $1.0 million loan facility in the group to equity. Should the group be unable to raise or earn sufficient additional monies as and when required to meet the requirement of it's ongoing operations, there is significant uncertainty as to whether it will be able to continue as a going concern and therefore realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Hall Chadwick
Level 29, St Martins Tower
31 Market Street, Sydney, NSW 2000

DREW TOWNSEND
Partner
Date: 3 October 2007

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Bill Petrovski

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ASX Additional information

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Additional information required by Australian Stock Exchange Listing Rules and not disclosed elsewhere in this report is set out below.

Shareholdings (as at 30 June 2007)

Substantial Shareholders

The number of shares held by the substantial shareholders listed below in the holding Company as at 30 June 2007 are:

Shareholder	Number of ordinary shares held	Percentage of capital held
FY Holdings Limited	650,000,000	41.12%
GoldChoice Investments Limited	243,500,000	15.40%
Nga Fong Lao	129,280,000	8.18%
Wai Sang Ho	83,333,333	5.27%

Class of shares and voting rights

At 30 June 2007 there were 3,575 holders of ordinary shares of the Company. The voting rights attaching to the ordinary shares, set out in Article 62 of the Company's Articles of Association, are:

"Subject to these Articles and to any special conditions attaching to any class of shares a member shall be entitled either personally or by proxy or by attorney or by representative to be present at any general meeting of the Company and to vote on any question on a show of hands and upon a poll and to be reckoned in a quorum".

Distribution of shareholders (as at 30 June 2007)

Category Number of shares	Number of ordinary shareholders
1-1,000	313
1,001-5,000	654
5,001-10,000	499
10,001-100,000	1,582
100,001-9,999,999,999	527
Totals	**3,575**

On-market buy-back

There is no current on-market buy-back.

ASX Additional information – Continued

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Twenty largest shareholders (as at 30 June 2007)

Shareholders	Ordinary Shares Held	% of Issued Shares
FY HOLDINGS LIMITED	650,000,000	41.12
GOLDCHOICE INVESTMENTS LIMITED	243,500,000	15.40
NGA FONG LAO	129,280,000	8.18
WAI SANG HO	83,333,333	5.27
CHANCELLOR MANAGEMENT PTY LTD	20,000,000	1.27
FORTITUDE ASSET MANAGEMENT SDN BHD\C	10,091,006	0.64
MR IAN BROOKER DRUMMOND	10,000,000	0.64
MS CHOO KHENG YEOH	10,000,000	0.64
DR MARC LAVAL KOO SIN LIN	10,000,000	0.64
CHUN FAT LAW	10,000,000	0.64
LIJUN HE	10,000,000	0.64
SUPER YEAR ENTERPRISES LIMITED	10,000,000	0.64
MR STUART TURNER	10,000,000	0.64
ORTEGA HOLDINGS PTY LIMITED <DATAMAIL RETIRE FUND NO2 A/C>	10,000,000	0.64
MR MALCOLM KUVEKALOVIC	10,000,000	0.64
J H KILROY INVESTMENTS PTY LTD <JH KILROY SUPER FUND A/C>	10,000,000	0.64
CYBER CITY INTERNATIONAL LTD	10,000,000	0.64
MS ETHEL TI SOO WOO	10,000,000	0.64
PEI LAN SONG	10,000,000	0.64
MS SOCK MENG LEK	8,191,912	0.52
	1,274,396,251	80.62%

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