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**ASF Group Limited**  
Annual Report 2023

Dear Shareholders,

In what has been a challenging and dynamic financial year, I am pleased to present the Annual Report for ASF Group Limited and its subsidiaries for the year ended 30 June 2023. This year has seen its share of financial hurdles, and I am proud to share our progress in the face of these challenges.

The financial year from July 2022 to June 2023 has been marked by an array of obstacles, with markets experiencing fluctuations and uncertainties. Despite these headwinds, there have been glimpses of hope and resilience. China, where we have an extensive presence, has been gradually emerging from the restrictions imposed during the height of the pandemic. This transition has been encouraging, with gradual reopening and a resurgence of economic activities. It is heartening to witness China's gradual return to a semblance of normalcy, as it holds a special place in our operations and investments.

As of 30 June 2023, the Company maintained a cash balance of approximately \$2.1 million. During the year, the Company demonstrated its commitment to financial prudence by repaying \$1.4 million of the loan principal to Star Diamond Developments Limited. This repayment contributed to an extension of the loan maturity date to 31 October 2024, and a remaining facility of \$3.05 million available for drawdown under the Star Diamond loan.

Furthermore, the Company initiated a share buyback program during the year, resulting in the repurchase of 176,240 shares at an average price of \$0.041 per share. This program has been extended for an additional 12 months, allowing for the buyback of up to 79.2 million shares.

Our principal investments have not been immune to the market challenges, but they have displayed remarkable adaptability and perseverance. ActivEX Limited ("AIV"), Rey Resources Limited ("REY"), and Key Petroleum Limited ("KEY") have all weathered the storm and made strategic moves to ensure their long-term success.

I am also pleased to highlight the progress made by ASF Technologies (Australia) Pty Ltd ("ASFTA") over the past year. Our pioneering work in developing the flat opposed cylinder boxer-type engine with patented Scotch Yoke mechanisms has continued to advance. Our commitment to innovation was reinforced by the successful testing of our engine by prominent industry leaders such as Volkswagen (VW), Ford, Cosworth, and FEV. This past year saw substantial strides in engine testing, positioning us for completion by mid/late 2023. The engine's adaptability to run on various fuels, including Gasoline, LPG, CNG, and Hydrogen, reaffirms our dedication to sustainable technology.

BSF Enterprise PLC (LSE: BSFA), listed on the London Stock Exchange's Main Market, continues to make strides in the field of bio-technology through its subsidiary 3D Bio-Tissues Ltd ("3DBT"). 3DBT's breakthroughs in cultivated meat production and tissue engineering underscore the company's innovation-driven approach. In January 2023, 3DBT achieved a major milestone by producing the UK's first structured cultivated meat fillet. This achievement underscored the efficacy of 3DBT's patented, serum-free and animal-free cell booster, City-mix™, which eliminates the need for conventional plant-based scaffolds or fillers.

3DBT's distribution of serum-free media, such as the City-mix™ supplements, offers a valuable resource for culturing muscle and fat cells, essential for lab-grown meat and leather production. Additionally, their distribution of Lipopeptide Etsyl™, a product that enhances collagen production in human skin cells, has marked a significant stride in the cosmetic and dermatological sectors.

BSFA's proactive approach was evident in their successful fundraise in March 2023, wherein they secured £2.9 million through an oversubscribed placing of 17,200,000 new ordinary shares. The capital injection is designated to further the development of cultivated meat fillets, expand 3DBT's City-Mix™ production capacity, advance lab-grown leather products, and propel the development of innovative cornea solutions.

The progress made by BSFA and its subsidiary, 3DBT, is a testament to their visionary approach and commitment to pioneering technologies that not only hold transformative potential for industries but also align with our core values of innovation and value creation.

### **Our Property Marketing and Services**

ASF Properties Pty Ltd ("ASFP"), the Company's wholly-owned subsidiary, excelled in property services, achieving remarkable sales results for projects such as the Peninsula Hope Island and "the AU."

### **Our Fund Management and Advisory Services**

ASF Capital Pty Ltd ("ASF Capital") continued its commitment to facilitating capital flows between Australia and Asia, offering fund management and advisory services to businesses in various sectors.

In closing, I extend my sincere gratitude to our loyal shareholders, stakeholders, and the entire ASF Group team for their unwavering support. As we navigate this challenging terrain, we remain steadfast in our commitment to innovation, strategic investments, and prudent financial management.

Looking ahead, we remain committed to delivering long-term value, leveraging opportunities, and upholding our reputation as a forward-thinking investment company. Together, we are well-positioned to navigate dynamic markets and continue our journey of growth and prosperity.

Sincerely,



Min Yang  
Chairman

29 September 2023

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of ASF Group Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

### Directors

The following persons were directors of ASF Group Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Ms Min Yang – Chairman  
Mr Nga Wong (Alex) Lao  
Mr Quan (David) Fang  
Mr Wai Sang Ho  
Mr Geoff Baker  
Mr Chi Yuen (William) Kuan  
Mr Louis Li Chien

### Principal activities

The Group is a diversified investment company with an international outlook and a focus on the real estate, resources, technology and financial sectors. In a rapidly changing global marketplace, the Group is a dynamic player that actively realises synergistic and transnational investment opportunities.

### Dividends

There were no dividends paid, recommended, or declared during the current or previous financial year.

### Review of operations

The loss for the Group after providing for income tax and non-controlling interest amounted to \$11,545,000 (30 June 2022: \$4,062,000).

### Financial results and commentary

For the financial year ended 30 June 2023, revenue from continuing operations of ASF Group Limited (the "Company") and its controlled entities (referred to hereafter as the "Group") amounted to \$976,000, a decrease of approximately 55.6% compared to the last year of \$2,200,000.

Pre-sale of Stage 3, being the final stage of The Peninsula Hope Island project completed and as a result commission revenue arising from the sale of the project for the year decreased by 86.8% to \$217,000 (2022: \$1,641,000). Settlement of the project is expected to commence in the second half of 2023 during which the Group will receive the remaining commissions from developer. Another project "The AU" which is located at Surfers Paradise, Gold Coast has also made good sales progress and started generating sales commission. It is expected that these two projects will provide notable revenue to the Group in the year ahead.

Consolidated loss after tax and non-controlling interest for the year was \$11,545,000, an increase of approximately 184% compared with last year of \$4,062,000. Majority of the loss for the year was mainly attributed to the following:

- Share of losses of the associates of \$1,006,000;
- Impairment loss of financial assets at fair value through profit or loss of \$2,551,000;
- Impairment of loan due from associate of \$804,000;
- Interest expenses and other finance costs \$2,462,000; and
- Expenses incurred for the bulk sample pit operations of the Dawson West Project \$3,344,000.

Subsequent to the financial year end on 17 July 2023, the Company announced the extension of its on-market share buyback program for a further 12 months from 31 July 2023 and up to 79.2 million shares of the Company can be bought back over the next 12 months under the new buyback program. During the year, the Company bought back 176,240 shares at an average price of \$0.0409 per share.

### Financial position

As of 30 June 2023, the Company together with its subsidiaries (the "Group") maintained a cash balance of approximately \$2.1 million and has an available undrawn loan facility of \$3.05 million granted by Star Diamond Developments Limited ("Star Diamond") which agreed to extend the maturity date of the loan facility to 31 October 2024.

Finance costs amounted to \$2,462,000 (2022: \$2,046,000) which represented principally interests on the loan due to Star Diamond.

### Principal Investments

#### **ActivEX Limited ("AIV")**

AIV is an ASX listed mineral exploration company holding a number of prospective tenements, principally targeting copper, gold and critical metals such as rare earth element (REE) mineralisation in Queensland.

In January 2023, AIV completed the sale of its Cloncurry Copper Project and received the balance of the full \$3.0M consideration of \$1.5 million from Fetch Metals Limited ("Fetch") by selling back all the shares in Fetch held by AIV.

During the year, AIV announced encouraging results on its exploration projects, in particular the Georgetown Project where a 2km mineralised trend returned high grades of gold and base metals such as manganese, lead and iron.

On 14 July 2022 AIV announced that it had completed the Reverse Circulation (RC) drilling program at its Mt Hogan project with 38 holes completed for an advance of 4,275m. The result was encouraging with high grade gold intersections obtained. AIV further announced on 13 September 2022 that diamond core drilling on Mt Hogan project was completed with visible gold observed in one of the core drill holes. The Mt Hogan historic gold mine is part of AIV's 100% owned Gilberton gold project which is situated in the Georgetown Province in northeast Queensland, approximately 300km west-northwest of Townsville.

AIV also announced in March 2023 that it has commenced advanced exploration targeting at its Esk Copper-Gold project. The project is 100% owned by AIV and located in the New England Orogen in southeast Queensland between the towns of Gayndah and Goomeri, 215 km due northwest of Brisbane.

In June 2023, AIV were granted two additional tenements as part of the Georgetown Gold Project – Nelson EPM 28120 and Stockman EPM 28277 which comprise a total area of 29.31 km<sup>2</sup>. The Nelson tenement is adjacent to the north of Forsyth (EPM 27812) where AIV has defined a 2km gold and critical metal trend from surficial geochemical sampling and geological mapping and is mentioned previously.

During the year, the Company purchased 1.3 million AIV shares on the market and the Company's interest in AIV increased to 16.74% (2022: 16.08%) with a market value of \$0.61 million (2022: \$1.04 million), compared with its book value of \$0.5 million (2022: \$0.62 million) as at 30 June 2023.

#### **Rey Resources Limited ("REY")**

REY is an ASX listed oil & gas exploration and development company with a large tenement holding in the Canning Basin, Western Australia. The principal activity of REY is exploring for and developing energy resources in Western Australia's Canning Basin.

On 13 February 2023, REY announced the execution of a letter agreement with Buru Fitzroy Pty Ltd ("Buru") and Origin Energy West Pty Ltd ("Origin"), pursuant to which Origin's 40% interest in EP457 and EP458 ("Permits") would be assigned back to Buru and REY. Accordingly, Buru is now holding 60% participating interest and remains as Operator of the Permits, with REY holding the remaining 40%.

During the year, there were changes in the REY board of which Mr Dachun Zhang resigned as non-executive director on 29 November 2022 and Mr Yan Zhao and Mr Stanley Fu were appointed directors with effect from 29 November 2022 and 15 May 2023 respectively.

On 30 May 2023, the Company announced that it agreed to extend the maturity date of the \$2 million loan facility granted to REY for 1 year to 31 October 2024.

Subsequent to the financial year end on 17 August 2023, REY announced the extension of its on-market share buyback program for a further 12 months from 1 September 2023. Up to 21.2 million shares can be bought back by REY over the next 12 months.

The Group holds 16.37% of the issued capital of REY at a book and market value of \$6.07 million as at 30 June 2023.

#### **Key Petroleum Limited ("KEY")**

KEY is an ASX listed Australian oil and gas exploration company with asset holdings (ATP 920 & 924) in the Cooper Eromanga Basin in Queensland located between the Inland and Cook/Cuisinier Oil Fields, with the eastern assets located just north of the Eromanga Oil Refinery.

In September 2022, KEY entered into a share sale agreement with Triangle Energy (Global) Limited for the sale of its two wholly owned subsidiaries (the "Sale") which hold the remaining interests in Production Licence L7 and Exploration Permit EP437 for a total consideration of \$1.1 million, of which \$600,000 has been received in cash and the balance \$500,000 to be received in Triangle Energy shares on or before 30 June 2023. On 30 March 2023, KEY announced the completion of the Sale and received 31,378,015 shares in Triangle Energy (Global) Limited (ASX: TEG), which had been sold immediately on the market and the net proceeds after costs of \$562,319.13 received on 29 March 2023.

Following completion of the Sale, KEY will remain an active Australian explorer, with a renewed strategic focus on maturing the east coast gas supply potential from its Cooper-Eromanga Basin assets in Queensland.

As at 30 June 2023, the Group holds 11.45% of the issued capital of KEY with a market value of \$0.23 million.

#### **Kaili Resources Limited ("KLR")**

KLR is a resources exploration company which holds tenements in Western Australia. The Group holds 2.2 million shares in KLR with a market value of \$28,600 as at 30 June 2023.

#### **Civil & Mining Resources Pty Ltd ("CMR")**

Trading as CMR Coal, CMR is a privately owned company with a substantial coal tenement portfolio in Queensland situated in close proximity to operating mines, infrastructure and proven economic coal resources.

CMR has successfully completed 48 boreholes on their key project Dawson West, with a total of 10,940m drilled, geophysical logged selectively cored, sampled and analysed, which has confirmed export quality thermal coal resources with seams of mineable thickness expected to extend further into unexplored areas. CMR has defined a JORC2012 code compliant resource, with a total of 876Mt (188Mt Indicated, 688Mt Inferred resource).

Following completion of the exploration program at Dawson West, which is a JV 87.5% owned by CMR, a bulk sample pit application for 250,000 tonnes has been approved by the Queensland government. This included the Environmental approvals and a signed Cultural Heritage Management Plan with the traditional owners. During the year, CMR together with its JV partner have started the development of the bulk sample pit with all infrastructure in place and progressing towards sample pit mining operations.

Together with its subsidiary ASF Resources Pty Ltd, the Company holds 68.97% of the issued capital of CMR.

#### **ASF Technologies (Australia) Pty Ltd ("ASFTA")**

ASFTA is an Australian company that has developed a flat opposed cylinder boxer-type engine that uses patented Scotch Yoke mechanisms giving the engine advantages in weight, length, width, height, vibration and emissions over other conventional engines in its class.

ASFTA's Scotch Yoke engine was originally developed over 20 years ago. The engine is newly patented (7 patents thus far) and has been tested by VW, Ford, Cosworth, FEV and others. The engine is the first successful 4 stroke Scotch Yoke engine to be specifically designed and developed for modern Hybrid and Range Extender vehicles and can achieve Euro 6d and China 6b emissions on China RON 92 fuel with minimum expensive add on technologies. The engine does not need Turbo charging, VVT, EGR or GDI to meet the European 6d or China 6b emission regulations.

In addition to new energy vehicles, the engine is easily adaptable for a range of power applications ranging from aviation use to home generator use. The engine is designed to be fuel agnostic and can run on Gasoline, LPG, CNG and Hydrogen. During the year, ASFTA has been progressing engine testing to target completion by end of 2023.

The Company holds 62% of the issued capital of ASFTA.

### **BSF Enterprise PLC ("BSFA")**

BSFA is listed on the London Stock Exchange's Main Market and has a 100% owned subsidiary 3D Bio-Tissues Ltd ("3DBT").

3DBT was spun-out from Newcastle University, UK in 2019 and is a bio-technology company specialising in serum-free media, skin care and tissue engineering.

3DBT has developed a proprietary platform technology termed "tissue templating" (commonly referred to as "tissue engineering") that facilitates the production of a variety of animal tissue types for multiple uses. This technology aims to offer structured, functional and scalable tissue replicates with potential applications in clinical settings for the replacement of human skin & corneas or broader uses in consumable protein including lab grown meat.

Amongst other intellectual property, 3DBT has also:

- successfully produced in January 2023, the UK's first steak fillet of structured cultivated meat in its Newcastle-based laboratory. The fillet of pork was subsequently cooked and eaten by 3DBT management team. The fillet was produced using 3DBT's patented, serum-free and animal-free cell booster, City-mix™ which eliminated the requirement of conventional plant-based scaffolds, blends or fillers; On Friday 25 May 2023, 3DBT successfully produced a further two full-scale fillets of cultivated pork, as well as a cultivated pork strip, which were presented at a technical event. The cultivated pork fillets each measured 5 cm in diameter, 3 cm in height, and circa 60 g in weight, making them similar in size to traditional 2-ounce tenderloin steaks;
- distributes and sells Serum-free media: 3DBT's City-mix™ supplements which are a serum-free media for culturing muscle and fat cells (by way of an animal-free process) that can be used for lab -grown meat and leather production; and
- distributed Skin Care Products: Lipopeptide Etsyl™ being a product that actively increases collagen production in human skin cells. It can be used as an active ingredient in cosmetic skin cream and other topical dermatological products;
- being voted 'University Spinout of the Year' at the North East UK Innovation Awards ceremony, a competition organised by the Innovation SuperNetwork on 10 May 2023;
- has entered a contract with a leather fashion company to test and develop lab-grown animal skin for leather production.

On 29 March 2023, BSFA announced that it had raised £2.9 million by way of an oversubscribed placing of 17,200,000 new ordinary shares in the capital of BSFA at a price of 17p per share. Use of proceeds will go towards:

- continued development of the company's cultivated meat fillets
- ongoing expansion of 3DBT's City-Mix™ production capacity
- further development of 3DBT's lab-grown leather products
- advancement of 3DBT's cornea proposition

BSFA's shares were admitted to trading on the OTCQB Venture Market in the United States on 24 May 2023. The shares trade under the symbol BSFAF.

On 4 July 2023, BSFA (LSE: BSFA), (OTCQB: BSFAF) announced that it has formed a new subsidiary called BSF Enterprise (Hong Kong) Ltd and opened a new office in Hong Kong.

The Company through its subsidiary BSF Angel Funding Limited holds 16,610,944 fully paid ordinary shares representing approximately 16% of the issued capital of BSFA with a market value of GBP1.89 million (equivalent to approximately A\$3.6 million) as at 30 June 2023.

### **Property Marketing and Services**

ASF Properties Pty Ltd ('ASFP'), a wholly-owned subsidiary of the Company, continues to provide property services to onshore and offshore investors and home buyers. It represents an important strategic platform for offshore investors to access the Australian real estate market. The service scope includes development management, property management, property advisory, and development syndication. The projects which ASFP provides services for are located in New South Wales and Queensland.

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ASFP has achieved excellent sales results for Stage 3 of the Peninsula Hope Island project which is the final stage of a master-planned gated community development located in Gold Coast, Queensland. The company has also made good sales progress for the other project named "the AU" located at Surfers Paradise, Gold Coast. It is expected these two projects will continue to increase the revenue for ASFP in the year ahead.

### **Fund Management and Advisory Services**

ASF Capital Pty Ltd ('ASF Capital') holds an Australian Financial Services Licence and is the fund management and advisory arm of the Group's core strategy to facilitate two-way capital flows between Australia and Asia.

ASF Capital assists select businesses both on shore and off on matters such as public listing, financial advisory, entry and/or expansion in Australia, and visa migration related areas. Also, ASF Capital is working to form tailor-made wholesale funds to capture a diverse array of investment opportunities.

### **UKIIC, UK**

The Company, through its wholly owned UK subsidiary BSF International Ltd, holds 20% interest in the issued capital of UK International Innovation Centre (UKIIC) which aims to develop an incubation Centre for development of early stage technology and life science businesses in the City of London.

### **Matters subsequent to the end of the financial year**

On 17 July 2023, the Company announced the extension of its on-market share buyback program for a further 12 months from 31 July 2023 and up to 79.2 million shares of the Company can be bought back over the next 12 months under the new buyback program.

No other matters or circumstances that have arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

### **Likely developments and expected results of operations**

Refer to 'review of operations section' above for information on likely developments and expected results of operations.

### **Environmental regulation**

The Group's operations are presently subject to environmental regulation under the laws of the Commonwealth of Australia and the state of Queensland. The Group is at all times in full environmental compliance with the conditions of its licences.

## Information on directors

|                                      |  |
|--------------------------------------|--|
| Name:                                | Ms Min Yang  |
| Title:                               | Director and Chairman  |
| Experience and expertise:            | Min Yang is the Chair and Founder of ASF Group Limited. With over 30 years of extensive experience in international business, Ms Yang has proven her unique business insight and expertise in the identification, acceleration and realisation of diverse investment opportunities. Under Ms Yang's leadership, ASF Group continues to actively spearhead strategic investment between Australia and the world.  |
| Other current directorships:         | Non-executive Chairman of ActivEX Limited (ASX: AIV), Rey Resources Limited (ASX: REY) and Non-executive director of Key Petroleum Limited (ASX: KEY). Executive Chairman of BSF Enterprise PLC (LSE:BSFA).  |
| Former directorships (last 3 years): | None   |
| Special responsibilities:            | None   |
| Interests in shares:                 | Direct interest in 286,500 ordinary shares and indirect interest in 86,914,266 ordinary shares held by FY Holdings Limited which is jointly controlled by Ms Yang and Mr Fang.   |
| Name:                                | Mr Nga Wong (Alex) Lao   |
| Title:                               | Vice Chairman and Non-Executive Director   |
| Experience and expertise:            | Mr Lao is the managing director of ASF Macau Multinational Holdings Limited and is in charge of the operations of Multinational Youth Travel Agency Limited. Mr Lao resides in Macau where he has business interests in property, travel and retail industries and is Chairman of the Macau Travel Agency Association.   |
| Other current directorships:         | None   |
| Former directorships (last 3 years): | None   |
| Special responsibilities:            | None   |
| Interests in shares:                 | 18,026,525 ordinary shares   |
| Name:                                | Mr Quan (David) Fang   |
| Title:                               | Director   |
| Experience and expertise:            | David Fang is the Executive Director of ASF Group Limited. With over 30 years of experience in the Australian real estate sales and property development sectors, he has led the acquisition, development and sales of multiple projects. His accomplishments have ranged from driving the delivery of high-end residential developments to large-scale urban renewal projects. Mr Fang continues to advance the Company through the realisation of property development projects and the acquisition of new projects to generate further value. |
| Other current directorships:         | None   |
| Former directorships (last 3 years): | None   |
| Special responsibilities:            | None   |
| Interests in shares:                 | Direct interest in 10,000 ordinary shares and indirect interest in 86,914,266 ordinary shares held by FY Holdings Limited which is jointly controlled by Ms Yang and Mr Fang.  |
| Name:                                | Mr Wai Sang Ho   |
| Title:                               | Non-executive director   |
| Experience and expertise:            | Mr Ho is a Hong Kong resident and a large property developer in Southern China. He has substantial property interests in Hong Kong and China.  |
| Other current directorships:         | None   |
| Former directorships (last 3 years): | None   |
| Special responsibilities:            | None   |
| Interests in shares:                 | 44,808,270 ordinary shares   |

**Name:** Mr Geoff Baker  
**Title:** Director  
**Qualifications:** Mr Baker is a qualified lawyer in Australia and Hong Kong with a Commerce degree (Accounting and Financial Management), a Law degree and Master of business administration (MBA).  
**Experience and expertise:** Mr Baker assists in the international operations of the Group. He joined the Group after practising extensively for 30 years as a lawyer in Australia, Japan, Asia and China.  
**Other current directorships:** Non-executive director of Rey Resources Limited (ASX: REY) and ActivEX Limited (ASX: AIV), Non-executive Chairman of Key Petroleum Limited (ASX: KEY). Director of BSF Enterprise PLC (LSE:BSFA).  
**Former directorships (last 3 years):** None  
**Special responsibilities:** Chairman of the Audit Committee  
**Interests in shares:** Indirect interest in 7,734,517 ordinary shares held by Gold Star Industry Ltd, a related entity

**Name:** Mr Chi Yuen (William) Kuan  
**Title:** Director and Company Secretary  
**Qualifications:** Mr Kuan holds a Master Degree in International Accounting. He is a Fellow of CPA Australia and an Associate of The Chartered Governance Institute UK & Ireland (formerly ICSA) and The Hong Kong Chartered Governance Institute (formerly HKICS).  
**Experience and expertise:** Mr Kuan joined the Group as the Company Secretary in February 2010 and has been responsible for all aspects of financial and corporate matters of the Group. He has extensive experience in accounting, corporate finance and company secretarial areas. Prior to joining the Group, he was company secretary for a number of diverse Hong Kong listed companies.  
**Other current directorships:** None  
**Former directorships (last 3 years):** Director of Rey Resources Limited (ASX: REY) – appointed 6 March 2023 and resigned on 15 May 2023.  
**Special responsibilities:** None  
**Interests in shares:** 250,000 ordinary shares

**Name:** Mr Louis Li Chien  
**Title:** Director  
**Qualifications:** Mr Chien is a Graduate of the Australian Institute of Company Directors (GAICD), holds a Master of Business Administration (MBA) from Kelley School of Business, Indiana University and two bachelor degrees in Architecture.  
**Experience and expertise:** Mr Chien was born in Shanghai, China. He was raised in the United States where he was educated and has over 20+ years of experience in Fortune 100 companies. He is now based in Sydney, Australia. He is principally responsible for the management of ASF's investments, development, financial, and operational activities. Prior to joining the Group, Mr Chien held various leadership positions within Procter & Gamble Company (P&G), both in the United States and Singapore.  
**Other current directorships:** Managing Director of Key Petroleum Limited (ASX: KEY).  
**Former directorships (last 3 years):** Alternate Director to Ms Min Yang for Rey Resources Limited (ASX: REY) – resigned 1 October 2022. Alternate Director to Ms Min Yang for ActivEX limited (ASX: AIV) – resigned 10 August 2022.  
**Special responsibilities:** Member of the Audit Committee  
**Interests in shares:** None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

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'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

### Company secretary

Mr Chi Yuen (William) Kuan's experience is detailed in the 'information on directors' section above.

### Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director were:

|                        | Full Board |      | Audit Committee |      |
|------------------------|------------|------|-----------------|------|
|                        | Attended   | Held | Attended        | Held |
| Ms Min Yang - Chairman | 2          | 2    | -               | -    |
| Mr Nga Wong (Alex) Lao | 1          | 2    | -               | -    |
| Mr Quan (David) Fang   | 2          | 2    | -               | -    |
| Mr Wai Sang Ho         | 1          | 2    | -               | -    |
| Mr Geoff Baker         | 2          | 2    | 2               | 2    |
| Mr William Kuan        | 2          | 2    | -               | -    |
| Mr Louis Chien         | 2          | 2    | 2               | 2    |

Held: represents the number of meetings held during the time the director held office.

### Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel ('KMP') are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

### Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness to attract and retain key talent;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

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While the Group does not have a remuneration committee, the Board is responsible for determining and reviewing compensation arrangements for the directors and the senior management team.

The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

#### *Non-executive directors' remuneration*

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, these directors. Non-executive directors' fees and payments are reviewed annually by the Board.

#### *Executive remuneration*

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has the following components:

- base pay and non-monetary benefits;
- share-based payments; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board, based on individual and the overall performance of the Group and comparable market remunerations. Other retirement benefits may be provided by the Group if approved by shareholders.

Directors receive fixed monthly salary or consulting fees for providing consulting services to the Group.

There are no guaranteed base pay increases included in any executives' contracts.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits where it does not create any additional costs to the Group and provides additional value to the executive.

No short-term incentive ('STI') payments were made during the year.

The long-term incentives ('LTI') include long service leave.

#### *Group's performance and link to remuneration*

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There is at present no direct link between remuneration and earnings except that the Board have decided that payments for services rendered should be kept to a minimum.

*Use of remuneration consultants*

During the financial year ended 30 June 2023, the Group did not use any remuneration consultants.

*Voting and comments made at the company's 2022 Annual General Meeting ('AGM')*

At the 2022 AGM, 99.99% of shareholders voted to approve the adoption of the remuneration report for the year ended 30 June 2022. The company did not receive any specific feedback at the AGM regarding its remuneration practices and received unanimous approval on the adoption of its remuneration report.

**Details of remuneration**

*Amounts of remuneration*

Details of the remuneration of the KMP of the Group are set out in the following tables.

The key management personnel of the Group consisted of the directors of ASF Group Limited:

| 2023         | Short-term benefits  |       |              | Post-employment benefits | Long-term benefits | Share-based payments | Total   |
|--------------|----------------------|-------|--------------|--------------------------|--------------------|----------------------|---------|
|              | Cash salary and fees | Bonus | Non-monetary | Super-annuation          | Long service leave | Equity-settled       |         |
|              | \$                   | \$    | \$           | \$                       | \$                 | \$                   | \$      |
| Min Yang     | 181,943              | -     | -            | 3,411                    | -                  | -                    | 185,354 |
| David Fang   | 116,857              | -     | -            | 9,143                    | 1,260              | -                    | 127,260 |
| Geoff Baker  | 147,972              | -     | -            | -                        | -                  | -                    | 147,972 |
| William Kuan | 171,030              | -     | -            | 17,850                   | 2,833              | -                    | 191,713 |
| Louis Chien  | 122,400              | -     | -            | -                        | -                  | -                    | 122,400 |
|              | 740,202              | -     | -            | 30,404                   | 4,093              | -                    | 774,699 |

| 2022         | Short-term benefits  |       |              | Post-employment benefits | Long-term benefits | Share-based payments | Total   |
|--------------|----------------------|-------|--------------|--------------------------|--------------------|----------------------|---------|
|              | Cash salary and fees | Bonus | Non-monetary | Super-annuation          | Long service leave | Equity-settled       |         |
|              | \$                   | \$    | \$           | \$                       | \$                 | \$                   | \$      |
| Min Yang     | 169,527              | -     | -            | 3,179                    | -                  | -                    | 172,706 |
| David Fang   | 112,977              | -     | -            | 8,649                    | -                  | -                    | 121,626 |
| Geoff Baker  | 141,764              | -     | -            | 125                      | -                  | -                    | 141,889 |
| William Kuan | 171,373              | -     | -            | 17,000                   | 2,833              | -                    | 191,206 |
| Louis Chien  | 122,400              | -     | -            | -                        | -                  | -                    | 122,400 |
|              | 718,041              | -     | -            | 28,953                   | 2,833              | -                    | 749,827 |

Nga Wong (Alex) Lao and Wai Sang Ho did not receive any remuneration during 2023 and 2022 financial year.

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The proportion of remuneration linked to performance and the fixed proportion are as follows:

| Name                        | Fixed remuneration |      | STI  |      |
|-----------------------------|--------------------|------|------|------|
|                             | 2023               | 2022 | 2023 | 2022 |
| <i>Executive Directors:</i> |                    |      |      |      |
| Min Yang                    | 100%               | 100% | -    | -    |
| David Fang                  | 100%               | 100% | -    | -    |
| Geoff Baker                 | 100%               | 100% | -    | -    |
| William Kuan                | 100%               | 100% | -    | -    |
| Louis Chien                 | 100%               | 100% | -    | -    |

### Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Min Yang  
 Title: Director and Chairman  
 Agreement commenced: 1 October 2012  
 Term of agreement: Open ended  
 Details: An employment contract exists between Ms Yang and ASF (Hong Kong) Limited (a subsidiary of the Group) which was entered on 1 October 2012. Ms Yang receives fixed remuneration of HK\$120,000 per month, which has been reduced to HK\$80,000 per month from July 2019. The contract may be terminated at any time by either party giving to the other party not less than 30 days prior written notice.

Name: Quan (David) Fang  
 Title: Director  
 Agreement commenced: 1 January 2016  
 Term of agreement: Open ended  
 Details: On 1 January 2016, Mr Fang signed an employment contract with ASF (Hong Kong) Limited (a subsidiary of the Group) with a fixed salary of HK\$80,000 per month, which has been reduced to HK\$50,000 per month from July 2019 and further reduced to HK\$25,000 per month from July 2020. The contract may be terminated at any time by either party giving to the other party 30 days prior written notice. On 1 April 2020, Mr Fang signed an employment contract with ASF Corporate Pty Ltd (a subsidiary of the Group) and receives a fixed remuneration of A\$5,000 per month plus superannuation. The contract may be terminated at any time by either party giving to the other party not less than one month's prior written notice.

Name: Geoff Baker  
 Title: Director  
 Agreement commenced: 1 August 2012  
 Term of agreement: Open ended  
 Details: An employment contract exists between Mr Baker and ASF (Hong Kong) Limited (a subsidiary of the Group). Mr Baker receives a fixed remuneration of HK\$80,000 per month, which has been reduced to HK\$40,000 per month from July 2019. The contract may be terminated at any time by either party giving to the other party not less than 30 days prior written notice. A consultancy contract exists between the Group and the director's related entity, Gold Star Industry Limited. A consulting fee of A\$9,500 per month, which has been reduced to A\$4,750 per month from April 2020, is payable.

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Name: Chi Yuen (William) Kuan  
 Title: Director and Company Secretary  
 Agreement commenced: 1 February 2010  
 Term of agreement: Open ended  
 Details: Mr Kuan is employed by the Group under an employment agreement. Mr Kuan receives fixed remuneration of A\$14,167 per month plus superannuation. The contract may be terminated at any time by either party giving to the other party not less than 30 days prior written notice.

Name: Louis Li Chien  
 Title: Director  
 Agreement commenced: 1 April 2015  
 Term of agreement: Open ended  
 Details: A consultancy agreement was signed between ASF Corporate Pty Ltd (a subsidiary of the Group) and the director's related entity, Chanticleer 168 Pty Ltd. A consulting fee of A\$20,400 per month, which has been reduced to A\$10,200 per month from April 2020, is payable. The contract may be terminated at any time by either party giving to the other party not less than 3 months prior written notice.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

### Share-based compensation

#### Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023.

#### Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that was outstanding as at 30 June 2023.

There were no options over ordinary shares granted to or vested in directors and other key management personnel as part of compensation during the year ended 30 June 2023.

### Additional information

The earnings of the Group for the five years to 30 June 2023 are summarised below:

|                                | 2023     | 2022    | 2021    | 2020    | 2019    |
|--------------------------------|----------|---------|---------|---------|---------|
|                                | \$'000   | \$'000  | \$'000  | \$'000  | \$'000  |
| Sales revenue                  | 976      | 2,200   | 1,529   | 4,338   | 1,050   |
| Profit (Loss) after income tax | (11,545) | (4,062) | (3,233) | (5,946) | (2,963) |
| Net equity                     | (17,335) | (4,836) | (295)   | 3,157   | 8,061   |

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

|  | 2023   | 2022   | 2021   | 2020   | 2019   |
|--|--------|--------|--------|--------|--------|
| Average share price (\$)                   | 0.047  | 0.052  | 0.066  | 0.09   | 0.11   |
| Basic earnings per share (cents per share) | (1.46) | (0.51) | (0.41) | (0.75) | (0.41) |
| Share buy-back (\$'000)                    | (7)    | (7)    | 12     | 2      | 82     |

**Additional disclosures relating to key management personnel**

*Shareholding*

The number of shares in the company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

|                        | Balance at the start of the year | Received as part of remuneration | Additions | Disposals/ other | Balance at the end of the year |
|------------------------|----------------------------------|----------------------------------|-----------|------------------|--------------------------------|
| <i>Ordinary shares</i> |                                  |                                  |           |                  |                                |
| Min Yang*              | 87,200,766                       | -                                | -         | -                | 87,200,766                     |
| Nga Wong (Alex) Lao    | 18,026,525                       | -                                | -         | -                | 18,026,525                     |
| Quan (David) Fang*     | 86,924,266                       | -                                | -         | -                | 86,924,266                     |
| Wai Sang Ho            | 44,808,270                       | -                                | -         | -                | 44,808,270                     |
| Geoff Baker **         | 7,734,517                        | -                                | -         | -                | 7,734,517                      |
| William Kuan           | 250,000                          | -                                | -         | -                | 250,000                        |

\* Included indirect interest of 86,914,266 (2022: 86,914,266) shares held by FY Holdings Limited, an entity jointly controlled by Ms Yang and Mr Fang.

\*\* Included in Mr Baker's holdings are indirect interests held by Gold Star Industry Ltd which is controlled by Mr Baker.

Louis Chien held no shares in the company during the financial year.

*Other transactions with key management personnel and their related parties*

1. Rent paid on the operating lease of the head office of the Group to SPC investments Pty Ltd, and entity in which Ms Min Yang has a beneficial interest, amounting to \$273,419 (2022: \$273,419).
2. Consulting fees paid to Gold Star Industry Ltd, an entity in which Mr Geoff Baker has a beneficial interest, amounting to \$57,000 (2022: \$57,000).
3. Consulting fees paid to Chanticleer 168 Pty Ltd, an entity in which Mr Louis Chien has a beneficial interest, amounting to \$122,400 (2022: \$122,400).
4. Commission of \$48,420 (2022: \$1,495,212) received from Peninsula Gold Coast Development Pty Ltd, an entity in which Ms Min Yang has beneficial interest.
5. Commission of \$168,780 (2022: \$119,350) received from Paradise Development Holding Pty Ltd, an entity in which Ms Min Yang has beneficial interest.

***This concludes the remuneration report, which has been audited.***

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### Shares under option

There were no unissued ordinary shares of ASF Group Limited under option outstanding at the date of this report.

### Shares issued on the exercise of options

There were no ordinary shares of ASF Group Limited issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

### Indemnity and insurance of officers

The company has in place Deeds with each of the Directors whereby the company has agreed to provide certain indemnities to each Director to the extent permitted by the Corporations Act and to use its best endeavours to obtain and maintain Directors' and Officers' indemnity insurance, subject to such insurance being available at reasonable commercial terms.

### Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

### Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

### Non-audit services

There were no non-audit services provided during the financial year by the auditor.

### Officers of the company who are former partners of Nexia

There are no officers of the company who are former partners of Nexia Sydney Audit Pty Ltd.

### Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of *the Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of *the Corporations Act 2001*.

On behalf of the directors



---

Min Yang  
Chairman

29 September 2023  
Sydney

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To the Board of Directors of ASF Group Ltd

**Auditor's Independence Declaration under section 307C of the *Corporations Act 2001***

As lead audit director for the audit of the financial statements of ASF Group Limited for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Yours sincerely



**Nexia Sydney Audit Pty Ltd**



**Joseph Santangelo**

Director

Date: 29 September 2023

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### General information

The financial statements cover ASF Group Limited as a Group consisting of ASF Group Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is ASF Group Limited's functional and presentation currency.

ASF Group Limited is a listed public company limited by shares, incorporated, and domiciled in Australia. Its registered office and principal place of business is:

Suite 2, 3B Macquarie Street  
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 September 2023. The directors have the power to amend and reissue the financial statements.

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|  | Note | Consolidated<br>2023<br>\$'000 | 2022<br>\$'000 |
|--|------|--------------------------------|----------------|
| <b>Revenue</b>   |      |                                |                |
| Revenue from contracts with customers                                | 4    | 976                            | 2,200          |
| Finance income   | 4    | 134                            | 85             |
| Share of losses of associates accounted for using the equity method  | 6    | (1,006)                        | (1,058)        |
| Other income   | 5    | 192                            | 401            |
| <b>Expenses</b>  |      |                                |                |
| Exploration expenditure  |      | (1,421)                        | -              |
| Commission and fee expenses  |      | (171)                          | (938)          |
| Consultancy expenses   |      | (1,466)                        | (802)          |
| Marketing expenses   |      | (131)                          | 5              |
| Employee benefits expense  |      | (1,645)                        | (1,454)        |
| Depreciation and amortisation expenses                               | 6    | (278)                          | (284)          |
| Impairment of financial assets at fair value through profit or loss  | 6    | (2,551)                        | (110)          |
| Loss on disposal of plant and equipment                              | 6    | (8)                            | -              |
| Impairment loss of other receivables                                 | 6    | (804)                          | -              |
| Legal and professional fees  |      | (383)                          | (187)          |
| Corporate and administration expenses                                |      | (862)                          | (277)          |
| Occupancy expenses   | 6    | (246)                          | (59)           |
| Finance costs  | 6    | (2,462)                        | (2,046)        |
| <b>Loss before income tax expense</b>                                |      | (12,132)                       | (4,524)        |
| Income tax expense   | 7    | -                              | -              |
| <b>Loss after income tax expense for the year</b>                    |      | (12,132)                       | (4,524)        |
| <b>Other comprehensive income</b>                                    |      |                                |                |
| <i>Items that may be reclassified subsequently to profit or loss</i> |      |                                |                |
| Foreign currency translation   |      | (360)                          | (10)           |
| <b>Total comprehensive income for the year</b>                       |      | (12,492)                       | (4,534)        |
| Loss for the year is attributable to:                                |      |                                |                |
| Non-controlling interest   |      | (587)                          | (462)          |
| Owners of ASF Group Limited  |      | (11,545)                       | (4,062)        |
|  |      | (12,132)                       | (4,524)        |
| Total comprehensive income for the year is attributable to:          |      |                                |                |
| Non-controlling interest   |      | (587)                          | (462)          |
| Owners of ASF Group Limited  |      | (11,905)                       | (4,072)        |
|  |      | (12,492)                       | (4,534)        |
|  |      | <b>Cents</b>                   | <b>Cents</b>   |
| Basic loss per share   | 32   | (1.46)                         | (0.51)         |
| Diluted loss per share   | 32   | (1.46)                         | (0.51)         |

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

|  | Note | Consolidated    |                |
|--|------|-----------------|----------------|
|  |      | 2023<br>\$'000  | 2022<br>\$'000 |
| <b>Assets</b>  |      |                 |                |
| <b>Current assets</b>                                  |      |                 |                |
| Cash and cash equivalents                              | 8    | 2,097           | 4,412          |
| Trade and other receivables                            | 9    | 151             | 263            |
| Other assets   | 10   | 40              | 3              |
| Total current assets                                   |      | <u>2,288</u>    | <u>4,678</u>   |
| <b>Non-current assets</b>                              |      |                 |                |
| Other receivables                                      | 11   | 119             | 935            |
| Investments accounted for using the equity method      | 12   | 6,805           | 10,313         |
| Financial assets at fair value through profit or loss  |      | 29              | 31             |
| Property, plant and equipment                          | 13   | 53              | 60             |
| Exploration and evaluation expenditure                 | 14   | 3,529           | 3,585          |
| Right of use assets                                    | 18   | 206             | 452            |
| Total non-current assets                               |      | <u>10,741</u>   | <u>15,376</u>  |
| <b>Total assets</b>                                    |      | <u>13,029</u>   | <u>20,054</u>  |
| <b>Liabilities</b>                                     |      |                 |                |
| <b>Current liabilities</b>                             |      |                 |                |
| Trade and other payables                               | 15   | 1,139           | 280            |
| Employee benefits                                      | 16   | 240             | 200            |
| Borrowings   | 17   | 2,602           | -              |
| Lease liabilities                                      | 18   | 203             | 254            |
| Total current liabilities                              |      | <u>4,184</u>    | <u>734</u>     |
| <b>Non-current liabilities</b>                         |      |                 |                |
| Borrowings   | 17   | 26,170          | 23,955         |
| Lease liabilities                                      | 18   | 10              | 201            |
| Total non-current liabilities                          |      | <u>26,180</u>   | <u>24,156</u>  |
| <b>Total Liabilities</b>                               |      | <u>30,364</u>   | <u>24,890</u>  |
| <b>Net liabilities</b>                                 |      | <u>(17,335)</u> | <u>(4,836)</u> |
| <b>Equity</b>  |      |                 |                |
| Issued capital   | 19   | 122,662         | 122,669        |
| Reserves   | 20   | (2,734)         | (2,374)        |
| Accumulated losses                                     |      | (134,865)       | (123,320)      |
| Equity attributable to the owners of ASF Group Limited |      | (14,937)        | (3,025)        |
| Non-controlling interest                               | 30   | (2,398)         | (1,811)        |
| <b>Total deficit</b>                                   |      | <u>(17,335)</u> | <u>(4,836)</u> |

The above statement of financial position should be read in conjunction with the accompanying notes

|  | Issued<br>capital<br>\$'000 | Reserves<br>\$'000<br>(Note 20) | Accumulated<br>losses<br>\$'000 | Non-<br>controlling<br>interest<br>\$'000 | Total<br>equity<br>\$'000 |
|--|-----------------------------|---------------------------------|---------------------------------|---|---------------------------|
| <b>Consolidated</b>  |                             |                                 |                                 |   |                           |
| Balance at 1 July 2021   | 122,676                     | (2,364)                         | (119,258)                       | (1,349)                                   | (295)                     |
| Loss after income tax expense for the year                       | -                           | -                               | (4,062)                         | (462)                                     | (4,524)                   |
| Other comprehensive income for the year,<br>net of tax           | -                           | (10)                            | -                               | -   | (10)                      |
| Total comprehensive income for the year                          | -                           | (10)                            | (4,062)                         | (462)                                     | (4,534)                   |
| <i>Transactions with owners in their capacity as<br/>owners:</i> |                             |                                 |                                 |   |                           |
| Share buy-back (note 19)   | (7)                         | -                               | -                               | -   | (7)                       |
| Balance at 30 June 2022  | 122,669                     | (2,374)                         | (123,320)                       | (1,811)                                   | (4,836)                   |

|  | Issued<br>capital<br>\$'000 | Reserves<br>\$'000<br>(Note 20) | Accumulated<br>losses<br>\$'000 | Non-<br>controlling<br>interest<br>\$'000 | Total<br>equity<br>\$'000 |
|--|-----------------------------|---------------------------------|---------------------------------|---|---------------------------|
| <b>Consolidated</b>  |                             |                                 |                                 |   |                           |
| Balance at 1 July 2022   | 122,669                     | (2,374)                         | (123,320)                       | (1,811)                                   | (4,836)                   |
| Loss after income tax expense for the year                       | -                           | -                               | (11,545)                        | (587)                                     | (12,132)                  |
| Other comprehensive income for the year,<br>net of tax           | -                           | (360)                           | -                               | -   | (360)                     |
| Total comprehensive income for the year                          | -                           | (360)                           | (11,545)                        | (587)                                     | (12,492)                  |
| <i>Transactions with owners in their capacity as<br/>owners:</i> |                             |                                 |                                 |   |                           |
| Share buy-back (note 19)   | (7)                         | -                               | -                               | -   | (7)                       |
| Balance at 30 June 2023  | 122,662                     | (2,734)                         | (134,865)                       | (2,398)                                   | (17,335)                  |

The above statement of changes in equity should be read in conjunction with the accompanying notes

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| Note  | Consolidated   |                |
|---|----------------|----------------|
|   | 2023<br>\$'000 | 2022<br>\$'000 |
| <b>Cash flows from operating activities</b> |                |                |
|   | 1,265          | 2,199          |
|   | 192            | 401            |
|   | (5,490)        | (3,813)        |
|   | 48             | 10             |
|   | -              | -              |
| 33  | <u>(3,985)</u> | <u>(1,203)</u> |
| <b>Cash flows from investing activities</b> |                |                |
| 13  | (19)           | (6)            |
| 14  | (7)            | (238)          |
|   | -              | -              |
|   | -              | -              |
|   | (150)          | (200)          |
|   | 250            | 300            |
|   | <u>74</u>      | <u>(144)</u>   |
| <b>Cash flows from financing activities</b> |                |                |
|   | 3,689          | 2,000          |
|   | (1,400)        | -              |
| 19  | (7)            | (7)            |
|   | (276)          | (284)          |
|   | <u>2,006</u>   | <u>1,709</u>   |
|   | (1,905)        | 362            |
|   | 4,412          | 4,041          |
|   | (410)          | 9              |
|   | <u>2,097</u>   | <u>4,412</u>   |

The above statement of cash flows should be read in conjunction with the accompanying notes

## 1. Significant accounting policies

These consolidated financial statements and notes are for the consolidated entity consisting of ASF Group Limited ("Company" or "parent entity") and its subsidiaries ("the Group").

These general purpose financial statements for the reporting period ended 30 June 2023 have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 29 September 2023.

### (a) New or amended Accounting Standards and Interpretations adopted

No new Australian Accounting Standards and Interpretations that have been issued but are not yet effective have been applied in the preparation of these consolidated financial statements. Such standards are not expected to have a material impact on the consolidated entity's financial statements on initial application.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### (b) Continued operations and future funding

The financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. For the year ended 30 June 2023, the Group recorded a loss after income tax and non-controlling interest of \$11,545,000 (2022: \$4,062,000); showed net cash inflow from investing activities of \$74,000 (2022: net cash outflow of \$144,000) and net cash outflows from operating activities of \$3,985,000 (2022: \$1,203,000) and, as of that date, the Group's current liabilities exceeded its current assets by \$1,896,000 (2022: current assets exceeded current liabilities by \$3,944,000). The net liability of the Group as of 30 June 2023 were \$17,335,000 (2022: net liability \$4,836,000).

The ability of the Group to meet its commitments and to develop its projects or divest for a profit is dependent upon the Group continuing to raise capital or convertible notes and/or realise its investments.

The directors have considered the following, in their assessment of the future funding of the Group:

- The Group manages cash diligently to meet immediate business needs. The Group has a long and proven track record in raising capital via share placements, rights issues and convertible notes over the past 12 years. As at the date of this report, the Group has \$3.05 million in a convertible note facility available for draw down;
- The Group expects convertible notes amounting to \$26.17 million (inclusive of accrued interest) to be converted to equity or extended before their expiry. No cash outlay will be required;
- The Group plans to undertake further capital raising or realisation of assets during the next 12 months as needed;
- The Group holds the ability to reduce operating costs as needed and appropriate; and
- Cash flow forecast, which incorporate expected additional capital injections, for the 12 months from the date of issue of these financial statements project that the Group will be able to operate as usual.

## 1. Significant accounting policies (continued)

The directors are of the opinion that the Group will continue to obtain additional capital when business requires and accordingly have prepared the financial statements on a going concern basis.

In the unlikely scenario that the Group is not able to obtain additional capital as and when required, there is a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in these financial statements.

At the date of approval of these financial statements, the directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial statements at 30 June 2023. Accordingly, no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or the amounts and classifications of liabilities that might be necessary.

### (c) Comparatives

Comparatives in the statement of profit or loss and other comprehensive income and statement of financial position have been realigned with the current period presentation. There has been no effect on the loss for the comparative year or net assets of the Group.

### (d) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies in this note. Historical cost is generally based on the fair values of the consideration given in exchange for assets.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

### (e) Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 29.

## 1. Significant accounting policies (continued)

### (f) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of ASF Group Limited ('company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. ASF Group Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

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## 1. Significant accounting policies (continued)

### (g) Foreign currency translation

The financial statements are presented in Australian dollars, which is ASF Group Limited's functional and presentation currency.

#### *Foreign currency transactions*

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### *Foreign operations*

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

### (h) Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

## 1. Significant accounting policies (continued)

### *Commission Revenue*

Commission revenue is primarily derived through the sale of properties. The Group holds formal agency contracts with property developers which specifies ASF's performance obligation to sell properties on behalf of the developers. The Group records commission revenues at a point-in-time, upon sale and/or settlement of a property.

The contract identifies the transaction price as a percentage of the sales price and this is allocated in entirety to the sale of the property. Whilst this is a variable consideration, there is no requirement by the Group, or risk for the Group, to estimate the value of the revenue transaction as no revenue is recognised until the sale has been completed.

### *Corporate Services*

Corporate services are management services provided by ASF. The Group holds formal contracts with other entities for the provision of management services including corporate and accounting services. Each contract details the Group's performance obligations which vary with each contract. Management have determined that all services defined by each contract form part of a series of distinct services that are substantially the same.

The activities performed are provided daily/monthly and have the same pattern of transfer to the customer.

The Group recognises the revenue from these services over each service period, typically defined as a month. Each contract clearly states a fixed transaction price for each service period.

### *Rent*

Rent revenues are primarily earned via the leasing/renting and management of rental properties on behalf of property owners. The Group holds formal leasing contract with individual property owners. The contract defines the Group's performance obligations to lease and manage the rental properties on behalf of the owners. Management have determined that all performance obligations included in the contract form part of a series of distinct services that are substantially the same. The activities performed are provided daily/monthly and have the same pattern of transfer to the customer.

Management recognises revenue over each service period, typically defined as a day. The contract establishes a fixed price for each rental property which is recognised as the service is provided.

## 1. Significant accounting policies (continued)

### (i) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

ASF Group Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

## 1. Significant accounting policies (continued)

### (j) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

### (k) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### (l) Financial instrument

#### *Recognition and derecognition*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### *Classification and initial measurement of financial assets*

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

## 1. Significant accounting policies (continued)

### *Subsequent measurement of financial assets*

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- financial assets at amortised cost
- financial assets at fair value through profit or loss (FVPL)
- debt instruments at fair value through other comprehensive income (FVOCI)
- equity instruments at fair value through other comprehensive income (FVOCI)

Classifications are determined by both:

- The entity's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

### *Financial assets at amortised cost*

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

### *Financial assets at fair value through profit or loss (FVPL)*

Financial assets that are held within a business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

### *Debt instruments at fair value through other comprehensive income (Debt FVOCI)*

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at FVOCI. Any gains or losses recognised in OCI will be recycled upon derecognition of the asset.

### *Equity instruments at fair value through other comprehensive income (Equity FVOCI)*

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under this category, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend income is taken to profit or loss unless the dividend clearly represents return of capital.

## 1. Significant accounting policies (continued)

### *Impairment of financial assets*

AASB 9's impairment model use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. The application of the impairment model depends on whether there has been a significant increase in credit risk.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

### *Trade and other receivables and contract assets*

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

All financial assets, except for those at fair value through profit or loss (FVPL) and equity investments at fair value through other comprehensive income (equity FVOCI), are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

### *Financial assets at fair value through other comprehensive income*

The Group recognizes 12 months expected credit losses for financial assets at FVOCI. As most of these instruments have a high credit rating, the likelihood of default is deemed small. However, at each reporting date the Group assesses whether there has been a significant increase in the credit risk of the instrument.

In assessing these risks, the Group relies on readily available information such as the credit ratings issued by the major credit rating agencies for the respective asset. The Group only holds simple financial instruments for which specific credit ratings are usually available. In the unlikely event that there is no or only little information on factors influencing the ratings of the asset available, the Group would aggregate similar instruments into a portfolio to assess on this basis whether there has been a significant increase in credit risk.

In addition, the Group considers other indicators such as adverse changes in business, economic or financial conditions that could affect the borrower's ability to meet its debt obligation or unexpected changes in the borrowers operating results.

Should any of these indicators imply a significant increase in the instrument's credit risk, the Group recognises for this instrument or class of instruments the lifetime expected credit losses.

## 1. Significant accounting policies (continued)

### *Classification and measurement of financial liabilities*

The Group's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

### *Interest Income*

Interest income from financial assets at FVPL is included in the net fair value gains / (losses) on these assets. Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in the statement of profit or loss as part of other income.

### **(m) Associates**

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

1. Significant accounting policies (continued)

(n) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value basis over the useful lives to the consolidated entity commencing from the time the assets is held ready for use. The following estimated useful lives are used in the calculation of depreciation:

|                        |             |
|------------------------|-------------|
| Plant and equipment    | 25% - 37.5% |
| Leasehold improvements | 37.5%       |
| Motor vehicles         | 20%         |

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

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## 1. Significant accounting policies (continued)

### (o) Leases

#### *As a lessee*

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities as separate items in the statement of financial position.

#### **Short-term leases and leases of low-value assets**

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment.

The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## 1. Significant accounting policies (continued)

### (p) Exploration and evaluation expenditure

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where: it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence, or otherwise, of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Exploration and evaluation expenditure incurred by the joint venture arrangement has been expensed in the statement of profit or loss until such time as the sample pit operation results have been returned.

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 for 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.

### (q) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

## 1. Significant accounting policies (continued)

### (r) Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. It is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income is presented as a credit in profit or loss, under "Other income".

### (s) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

### (t) Employee benefits

#### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

#### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high-quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### *Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

### (u) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

## 1. Significant accounting policies (continued)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

### (v) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### (w) Earnings per share

#### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of ASF Group Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

#### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### (x) Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

### (y) Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

## 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

### *Estimation of useful lives of assets*

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

### *Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

### *Exploration and evaluation expenditures*

Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

## 2. Critical accounting judgements, estimates and assumptions (continued)

### *Impairment of investments in associates*

The Group makes significant judgements about the impairment of a number of its investments in associates. The Group follows the guidance in AASB 136 'Impairment of Assets' to determine when an investment is impaired or when a previously recognised impairment is reversed. This determination requires significant judgement. In making this judgement the Group evaluates the outlook of the investee, including factors such as industry performance and the prospective potential of underlying exploration and evaluation assets.

### *Investments in associates accounted for using the equity method where voting rights below 20%*

Management has determined that the Group has significant influence over its investments in Rey Resources Limited, ActivEX Limited and Key Petroleum Ltd, and that such investees should be treated as associates that are therefore equity accounted pursuant to AASB 128 Investments in Associates and Joint Ventures despite the Group's interest in voting rights in each investee being less than 20%. This judgement has been made having regard to the Group's substantial shareholding in each investee approaching 20% combined with the fact that 2 directors of the company are also directors of the respective investee. The Group also uses its judgement in assessing the timing of when significant influence changes and therefore when an investment either becomes an associate or ceases to be an associate.

### *Control over investee with a shareholding of 50%*

Management has determined that the Group has control over its investment in BSF Angel Funding Limited. Although the company only holds 50% of the interest in the investee, the Group has the majority of the board representation of the investee, therefore have the power to direct the relevant activities of the investee. The Group is also exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. As such, the investee is treated as a subsidiary and is consolidated in accordance with AASB 10.

## 3. Operating segments

### *Identification of reportable operating segments*

The Group's operating segment is based on the internal reports that are reviewed and used by the Board of Directors (being the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The Group operates in only one segment, being an investment and trading house. The segment result is as shown in the statement of profit or loss and other comprehensive income. Refer to statement of financial position for assets and liabilities.

4. Revenue from contracts with customers

|  | Consolidated   |                |
|--|----------------|----------------|
|  | 2023<br>\$'000 | 2022<br>\$'000 |
| <b>Disaggregated revenue information</b> |                |                |
| <b>Sales revenue</b>                     |                |                |
| Commission revenue                       | 217            | 1,641          |
| Corporate services                       | 759            | 559            |
|  | <u>976</u>     | <u>2,200</u>   |
| <b>Finance income – interest income</b>  | <u>134</u>     | <u>85</u>      |
| <b>Geographical markets</b>              |                |                |
| Australia                                | 807            | 2,155          |
| Asia                                     | 48             | 45             |
| Europe                                   | 121            | -              |
|  | <u>976</u>     | <u>2,200</u>   |
| <b>Timing of revenue recognition</b>     |                |                |
| Service recognised at a point in time    | 217            | 1,641          |
| Services transferred over time           | 759            | 559            |
|  | <u>976</u>     | <u>2,200</u>   |

5. Other income

|                      | Consolidated   |                |
|----------------------|----------------|----------------|
|                      | 2023<br>\$'000 | 2022<br>\$'000 |
| Sundry income        | -              | 108            |
| R&D Rebate           | 147            | 203            |
| Government grants ** | 45             | 95             |
| Other income         | <u>192</u>     | <u>406</u>     |

\*\* Government grants consist of EMDG Grant.

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## 6. Expenses

**Consolidated**  
**2023**                      **2022**  
**\$'000**                      **\$'000**

Loss before income tax includes the following specific expenses:

*Depreciation*

|                                     |     |     |
|-------------------------------------|-----|-----|
| Leasehold improvements              | 1   | 1   |
| Plant and equipment                 | 17  | 22  |
| Total depreciation                  | 18  | 23  |
| Amortisation - right of use assets  | 260 | 261 |
| Total depreciation and amortisation | 278 | 284 |

*Impairment of non-financial assets*

|   |       |     |
|---|-------|-----|
| Impairment of financial assets at fair value through profit or loss | 2,551 | 110 |
| Loss on disposal of plant and equipment                             | 8     | -   |
| Total Impairment of non-financial assets                            | 2,559 | 110 |

*Impairment of financial assets*

|   |       |   |
|---|-------|---|
| Impairment of loan to Rey Resources Limited | 804   | - |
| Total impairment loss of financial assets   | 3,363 | - |

*Share of losses of associates*

|                                     |       |       |
|-------------------------------------|-------|-------|
| Rey Resources Limited               | 365   | 294   |
| ActivEX Limited                     | 159   | 346   |
| Key Petroleum Limited               | 50    | 140   |
| 3D Bio-Tissues Ltd                  | -     | 232   |
| BSF Enterprise PLC                  | 432   | 46    |
| Total share of losses of associates | 1,006 | 1,058 |

*Finance costs*

|   |       |       |
|---|-------|-------|
| Interest and finance charges paid/payable | 2,442 | 2,012 |
| Interest expense on lease                 | 20    | 34    |
| Total finance costs                       | 2,462 | 2,046 |

*Rental expense relating to operating leases*

|                        |     |    |
|------------------------|-----|----|
| Minimum lease payments | 246 | 59 |
|------------------------|-----|----|

*Superannuation expense*

|   |     |    |
|---|-----|----|
| Defined contribution superannuation expense | 115 | 94 |
|---|-----|----|

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7. Income tax expense

|  | <b>Consolidated</b> |               |
|--|---------------------|---------------|
|  | <b>2023</b>         | <b>2022</b>   |
|  | <b>\$'000</b>       | <b>\$'000</b> |
| <i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>  |                     |               |
| Loss before income tax expense   | (12,132)            | (4,524)       |
| Tax at the statutory tax rate of 25% (2022: 25%)                                     | (3,033)             | (1,131)       |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: |                     |               |
| Entertainment expenses   | 1                   | 1             |
| Impairment of assets   | 839                 | 27            |
| Share of loss - associates   | 143                 | 195           |
| Interest expenses  | 560                 | -             |
| Other adjustments  | 1,520               | 534           |
|  | 30                  | (374)         |
| Current year tax (profits)/losses not recognised                                     | (30)                | 374           |
| Income tax expense   | -                   | -             |

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

8. Current assets - cash and cash equivalents

|                          | <b>Consolidated</b> |               |
|--------------------------|---------------------|---------------|
|                          | <b>2023</b>         | <b>2022</b>   |
|                          | <b>\$'000</b>       | <b>\$'000</b> |
| Cash on hand and at bank | 2,097               | 4,412         |

9. Current assets - trade and other receivables

|   | <b>Consolidated</b> |               |
|---|---------------------|---------------|
|   | <b>2023</b>         | <b>2022</b>   |
|   | <b>\$'000</b>       | <b>\$'000</b> |
| Trade receivables                               | 72                  | 263           |
| Other receivables                               | 11                  | -             |
| Loan receivable from associate – Dawson West JV | 68                  | -             |
|   | 79                  | -             |
|   | 151                 | 263           |

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10. Current assets – others

|             | Consolidated   |                |
|-------------|----------------|----------------|
|             | 2023<br>\$'000 | 2022<br>\$'000 |
| Prepayments | 40             | 3              |
|             | <u>40</u>      | <u>3</u>       |

11. Non-current assets - Other receivables

|   | Consolidated   |                |
|---|----------------|----------------|
|   | 2023<br>\$'000 | 2022<br>\$'000 |
| Deposits  | 119            | 117            |
| Loan receivable from associate – Rey Resources Limited <sup>1</sup> | 804            | 718            |
| Less: Provision for impairment of receivables (REY)                 | (804)          | -              |
| Loan receivable from associate – Key Petroleum Limited <sup>2</sup> | -              | 100            |
|   | <u>119</u>     | <u>935</u>     |

- On 12 October 2017, the Group entered into a loan facility agreement with its associate, Rey Resources Limited (ASX: REY). Pursuant to the agreement the Group will provide up to \$1 million in standby funding for REY's exploration activities and general working capital for a term of one year. Interest will accrue at 12% per annum. The loan facility was subsequently increased to \$3.8 million and the maturity date extended to 31 December 2019. In April 2019, REY repaid \$2.5 million which remains available for re-draw before maturity. On 31 December 2019, the parties agreed to reduce the loan facility amount from \$3.8 million to \$2 million and to extend the maturity date to 31 March 2020 which has subsequently been further extended to 31 October 2024. As of 30 June 2023, the outstanding loan due from REY was fully impaired.
- On 28 April 2022, the Company entered into a loan facility agreement with KEY pursuant to which the Company would grant an unsecured loan facility of up to \$250,000 to KEY, which bears an interest rate of 10% per annum maturing 31 December 2023. The loan together with accrued interest were fully repaid by KEY in October 2022.

12. Non-current assets - investments accounted for using the equity method

|                                  | Consolidated   |                |
|----------------------------------|----------------|----------------|
|                                  | 2023<br>\$'000 | 2022<br>\$'000 |
| Rey Resources Limited (ASX: REY) | 6,067          | 8,804          |
| ActivEX Limited (ASX: AIV)       | 500            | 621            |
| Key Petroleum Limited (ASX: KEY) | 225            | 451            |
| BSF Enterprise PLC (LSE: BSFA)   | 13             | 437            |
|                                  | <u>6,805</u>   | <u>10,313</u>  |

Refer to note 31 for further information on interests in associates.

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13. Non-current assets - property, plant and equipment

**Consolidated**  
**2023**      **2022**  
**\$'000**      **\$'000**

|                                  |       |       |
|----------------------------------|-------|-------|
| Leasehold improvements - at cost | 154   | 154   |
| Less: Accumulated depreciation   | (154) | (153) |
|                                  | -     | 1     |
| <br>                             |       |       |
| Plant and equipment - at cost    | 395   | 427   |
| Less: Accumulated depreciation   | (342) | (368) |
|                                  | 53    | 59    |
|                                  | 53    | 60    |

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

|                                | <b>Leasehold<br/>improvements<br/>\$'000</b> | <b>Plant and<br/>equipment<br/>\$'000</b> | <b>Motor<br/>Vehicles<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
|--------------------------------|--|---|--------------------------------------|-------------------------|
| <b>Consolidated</b>            |  |   |                                      |                         |
| <b>Balance at 1 July 2021</b>  | 2  | 75  | -                                    | 77                      |
| Additions                      | -  | 6   | -                                    | 6                       |
| Depreciation expense           | (1)  | (22)                                      | -                                    | (23)                    |
| <b>Balance at 1 July 2022</b>  | 1  | 59  | -                                    | 60                      |
| Additions                      | -  | 19  | -                                    | 19                      |
| Disposal                       | -  | (8)                                       | -                                    | (8)                     |
| Depreciation expense           | (1)  | (17)                                      | -                                    | (18)                    |
| <b>Balance at 30 June 2023</b> | -  | 53  | -                                    | 53                      |

14. Non-current assets – Exploration and evaluation expenditure

**Consolidated**  
**2023**      **2022**  
**\$'000**      **\$'000**

|  |       |       |
|--|-------|-------|
| Mining exploration and evaluation expenditures – at cost | 3,529 | 3,385 |
|  | 3,529 | 3,385 |

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

|                         | <b>Total<br/>\$'000</b> |
|-------------------------|-------------------------|
| <b>Consolidated</b>     |                         |
| Balance at 1 July 2021  | 3,347                   |
| Additions               | 238                     |
| Write-off of assets     | -                       |
|                         | 3,585                   |
| Balance at 30 June 2022 | 3,585                   |
| Additions               | 7                       |
| Write-off of assets     | (63)                    |
|                         | 3,529                   |
| Balance at 30 June 2023 | 3,529                   |

The recoverability of the carrying amount of the mining exploration and evaluation expenditures is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

15. Current liabilities - trade and other payables

|                | Consolidated |        |
|----------------|--------------|--------|
|                | 2023         | 2022   |
|                | \$'000       | \$'000 |
| Trade payables | 95           | 77     |
| Other payables | 1,044        | 203    |
|                | 1,139        | 280    |

Refer to note 22 for further information on financial instruments.

16. Current liabilities - employee benefits

|                   | Consolidated |        |
|-------------------|--------------|--------|
|                   | 2023         | 2022   |
|                   | \$'000       | \$'000 |
| Employee benefits | 240          | 200    |

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

17. Borrowings

|  | Consolidated |        |
|--|--------------|--------|
|  | 2023         | 2022   |
|  | \$'000       | \$'000 |
| <b>Current</b>                         |              |        |
| Dawson West JV – Star Diamond          | 2,289        | -      |
| Dawson West JV – LDO loan              | 313          | -      |
|  | 2,602        | -      |
| <b>Non-current</b>                     |              |        |
| Convertible notes payable <sup>1</sup> | 26,170       | 23,955 |

*Convertible notes payable*

1. With the continuing support from Star Diamond Developments Limited (“Star Diamond”), on 18 June 2021 Star Diamond agreed to increase the loan facility by \$2 million to a total of \$25 million (“SD Facilities”). The maturity date of the SD Facilities was further extended to 31 October 2024. As of 30 June 2023, the total outstanding amount under the SD Facilities was \$26.17 million which included an accrued interest of \$4.22 million with remaining \$3.05 million available for further draw down by the Company.

## 18. Leases

|                            | Consolidated   |                |
|----------------------------|----------------|----------------|
|                            | 2023<br>\$'000 | 2022<br>\$'000 |
| <i>Right of use assets</i> |                |                |
| Opening balance            | 452            | 712            |
| Addition                   | 14             | -              |
| Amortisation               | (260)          | (260)          |
| Closing balance            | <u>206</u>     | <u>452</u>     |
| <i>Lease liabilities</i>   |                |                |
| Current                    | 203            | 254            |
| Non-current                | 10             | 201            |
| Total lease liabilities    | <u>213</u>     | <u>455</u>     |

## 19. Equity - issued capital

| Consolidated                 | Consolidated   |                |                |                |
|------------------------------|----------------|----------------|----------------|----------------|
|                              | 2023<br>Shares | 2022<br>Shares | 2023<br>\$'000 | 2022<br>\$'000 |
| Ordinary shares – fully paid | 792,397,534    | 792,573,774    | 122,662        | 122,669        |

### *Movement in ordinary share capital*

| Details        | Date                       | Shares             | Issue price | \$'000         |
|----------------|----------------------------|--------------------|-------------|----------------|
| Balance        | 30 June 2021               | 792,726,289        |             | 122,676        |
| Share buy-back | 1 July 2021 – 30 June 2022 | <u>(152,515)</u>   | \$0.044     | <u>(7)</u>     |
| Balance        | 30 June 2022               | 792,573,774        |             | 122,669        |
| Share buy-back | 1 July 2022 – 30 June 2023 | <u>(176,240)</u>   | \$0.041     | <u>(7)</u>     |
| Balance        | 30 June 2023               | <u>792,397,534</u> |             | <u>122,662</u> |

### *Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

### *Share buy-back*

During the year, the Company bought back 176,240 shares at a cost of \$7,000.

On 17 July 2023, the Company announced the extension of its on-market share buyback program for a further 12 months from 31 July 2023 and up to 79.2 million shares of the Company can be bought back over the next 12 months under the new buyback program.

### *Capital risk management*

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

## 19. Equity - issued capital (continued)

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The Group is actively pursuing additional investments as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2023 Annual Report.

## 20. Equity - reserves

|  | <b>Consolidated</b> |                   |
|--|---------------------|-------------------|
|  | <b>2023</b>         | <b>2022</b>       |
|  | <b>\$'000</b>       | <b>\$'000</b>     |
| Foreign currency reserve                         | (246)               | 114               |
| Acquisition of Non-controlling interests reserve | (2,802)             | (2,802)           |
| Capital reserve                                  | 314                 | 314               |
|  | <u>          </u>   | <u>          </u> |
|  | <u>(2,734)</u>      | <u>(2,374)</u>    |

### *Foreign currency reserve*

The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars.

### *Acquisition of Non-controlling interest reserve*

The reserve is used to record balances transferred from non-controlling interest when the disposal of subsidiaries occurs.

### *Capital reserve*

The capital reserve is used to recognise the equity component within convertible notes payable and other borrowings. It also includes the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid.

| <b>Consolidated</b>          | <b>Foreign<br/>currency<br/>reserve<br/>\$'000</b> | <b>Non-<br/>controlling<br/>interest<br/>reserve<br/>\$'000</b> | <b>Capital<br/>reserve<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
|------------------------------|--|---|---------------------------------------|-------------------------|
| Balance at 1 July 2021       | 124  | (2,802)   | 314                                   | (2,364)                 |
| Foreign currency translation | (10)   | -   | -                                     | (10)                    |
|                              | <u>          </u>                                  | <u>          </u>   | <u>          </u>                     | <u>          </u>       |
| Balance at 1 July 2022       | 114  | (2,802)   | 314                                   | (2,374)                 |
| Foreign currency translation | (360)  | -   | -                                     | (360)                   |
| Balance at 30 June 2023      | <u>(246)</u>                                       | <u>(2,802)</u>  | <u>314</u>                            | <u>(2,734)</u>          |

## 21. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

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## 22. Financial instruments

### **Financial risk management objectives**

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance reports to the Board on a monthly basis.

### **Market risk**

#### *Foreign currency risk*

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. However, the foreign currency exposure is limited due to the size of transactions in currencies that is not the entity's functional currency.

#### *Price risk*

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified in the statement of financial position as financial assets at fair value through profit or loss. The Group is not exposed to commodity price risk.

The Group's exposure to market price risk arises from its investments in shares in listed corporations which are subject to significant risk of changes in value from changing market prices. The risk is monitored and managed by having appropriate investment strategies in place.

Equity investments are publicly traded on the Australian Securities Exchange (ASX). If there was a 10% increase or decrease in the share price of Kaili Resources Limited (ASX: KLR), with all other variables held constant, the Group's profit before tax would have been \$2,880 higher/ \$2,880 lower (2022: \$3,080 higher/ \$3,080 lower). For those investments accounted for using the equity method, if there was a 10% increase or decrease in the share price of Rey Resources Limited (ASX: REY), ActivEX Limited (ASX: AIV) and Key Petroleum Limited (ASX: KEY), with all other variables held constant, the Group's profit before tax would have been \$679,234 higher/ \$679,234 lower (2022: \$1,050,715 higher/ \$1,050,715 lower). The percentage change is the expected overall volatility of the investments, which is based on management's assessment of reasonable possible fluctuations.

#### *Interest rate risk*

The Group's main interest rate risk arises from borrowings comprising convertible notes and loan payable and cash at bank.

Due to the short-term nature of the borrowings and fixed interest rate the Group's exposure to interest rate risk is limited to interest on cash at bank.

An official increase/decrease in interest rates of 50 (2022: 50) basis points would have a favourable/adverse effect on profit before tax of \$10,487 (2022: \$22,060) per annum.

## 22. Financial instruments (continued)

### **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

In assessing the Expected Credit Losses ("ECL") of trade receivables management assesses historical write offs of trade receivables, aging of debtors and whether sufficient credit enhancement is provided by customers (letters of credit and bank guarantees). If the aging of trade receivables significantly increased then the recognition of ECL would need to be reassessed.

Receivables will only be written off if there is demonstrable evidence that there is no reasonable expectation of recovery.

There was no provision for lifetime or 12 month ECL recognised for trade receivables as at 30 June 2023 as there are minimal aged debts.

The credit risk on cash and cash equivalents is limited as the counterparties are banks with credit-ratings assigned by international credit-rating agencies that are at least investment grade.

The maximum exposure to credit risk on financial assets which have been recognised in the balance sheet is their carrying amount less impairment provision, if any as set out below.

|                             | <b>Consolidated</b> |               |
|-----------------------------|---------------------|---------------|
|                             | <b>2023</b>         | <b>2022</b>   |
|                             | <b>\$'000</b>       | <b>\$'000</b> |
| Cash and cash equivalents   | 2,097               | 4,412         |
| Trade and other receivables | 270                 | 1,198         |
|                             | <hr/>               | <hr/>         |
|                             | 2,367               | 5,610         |
|                             | <hr/>               | <hr/>         |

### **Liquidity risk**

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

## 22. Financial instruments (continued)

### Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

| Consolidated - 2023         | Weighted average interest rate % | 1 year or less \$'000 | Between 1 and 2 years \$'000 | Between 2 and 5 years \$'000 | Over 5 years \$'000 | Remaining contractual maturities \$'000 |
|-----------------------------|----------------------------------|-----------------------|------------------------------|------------------------------|---------------------|---|
| <b>Non-derivatives</b>      |                                  |                       |                              |                              |                     |   |
| <i>Non-interest bearing</i> |                                  |                       |                              |                              |                     |   |
| Trade payables              | -                                | 95                    | -                            | -                            | -                   | 95                                      |
| Other payables              | -                                | 1,044                 | -                            | -                            | -                   | 1,044                                   |
| Lease liabilities           | 6 to 14%                         | 203                   | 10                           | -                            | -                   | 213                                     |
| Convertible notes payable   | 10%                              | -                     | 26,170                       | -                            | -                   | 26,170                                  |
| Total non-derivatives       |                                  | 1,342                 | 26,180                       | -                            | -                   | 27,522                                  |

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#### Non-derivatives

##### *Non-interest bearing*

|                           |         |     |        |   |   |        |
|---------------------------|---------|-----|--------|---|---|--------|
| Trade payables            | -       | 77  | -      | - | - | 77     |
| Other payables            | -       | 203 | -      | - | - | 203    |
| Lease liabilities         | 6 to 7% | 254 | 201    | - | - | 455    |
| Convertible notes payable | 10%     | -   | 23,955 | - | - | 23,955 |
| Total non-derivatives     |         | 534 | 24,156 | - | - | 24,690 |

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

## 23. Fair value measurement

### Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

### 23. Fair value measurement (continued)

|  | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
|--|-------------------|-------------------|-------------------|-----------------|
| <b>Consolidated – 2023</b>                       |                   |                   |                   |                 |
| <i>Assets</i>                                    |                   |                   |                   |                 |
| Investments at fair value through profit or loss | 29                | -                 | -                 | 29              |
| Total assets                                     | 29                | -                 | -                 | 29              |
| <b>Consolidated - 2022</b>                       |                   |                   |                   |                 |
| <i>Assets</i>                                    |                   |                   |                   |                 |
| Investments at fair value through profit or loss | 31                | -                 | -                 | 31              |
| Total assets                                     | 31                | -                 | -                 | 31              |

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

### 24. Key management personnel disclosures

#### *Compensation*

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

|                              | Consolidated<br>2023<br>\$ | Consolidated<br>2022<br>\$ |
|------------------------------|----------------------------|----------------------------|
| Short-term employee benefits | 740,202                    | 718,041                    |
| Post-employment benefits     | 30,404                     | 28,953                     |
| Long-term benefits           | 4,093                      | 2,833                      |
|                              | <u>774,699</u>             | <u>749,827</u>             |

### 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Nexia Sydney Audit, the auditor of the company, and unrelated firms:

|   | Consolidated<br>2023<br>\$ | Consolidated<br>2022<br>\$ |
|---|----------------------------|----------------------------|
| <i>Audit services – Nexia Sydney Audit</i>  |                            |                            |
| Audit or review of the financial statements | 106,613                    | 95,267                     |
| <i>Audit services - unrelated firms</i>     |                            |                            |
| Audit or review of the financial statements | 4,947                      | 4,609                      |
| <i>Other services - unrelated firms</i>     |                            |                            |
| Tax compliance service                      | 4,830                      | 4,910                      |
|   | <u>116,390</u>             | <u>104,786</u>             |

## 26. Contingencies

The Group has given bank guarantees as at 30 June 2023 of \$119,283 (30 June 2022: \$117,345).

## 27. Commitments

|   | <b>Consolidated</b> |               |
|---|---------------------|---------------|
|   | <b>2023</b>         | <b>2022</b>   |
|   | <b>\$'000</b>       | <b>\$'000</b> |
| <i>Capital commitments - Exploration and evaluation</i>                     |                     |               |
| Committed at the reporting date but not recognised as liabilities, payable: |                     |               |
| Within one year   | 9,168               | 15,414        |
| One to five years   | 2,281               | 11,449        |
|   | <u>11,449</u>       | <u>26,863</u> |

Capital commitments relate to minimum annual expenditure required to be incurred by the Group under exploration licenses for tenements in Queensland. The Company has the ability to defer the payments to a later year.

## 28. Related party transactions

### *Parent entity*

ASF Group Limited is the parent entity.

### *Subsidiaries*

Interests in subsidiaries are set out in note 30.

### *Associates*

Interests in associates are set out in note 31.

### *Key management personnel*

Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the directors' report.

## 28. Related party transactions (continued)

### *Transactions with related parties*

The following transactions occurred with related parties:

|   | <b>Consolidated</b> |             |
|---|---------------------|-------------|
|   | <b>2023</b>         | <b>2022</b> |
|   | <b>\$</b>           | <b>\$</b>   |
| <b>Sale of goods and services:</b>  |                     |             |
| Corporate service fee paid by associates  | 440,000             | 364,800     |
| Property sale commission paid by Peninsula Gold Coast Development Pty Ltd, an entity in which Ms Min Yang has beneficial interest | 48,420              | 1,495,212   |
| Property sale commission paid by Paradise Development Holding Pty Ltd, an entity in which Ms Min Yang has beneficial interest     | 168,780             | 119,350     |
| <b>Payment for other expenses:</b>  |                     |             |
| Rent paid to SPC Investments Pty Ltd, an entity in which Ms Min Yang has a beneficial interest                                    | 273,419             | 273,419     |
| Consulting fees paid to Gold Star Industry Ltd, an entity in which Mr Geoff Baker has a beneficial interest                       | 57,000              | 57,000      |
| Consulting fees paid to Chanticleer 168 Pty Ltd, an entity in which Mr Louis Chien has a beneficial interest                      | 122,400             | 122,400     |

### *Receivable from and payable to related parties*

The following balances are outstanding at the reporting date in relation to transactions with related parties:

#### Current payables:

|  |        |         |
|--|--------|---------|
| Trade payables to Gold Star Industry Limited - a related entity of Director Geoff Baker                | -      | 29,063  |
| Trade receivable from Peninsula Gold Coast Development Pty Ltd - a related entity of Director Min Yang | 42,768 | 79,615  |
| Trade receivable from Paradise Development Holding Pty Ltd - a related entity of Director Min Yang     | -      | 115,019 |

### *Loans to/from related parties*

The following balances are outstanding at the reporting date in relation to loans with related parties:

#### Current receivables:

|   |        |   |
|---|--------|---|
| Loan to associate – Dawson West Joint Venture | 68,540 | - |
|---|--------|---|

#### Non-current receivables:

|                                       |   |         |
|---------------------------------------|---|---------|
| Loan to associate – Rey Resources Ltd | - | 717,658 |
| Loan to associate – Key Petroleum Ltd | - | 100,000 |

### *Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

## 29. Parent entity information

Set out below is the supplementary information about the parent entity.

### Statement of profit or loss and other comprehensive income

|                                | Parent         |                |
|--------------------------------|----------------|----------------|
|                                | 2023<br>\$'000 | 2022<br>\$'000 |
| Profit/(Loss) after income tax | (2,759)        | (1,836)        |
| Total comprehensive income     | (2,759)        | (1,836)        |

### Statement of financial position

|                                   | Parent         |                |
|-----------------------------------|----------------|----------------|
|                                   | 2023<br>\$'000 | 2022<br>\$'000 |
| Total current assets              | 326            | 2,287          |
| Total assets                      | 23,051         | 23,603         |
| Total current liabilities         | 1,786          | 1,786          |
| Total liabilities                 | 27,955         | 25,741         |
| Equity                            |                |                |
| Issued capital                    | 122,662        | 122,669        |
| Non-controlling interests reserve | 314            | 314            |
| Accumulated losses                | (127,880)      | (125,121)      |
| Total equity                      | (4,904)        | (2,138)        |

### Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023 and 30 June 2022.

### Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

### Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

### Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity.

### 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

| Name                             | Principal place of business /<br>Country of incorporation | Ownership interest |           |
|----------------------------------|---|--------------------|-----------|
|                                  |   | 2023<br>%          | 2022<br>% |
| ASF China Holdings Limited       | British Virgin Islands                                    | 100%               | 100%      |
| ASF Consortium Pty Ltd *         | Australia   | 100%               | 100%      |
| ASF Corporate Pty Ltd            | Australia   | 100%               | 100%      |
| ASF (Hong Kong) Ltd              | Hong Kong   | 100%               | 100%      |
| ASF Oil and Gas Holdings Pty Ltd | Australia   | 100%               | 100%      |
| ASF Properties Pty Ltd           | Australia   | 100%               | 100%      |
| ASF Resources Pty Ltd            | Australia   | 100%               | 100%      |
| BSF International Ltd            | United Kingdom  | 100%               | 100%      |
| ASF Capital Pty Ltd              | Australia   | 100%               | 100%      |
| ASF Capital Investment Fund      | Australia   | 100%               | 100%      |
| ASF Capital Secure Fund          | Australia   | 100%               | 100%      |
| ASF Venture Fund                 | Australia   | 100%               | 100%      |

\* Deregistered on 23 February 2023.

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries with non-controlling interests in accordance with the accounting policy described in note 1(f):

| Name                                    | Principal place<br>of business /<br>Country of<br>incorporation | Principal<br>activities                  | Parent<br>Ownership<br>interest |           | Non-controlling interest<br>Ownership<br>interest |           |
|---|---|--|---------------------------------|-----------|---|-----------|
|   |   |  | 2023<br>%                       | 2022<br>% | 2023<br>%   | 2022<br>% |
| Civil and Mining Resources Pty Ltd      | Australia   | Exploration                              | 69%                             | 69%       | 31%   | 31%       |
| ASF Technologies (Australia) Pty<br>Ltd | Australia   | Development of<br>SYTECH<br>technologies | 62%                             | 62%       | 38%   | 38%       |
| BSF Angel Funding Limited *             | United Kingdom  | Investment holding                       | 50%                             | 50%       | 50%   | 50%       |

\* This entity only holds the investment in BSF Enterprise PLC which has been equity accounted, as shown in note 31.

### 30. Interests in subsidiaries (continued)

#### Summarised financial information

Summarised financial information of subsidiaries with non-controlling interests that are material to the Group are set out below:

|  | Civil and Mining Resources Pty Ltd |                | ASF Technologies (Australia) Pty Ltd |                | BSF Angel Funding Ltd |                |
|--|------------------------------------|----------------|--------------------------------------|----------------|-----------------------|----------------|
|  | 2023<br>\$'000                     | 2022<br>\$'000 | 2023<br>\$'000                       | 2022<br>\$'000 | 2023<br>\$'000        | 2022<br>\$'000 |
| <i>Summarised statement of financial position</i>                            |                                    |                |                                      |                |                       |                |
| Current assets   | 403                                | 24             | 315                                  | 583            | -                     | -              |
| Non-current assets   | 3,359                              | 3,414          | 279                                  | 264            | 13                    | 437            |
| <b>Total assets</b>  | <b>3,762</b>                       | <b>3,438</b>   | <b>594</b>                           | <b>847</b>     | <b>13</b>             | <b>437</b>     |
| Current liabilities  | 1,007                              | 8,205          | 16                                   | -              | -                     | -              |
| <b>Total liabilities</b>   | <b>13,125</b>                      | <b>8,205</b>   | <b>16</b>                            | <b>-</b>       | <b>-</b>              | <b>-</b>       |
| <b>Net assets/(liabilities)</b>  | <b>(9,363)</b>                     | <b>(4,767)</b> | <b>578</b>                           | <b>847</b>     | <b>13</b>             | <b>437</b>     |
| <i>Summarised statement of profit or loss and other comprehensive income</i> |                                    |                |                                      |                |                       |                |
| Revenue  | -                                  | 3              | 183                                  | 239            | -                     | -              |
| Expenses   | (4,595)                            | (752)          | (451)                                | (479)          | (432)                 | (278)          |
| Profit/(Loss) before income tax expense                                      | (4,595)                            | (749)          | (268)                                | (240)          | (432)                 | (278)          |
| Income tax expense   | -                                  | -              | -                                    | -              | -                     | -              |
| Profit/(Loss) after income tax expense                                       | (4,595)                            | (749)          | (268)                                | (240)          | (432)                 | (278)          |
| Other comprehensive income   | -                                  | -              | -                                    | -              | -                     | -              |
| <b>Total comprehensive income</b>  | <b>(4,595)</b>                     | <b>(749)</b>   | <b>(268)</b>                         | <b>(240)</b>   | <b>(432)</b>          | <b>(278)</b>   |
| <i>Statement of cash flows</i>   |                                    |                |                                      |                |                       |                |
| Net cash used in operating activities  | (2,637)                            | (247)          | (267)                                | (275)          | -                     | -              |
| Net cash from/(used in) investing activities                                 | (5)                                | 5              | -                                    | -              | -                     | -              |
| Net cash from financing activities   | 2,842                              | 242            | -                                    | -              | -                     | -              |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                  | <b>200</b>                         | <b>-</b>       | <b>(267)</b>                         | <b>(275)</b>   | <b>-</b>              | <b>-</b>       |
| <i>Other financial information</i>   |                                    |                |                                      |                |                       |                |
| Profit/(Loss) attributable to non-controlling interests                      | (1,426)                            | (232)          | (102)                                | (91)           | (216)                 | (139)          |
| Accumulated non-controlling interests at the end of reporting period         | (3,839)                            | (2,413)        | 249                                  | 351            | (446)                 | (230)          |

The total accumulated non-controlling interests at the end of the reporting period is \$2,398,000 (2022: \$1,811,000).

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### 31. Interests in associates and joint ventures

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the Group are set out below:

| Name   | Principal place of business /<br>Country of incorporation | Ownership interest |           |
|--|---|--------------------|-----------|
|  |   | 2023<br>%          | 2022<br>% |
| ASF Macau Multinational Holdings Ltd (1)       | British Virgin Islands                                    | <b>40.00%</b>      | 40.00%    |
| Key Petroleum Ltd (2)                          | Australia   | <b>11.45%</b>      | 11.45%    |
| Rey Resources Limited (3)                      | Australia   | <b>16.37%</b>      | 16.36%    |
| ActivEX Limited (4)                            | Australia   | <b>16.74%</b>      | 16.08%    |
| UK International Innovation Centre Limited (5) | United Kingdom  | <b>20.00%</b>      | 20.00%    |
| BSF Enterprise PLC (6)                         | United Kingdom  | <b>8.07%</b>       | 9.68%     |
| Dawson West unincorporated joint venture (7)   | Australia   | <b>60.35%</b>      | -         |

(1) Investment in this entity has been fully impaired.

(2) Strategic investment for the Group, entity involved in oil and gas operations.

(3) Strategic investment for the Group, entity involved in exploring and developing energy resources.

(4) Strategic investment for the Group, entity involved in mineral exploration targeting copper-gold and gold mineralisation.

(5) Strategic investment for the Group, entity involved in the development of an incubation centre for development of early stage technology and life science businesses.

(6) Strategic investment for the Group, entity involved in the development of 3D tissue aimed to offer superior tissue replicates for the clinical and food markets. The investment is held through BSF Angel Funding Limited which the Group has an interest of 50% (note 12).

(7) Unincorporated joint venture which is held through Civil and Mining Resources Pty Ltd which the Group has an interest of 68.97% (note 30).

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### 31. Interests in associates and joint ventures (continued)

Summarised financial information

|  | Key Petroleum Ltd |                | Rey Resources Limited |                | ActivEX Limited |                | BSF Enterprise PLC |              | Dawson West JV |          |
|--|-------------------|----------------|-----------------------|----------------|-----------------|----------------|--------------------|--------------|----------------|----------|
|  | 2023              | 2022           | 2023                  | 2022           | 2023            | 2022           | 2023               | 2022         | 2023           | 2022     |
|  | \$'000            | \$'000         | \$'000                | \$'000         | \$'000          | \$'000         | \$'000             | \$'000       | \$'000         | \$'000   |
| <i>Summarised statement of financial position</i>                            |                   |                |                       |                |                 |                |                    |              |                |          |
| Current assets - cash and cash equivalents                                   | 345               | 40             | 240                   | 172            | 680             | 1,147          | 5,034              | 685          | 243            | -        |
| Current assets - others  | 247               | 628            | 7                     | 12             | 308             | 682            | 354                | 216          | 188            | -        |
| Non-current assets   | 1,645             | 1,495          | 39,930                | 38,721         | 7,366           | 8,488          | 4,983              | 1,457        | 5              | -        |
| <b>Total assets</b>  | <b>2,237</b>      | <b>2,163</b>   | <b>40,177</b>         | <b>38,905</b>  | <b>8,354</b>    | <b>10,317</b>  | <b>10,371</b>      | <b>2,358</b> | <b>436</b>     | <b>-</b> |
| Current liabilities - others   | 267               | 628            | 537                   | 121            | 142             | 600            | 451                | 110          | 4,700          | -        |
| Non-current liabilities - others   | -                 | -              | 19,488                | 16,371         | 2,285           | 2,783          | 45                 | -            | -              | -        |
| <b>Total liabilities</b>   | <b>267</b>        | <b>628</b>     | <b>20,025</b>         | <b>16,492</b>  | <b>2,427</b>    | <b>3,383</b>   | <b>496</b>         | <b>110</b>   | <b>4,700</b>   | <b>-</b> |
| <b>Net assets</b>  | <b>1,970</b>      | <b>1,535</b>   | <b>20,152</b>         | <b>22,413</b>  | <b>5,927</b>    | <b>6,934</b>   | <b>9,875</b>       | <b>2,248</b> | <b>(4,264)</b> | <b>-</b> |
| <i>Summarised statement of profit or loss and other comprehensive income</i> |                   |                |                       |                |                 |                |                    |              |                |          |
| Revenue  | 1,077             | 10             | -                     | -              | -               | 2              | -                  | 16           | -              | -        |
| Interest income  | -                 | 1              | -                     | -              | -               | -              | -                  | -            | -              | -        |
| Depreciation and amortisation  | (2)               | (2)            | -                     | -              | (5)             | (3)            | -                  | -            | -              | -        |
| Expenses   | (640)             | (1,231)        | (2,230)               | (1,798)        | (979)           | (1,953)        | (2,333)            | (87)         | (3,822)        | -        |
| <b>Profit/(Loss) before income tax</b>                                       | <b>435</b>        | <b>(1,222)</b> | <b>(2,230)</b>        | <b>(1,798)</b> | <b>(984)</b>    | <b>(1,954)</b> | <b>(2,333)</b>     | <b>(71)</b>  | <b>(3,822)</b> | <b>-</b> |
| Other comprehensive income   | -                 | -              | -                     | -              | -               | -              | -                  | -            | -              | -        |
| <b>Total comprehensive income</b>  | <b>435</b>        | <b>(1,222)</b> | <b>(2,230)</b>        | <b>(1,798)</b> | <b>(984)</b>    | <b>(1,954)</b> | <b>(2,333)</b>     | <b>(71)</b>  | <b>(3,822)</b> | <b>-</b> |

\* Based on the draft financial statements provided by the associate. As a result, there may be difference on the share of loss estimated and recognised, compared with the actual audited figures.

31. Interests in associates and joint ventures (continued)

|  | Key Petroleum Ltd |        | Rey Resources Limited |        | ActivEX Limited |        | BSF Enterprise PLC |        | Dawson West JV |        |
|--|-------------------|--------|-----------------------|--------|-----------------|--------|--------------------|--------|----------------|--------|
|  | 2023              | 2022   | 2023                  | 2022   | 2023            | 2022   | 2023               | 2022   | 2023           | 2022   |
|  | \$'000            | \$'000 | \$'000                | \$'000 | \$'000          | \$'000 | \$'000             | \$'000 | \$'000         | \$'000 |
| <i>Reconciliation of the Group's carrying amount</i>   |                   |        |                       |        |                 |        |                    |        |                |        |
| Opening carrying amount  | 451               | 676    | 8,804                 | 9,099  | 437             | 483    | 621                | 968    | -              | -      |
| Share of loss after income tax   | (50)              | (140)  | (365)                 | (295)  | (432)           | (46)   | (159)              | (347)  | -              | -      |
| Foreign exchange difference  | -                 | -      | -                     | -      | 8               | -      | -                  | -      | -              | -      |
| (Impairment)/Reversal of impairment  | (176)             | (85)   | (2,372)               | -      | -               | -      | -                  | -      | -              | -      |
| Acquisition of investment  | -                 | -      | -                     | -      | -               | -      | 38                 | -      | -              | -      |
| Revaluation of investment  | -                 | -      | -                     | -      | -               | -      | -                  | -      | -              | -      |
| Closing carrying amount  | 225               | 451    | 6,067                 | 8,804  | 13              | 437    | 500                | 621    | -              | -      |
| Quoted fair value  | 225               | 451    | 6,067                 | 9,013  | 3,596           | 1,828  | 613                | 1,043  | -              | -      |
| <i>Contingent liabilities</i>  |                   |        |                       |        |                 |        |                    |        |                |        |
| Contingent liabilities as at 30 June 2023 nil (30 June 2022: Nil).                               |                   |        |                       |        |                 |        |                    |        |                |        |
| <i>Commitments</i>   |                   |        |                       |        |                 |        |                    |        |                |        |
| Share of commitments but not recognised as liability as at 30 June 2023 nil (30 June 2022: Nil). |                   |        |                       |        |                 |        |                    |        |                |        |

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32. Earnings per share

|   | <b>Consolidated</b> |                   |
|---|---------------------|-------------------|
|   | <b>2023</b>         | <b>2022</b>       |
|   | <b>\$'000</b>       | <b>\$'000</b>     |
| Loss after income tax   | (12,132)            | (4,524)           |
| Non-controlling interest  | 587                 | 462               |
|   | <hr/>               | <hr/>             |
| Loss after income tax attributable to the owners of ASF Group Limited                     | <b>(11,545)</b>     | <b>(4,062)</b>    |
|   | <hr/> <hr/>         | <hr/> <hr/>       |
|   | <b>Number</b>       | <b>Number</b>     |
| Weighted average number of ordinary shares used in calculating basic earnings per share   | 792,491,612         | 792,690,658       |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <hr/> 792,491,612   | <hr/> 792,690,658 |
|   | <hr/> <hr/>         | <hr/> <hr/>       |
|   | <b>Cents</b>        | <b>Cents</b>      |
| Basic earnings per share  | (1.46)              | (0.51)            |
| Diluted earnings per share  | (1.46)              | (0.51)            |

33. Cash flow information

*Reconciliation of loss after income tax to net cash used in operating activities*

|   | <b>Consolidated</b> |                |
|---|---------------------|----------------|
|   | <b>2023</b>         | <b>2022</b>    |
|   | <b>\$'000</b>       | <b>\$'000</b>  |
| Loss after income tax expense for the year        | (12,132)            | (4,524)        |
| Adjustments for:                                  |                     |                |
| Depreciation and amortisation                     | 278                 | 284            |
| Share of loss - associates                        | 1,006               | 1,058          |
| Impairment of loan to associates                  | 804                 | -              |
| Loss on disposal of property, plant and equipment | 8                   | -              |
| Net fair value loss on investments                | 2,551               | 110            |
| Interest expense                                  | 2,235               | 2,046          |
| Change in operating assets and liabilities:       |                     |                |
| Decrease in trade and other receivables           | (482)               | (288)          |
| Decrease in trade and other payables              | 1,747               | 111            |
|   | <hr/>               | <hr/>          |
| Net cash used in operating activities             | <b>(3,985)</b>      | <b>(1,203)</b> |
|   | <hr/> <hr/>         | <hr/> <hr/>    |

### 33. Cash flow information (continued)

*Changes in liabilities arising from financing activities*

| <b>Consolidated</b>                          | <b>Convertible<br/>notes<br/>\$'000</b> | <b>Loan<br/>payable<br/>\$'000</b> | <b>Other<br/>loans<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
|--|---|------------------------------------|-----------------------------------|-------------------------|
| Balance at 30 June 2021                      | 19,950                                  | -                                  | -                                 | 19,950                  |
| Net cash (used in)/from financing activities | -                                       | -                                  | -                                 | -                       |
| Loan drawdown                                | 2,000                                   | -                                  | -                                 | 2,000                   |
| Interest payable                             | 2,005                                   | -                                  | -                                 | 2,005                   |
| <hr/>  |   |                                    |                                   |                         |
| Balance at 30 June 2022                      | 23,955                                  | -                                  | -                                 | 23,955                  |
| Net cash (used in)/from financing activities | -                                       | -                                  | -                                 | -                       |
| Loan drawdown                                | 1,400                                   | -                                  | 2,602                             | 4,002                   |
| Loan repayment                               | (1,400)                                 | -                                  | -                                 | (1,400)                 |
| Interest payable                             | 2,242                                   | -                                  | -                                 | 2,242                   |
| Repayment of interest                        | (27)                                    | -                                  | -                                 | (27)                    |
| <hr/>  |   |                                    |                                   |                         |
| Balance at 30 June 2023                      | 26,170                                  | -                                  | 2,602                             | 28,772                  |

### 34. Events after the reporting period

On 17 July 2023, the Company announced the extension of its on-market share buyback program for a further 12 months from 31 July 2023 and up to 79.2 million shares of the Company can be bought back over the next 12 months under the new buyback program.

No other matters or circumstances that have arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

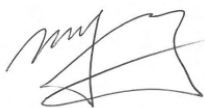
In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



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Min Yang  
Chairman

29 September 2023  
Sydney

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## Independent Auditor's Report to the Members of ASF Group Limited

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### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of ASF Group Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the 'auditor's responsibilities for the audit of the financial report' section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### Material uncertainty related to going concern

We draw attention to Note 1(b) in the financial report, which indicates that the Company incurred a net loss after providing for income tax and non-controlling interest of \$11,545,000 during the year ended 30 June 2023, had net liabilities of \$17,335,000 and incurred net cash outflows from operating activities of \$3,985,000. As stated in Note 1, these events or conditions, along with other matters as set forth in the note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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| Key audit matter  | How our audit addressed the key audit matter  |
|---|---|
| <p><b>Investments accounted for using the equity method</b></p> <p>Refer to note 12 (Investments accounted for using the equity method).</p> <p>As at 30 June 2023, the Group has investments in four entities, which amount to \$6,805,000. These investments are recognised in accordance with AASB 128 <i>Investments in Associates and Joint Ventures</i>. During the current financial year, there was a new joint venture arrangement that was entered into by the Group.</p> <p>AASB 128 requires management to assess their level of influence over the investments and thus determine the appropriate accounting classification. Once the determination has been made, it requires management to recognise their share of the profits/losses of the investee.</p> <p>Management is also required to assess the investments for indicators of impairment at each reporting date.</p> <p>This is a key audit matter due to the materiality of the balance at reporting date and the judgement required by management to conclude that the accounting treatment under AASB128 is appropriate.</p> | <p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>obtaining and reviewing management's assessment regarding the appropriate classification of investments;</li> <li>obtaining supporting information regarding the Group's ownership of investments;</li> <li>reviewing management's calculations of their share of the profit or loss of the investments accounted for using the equity method and verifying to supporting documentation;</li> <li>considering management's impairment assessment of investments accounted for using the equity method; and</li> <li>assessing the appropriateness of the related disclosures within the financial statements.</li> </ul> |

| Key audit matter   | How our audit addressed the key audit matter  |
|--|---|
| <p><b>Exploration and evaluation expenditure</b></p> <p>Refer to note 14 (Exploration and evaluation expenditure)</p> <p>The Group recognises capitalised exploration and evaluation expenditure in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources.</p> <p>As at 30 June 2023, exploration and evaluation assets in the Statement of Financial Position amounted to \$3,529,000. Additionally, in the Statement of Profit or Loss and Other Comprehensive Income, the Group expensed \$1,421,000 for expenditure relating to exploration projects.</p> <p>The Group's accounting policy in respect of the exploration assets is outlined in note 1(q).</p> <p>The Group did not recognise any impairment in relation to exploration and evaluation expenditure during the period.</p> <p>This is a key audit matter because the carrying value of the assets are material to the financial statements and significant judgements have been applied in determining whether an indicator of impairment exists.</p> | <p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• assessing management's policy for exploration and evaluation expenditure for compliance with AASB 6;</li> <li>• obtaining from management a reconciliation of capitalised exploration and evaluation expenditure and agreeing that to the general ledger;</li> <li>• examining a sample of expenditure items to assess whether they meet the recognition criteria under management's capitalisation policy and AASB 6;</li> <li>• assessing the appropriateness of the related disclosures within the financial statements; and</li> <li>• in assessing whether an indicator of impairment exists in relation to the Group's exploration assets in accordance with AASB 6, we:</li> <li>• obtained an understanding of the status of ongoing exploration programmes for the respective areas of interest.</li> <li>• discussed with management the Group's ability and intention to undertake further exploration activities.</li> <li>• tested the rights to tenure of the areas of interest remained current at balance date.</li> </ul> |

### Other information

The directors are responsible for the other information. The other information comprises the information in ASF Group Limited's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

### Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial

report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibility for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: [www.auasb.gov.au/admin/file/content102/c3/ar2\\_2020.pdf](http://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf). This description forms part of our auditor's report.

### **Report on the Remuneration Report**

#### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 10 to 15 of the directors' Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of ASF Group Limited for the year ended 30 June 2023, complies with section 300A of the Corporations Act 2001.

#### **Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



**Nexia Sydney Audit Pty Ltd**



**Joseph Santangelo**

Director

Dated: 29 September 2023

The shareholder information set out below was applicable as at 25 September 2023.

### Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

| Size of holdings                      | Number of holders | Number of ordinary shares |
|---------------------------------------|-------------------|---------------------------|
| 1 to 1,000                            | 1,357             | 569,348                   |
| 1,001 to 5,000                        | 987               | 2,659,097                 |
| 5,001 to 10,000                       | 335               | 2,709,337                 |
| 10,001 to 100,000                     | 360               | 9,803,327                 |
| 100,001 and over                      | 92                | 776,656,425               |
|                                       | <u>3,131</u>      | <u>792,397,534</u>        |
| Holding less than a marketable parcel | <u>2,551</u>      | <u>4,660,879</u>          |

### Equity security holders

*Twenty largest quoted equity security holders*

The names of the twenty largest security holders of quoted equity securities are listed below:

|  | Number held        | Ordinary shares<br>% of total<br>shares<br>issued |
|--|--------------------|---|
| FY HOLDINGS LIMITED  | 86,914,266         | 10.969%   |
| EVERBRIGHT SECURITIES INVESTMENT SERVICES (HK) LTD <CLIENTS A/C> | 76,534,488         | 9.659%  |
| XIN ZHANG  | 46,000,000         | 5.805%  |
| WAI SANG HO  | 44,808,270         | 5.655%  |
| RISING GAIN HOLDINGS LIMITED                                     | 39,214,563         | 4.949%  |
| MILE OCEAN LIMITED   | 39,000,000         | 4.922%  |
| TEAM FORTUNE TRADING LIMITED                                     | 39,000,000         | 4.922%  |
| WELL SMART CAPITAL HOLDINGS                                      | 38,462,500         | 4.854%  |
| FOREVER GRAND GROUP LIMITED                                      | 37,156,615         | 4.689%  |
| WISEPLAN HOLDINGS LTD  | 34,086,919         | 4.302%  |
| BETTER FUTURE CAPITAL INVESTMENT LIMITED                         | 33,750,000         | 4.259%  |
| XING MAO LIMITED   | 31,226,457         | 3.941%  |
| MR JIARONG HE  | 31,092,702         | 3.924%  |
| GLORY RESOURCES INTERNATIONAL INVESTMENT LIMITED                 | 30,000,000         | 3.786%  |
| MR ZHEN LI   | 29,124,153         | 3.675%  |
| JADE SILVER INVESTMENTS LIMITED                                  | 26,573,776         | 3.354%  |
| NGA FONG LAO   | 18,026,525         | 2.275%  |
| MR JIANZHONG YANG  | 10,000,000         | 1.262%  |
| GOLD STAR INDUSTRY LIMITED                                       | 7,734,517          | 0.976%  |
| MR YIMING DU & MS LI CHEN  | 5,625,000          | 0.710%  |
|  | <u>704,330,751</u> | <u>88.886%</u>                                    |

### Unquoted equity securities

There are no unquoted equity securities.

### Substantial holders

Substantial holders in the company are set out below:

|  | Number held | Ordinary shares<br>% of total<br>shares<br>issued |
|--|-------------|---|
| FY HOLDINGS LIMITED  | 86,914,266  | 10.969%   |
| EVERBRIGHT SECURITIES INVESTMENT SERVICES (HK) LTD <CLIENTS A/C> | 76,534,488  | 9.659%  |
| XIN ZHANG  | 46,000,000  | 5.805%  |
| WAI SANG HO  | 44,808,270  | 5.655%  |

### Voting rights

The voting rights attached to ordinary shares are set out below:

#### Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

### Exploration Tenements

| <u>Tenement Number</u> | <u>Tenement Name</u>      | <u>% Owned</u> |
|------------------------|---------------------------|----------------|
| EPC2427                | Palmgrove Creek           | 87.5%          |
| EPC2426                | Devils Nest               | 87.5%          |
| MDL521                 | Dawson West               | 87.5%          |
| MLA700025              | Dawson West (Application) | 87.5%          |
| MLA700030              | Dawson West (Application) | 87.5%          |

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|                                       |   |
|---------------------------------------|---|
| <b>Directors</b>                      | Ms Min Yang – Chairman<br>Mr Nga Wong (Alex) Lao<br>Mr Quan (David) Fang<br>Mr Wai Sang Ho<br>Mr Geoff Baker<br>Mr Chi Yuen (William) Kuan<br>Mr Louis Li Chien   |
| <b>Company secretary</b>              | Mr Chi Yuen (William) Kuan  |
| <b>Registered office</b>              | Suite 2, 3B Macquarie Street<br>Sydney NSW 2000<br>Telephone: 02 9251 9088 Facsimile: 02 9251 9066  |
| <b>Principal place of business</b>    | Suite 2, 3B Macquarie Street<br>Sydney NSW 2000<br>Telephone: 02 9251 9088 Facsimile: 02 9251 9066  |
| <b>Share register</b>                 | Boardroom Pty Limited<br>Level 8, 210 George Street<br>Sydney NSW 2000<br>Telephone: 02 9290 9600 Facsimile: 02 9279 0664   |
| <b>Auditor</b>                        | Nexia Sydney Audit Pty Ltd<br>Level 22, 2 Market Street<br>Sydney NSW 2000  |
| <b>Solicitors</b>                     | Thomson Geer Lawyers<br>Level 25 1 O'Connell Street, Sydney NSW 2000  |
| <b>Bankers</b>                        | Commonwealth Bank of Australia<br>48 Martin Place, Sydney NSW 2000  |
| <b>Stock exchange listing</b>         | ASF Group Limited shares are listed on the Australian Securities Exchange<br>(ASX code: AFA)  |
| <b>Website</b>                        | <a href="http://www.asfgroupltd.com">www.asfgroupltd.com</a>  |
| <b>Corporate governance statement</b> | The corporate governance statement was approved at the same time as the annual report and can be found at <a href="http://www.asfgroupltd.com/investor-centre/corporate-governance-statement/">http://www.asfgroupltd.com/investor-centre/corporate-governance-statement/</a> |

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