

1. Company details

Name of entity:	ASF Group Limited
ABN:	50 008 924 570
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 31 December 2022

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	26.0% to	427
Loss from ordinary activities after tax attributable to the owners of ASF Group Limited	down	53.7% to	(3,434)
Loss for the half-year attributable to the owners of ASF Group Limited	down	53.7% to	(3,434)
		31 Dec 2023	31 Dec 2022
		Cents	Cents
Basic earnings per share		(0.43)	(0.94)
Diluted earnings per share		(0.43)	(0.94)

Dividends

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

Comments

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$3,434,000 (31 December 2022: \$7,414,000).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(3.09)</u>	<u>(2.08)</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

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

Previous period

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

7. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period \$'000	Previous period \$'000
Rey Resources Limited	16.37%	16.36%	(204)	(179)
ActivEx Limited	16.74%	16.09%	(72)	(90)
Key Petroleum Limited	9.96%	11.45%	(38)	(92)
BSF Enterprise PLC	16.07%	9.66%	(13)	(163)
Uk International Innovation Centre Limited	20.00%	20.00%	-	-
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Profit/(loss) from ordinary activities before income tax			(327)	(524)

8. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report - Half-year ended 31 December 2023.

9. Attachments

Details of attachments (if any):

The Interim Report - Half-year ended 31 December 2023 of ASF Group Limited is attached.

10. Signed



Signed _____

Date: 27 February 2024

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ASF Group Limited

ABN 50 008 924 570

Interim Report - Half-year ended - 31 December 2023

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') 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 half-year ended 31 December 2023.

Directors

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

Ms Min Yang - Chairman
Mr Nga Fong (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.

Financial results and commentary

For the six months ended 31 December 2023, revenue from continuing operations of ASF Group Limited (the "Company") and its controlled entities (referred to hereafter as the "Group") amounted to \$427,000 (2022: \$339,000).

Pre-sale of Stage 3, being the final stage of The Peninsula Hope Island project completed and commission revenue arising from the pre-sale for the period amounted to \$26,000 (2022: \$24,000). Settlement of the project has commenced in February 2024 and the Group will receive the remaining commissions which are payable on settlement. Sales also continue to be achieved for "The AU" beachside residential project in Surfers Paradise, Gold Coast. It is expected that these two projects will continue to generate further revenue for the Group.

Consolidated loss after tax and non-controlling interest for the period was \$3,434,000 (2022: \$7,414,000), which was mainly attributed to the following:

- Share of losses of the associates of \$327,000;
- Interest expenses and other finance costs \$1.27 million; and
- Share of expenditures incurred by the JV for the Dawson West Project of \$1.7 million.

Financial position

As of 31 December 2023, the Group maintained a cash balance of \$0.98 million and has a remaining loan facility from Star Diamond Developments Limited ("Star Diamond") of \$3.05 million which is available for draw down until 31 October 2024.

Finance costs amounted to \$1,270,000 (2022: \$1,223,000) which represented principally interest on the aforesaid financial arrangements.

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 shares were bought back during the half year.

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 minerals in Queensland.

Subsequent after the half year end, AIV announced that its 15,784,942 unexercised quoted options expired on 21 January 2024.

As at 31 December 2023, the Company holds 16.74% of the issued capital of AIV with a market value of \$0.61 million.

Rey Resources Limited ("REY")

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

In August 2023, REY announced the extension of its share buy-back program for 12 months commencing from 1 September 2023 and a total of 210,000 shares were bought back by REY under the previous buy-back program at an average price of \$0.1447 per share.

As at 31 December 2023, the Group holds 16.37% of the issued capital of REY with a market value of \$6.2 million.

Key Petroleum Limited ("KEY")

An ASX-listed 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 December 2023, KEY announced that it had successfully raised \$295,000 (before costs) via a placement of 295,000,000 fully paid ordinary shares. Funds raised under the placement will be used by KEY on the following:

- Progress further development of KEY's Cooper Eromanga Basin permits;
- Assessment of new venture opportunities; and
- Additional working capital.

As a result of the aforesaid placement, the Group's interest in the issued capital of KEY was diluted to 9.96% as at 31 December 2023 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 \$22,000 as at 31 December 2023.

Civil & Mining Resources Pty Ltd ("CMR")

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

The Dawson West project, which is 87.5% owned by CMR, 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). During the period, CMR together with its JV partner continued the preparation and development of the sample pit operations and associated logistics for the project.

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 and tested at the time by VW, Ford, Cosworth, and others. The engine has now refreshed its design, with 7 new patents, and tested by FEV. 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 period, ASFTA has been further progressing engine testing to target completion by period.

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

BSF Enterprise PLC ("BSFA")

BSF Enterprise PLC (LSE: **BSFA**), (OTCQB: BSFAF) is at the forefront of unlocking the next era of biotechnological solutions, focusing on cell-based tissue engineering to revolutionize cultured meat, lab-grown leather, human corneas, collagen growth, and skin substitutes across various sectors. As the parent company, BSFA initially acquired 100% of 3D Bio-Tissues Ltd (**3DBT**), which had 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.

3DBT was spun-out from Newcastle University, UK in 2019 as a tissue engineering firm with patent-protected technology that 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.

BSFA's recently formed Kerato Limited (**Kerato**) based in the UK, to be 100% owned lab-grown cornea company using 3DBT licensed intellectual property relating to lab-grown corneas. Kerato collaborates with a major US consumer goods company and explores diverse applications for lab-grown corneas. Kerato's leadership was further strengthened with the appointment of Dr Sarah Greenhalgh as Managing Director.

Also in the last quarter in collaboration with CellulaRevolution Ltd (**CellRev**), BSFA ventured into Foodtech with the launch of a new JV called Cultivated Meat Technologies Limited (**CMT**). This joint venture merges CellRev's continuous cell manufacturing expertise with 3DBT's tissue formation knowledge, emphasizing a premier and cost-effective platform for scalable cultivated meat manufacturing. Focused on addressing industry challenges, CMT aims to establish harmonized technology processes, licensing agreements, and strategic partnerships.

Further BSFA updates include 3DBT's product partnerships, highlighting collaborations with major global cosmetic companies to test Etsyl™, 3DBT's proprietary lipopeptide, for skincare applications. Moreover, 3DBT secured a EUR612,000 grant to scale up City-Mix™, an animal-free cell growth agent utilized in lab-grown meat and leather production. Also BSFA is seeking to enter contracts with leather fashion companies to test and develop lab-grown animal skin for leather production.

The Company through its subsidiary BSF Angel Funding Limited holds 16,610,944 fully paid ordinary shares of BSFA with a market value of GBP1.7 million (equivalent to approximately A\$3.18 million) as at 31 December 2023.

Property Marketing and Services

ASF Properties Pty Ltd ('ASFP'), a wholly-owned subsidiary of the Company, provides comprehensive property services to Australian and international property investors and purchasers. ASFP serves as a strategic and whole-process platform for offshore investors to access the Australian property market, providing services including but not limited to: development management, project marketing campaign delivery, property management and property consultations. ASFP's services cover projects from New South Wales to Queensland.

ASFP has achieved excellent sales results for the apartments and townhouses in the final stage of "The Peninsula Hope Island", a gated community masterplan development on the Gold Coast, Queensland. Settlement of the project is expected to commence in the second half of this financial year. Sales also continue to be achieved for "The AU" beachside residential project in Surfers Paradise, Gold Coast. It is expected that these two projects will continue to generate further revenue for ASFP.

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.

Subsequent events

Subsequent to the half year end, the Company drew down \$1 million loan under the Star Diamond loan facility on 18 January 2024.

A lease was executed on 12 February 2024 between ASF Corporate Pty Ltd, a wholly owned subsidiary of the Company, and SPC Investment Pty Ltd, an entity in which Ms Min Yang has a beneficial interest, for the renewal of existing office lease for 3 years from 1 April 2024 to 31 March 2027.

Settlement of Stage 3 of the Peninsula Hope Island project commenced in February 2024 and, as of the date of this report, invoices for the settlement commission of approximately \$1.3 million have been issued to the developer.

Other than disclosed above, no other matters or circumstances that have arisen since 31 December 2023 that has significantly affect, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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.

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 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Min Yang
Chairman

27 February 2024

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To the Board of Directors of ASF Group Limited

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

As lead audit director for the review of the interim financial statements of ASF Group Limited for the financial half year ended 31 December 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 review; and
- (b) any applicable code of professional conduct in relation to the review.

Yours sincerely



Nexia Sydney Audit Pty Ltd



Joseph Santangelo

Director

Date: 27 February 2024

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General information

The financial statements cover ASF Group Limited as a consolidated entity consisting of ASF Group Limited and the entities it controlled at the end of, or during, the half-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 Macquaire Street
Sydney NSW 2000

A description of the nature of the consolidated entity'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 27 February 2024.

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ASF Group Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023



	Note	Consolidated	
		31 Dec 2023 \$'000	31 Dec 2022 \$'000
Revenue	3	427	339
Share of losses of associates accounted for using the equity method	5	(327)	(524)
Other income	4	451	44
Interest income		58	66
Expenses			
Employee benefits expense		(747)	(844)
Commission and fee expenses		(13)	(46)
Depreciation and amortisation expense	5	(144)	(138)
Impairment of investment recognised	5	(55)	(3,795)
Consultancy expense		(720)	(697)
Marketing expenses		(16)	(135)
Legal and professional fees		(66)	(78)
Occupancy expense	5	(47)	(63)
Exploration expense		(924)	(790)
Corporate and administration expense		(289)	(306)
Finance costs	5	(1,270)	(1,223)
Loss before income tax expense		(3,682)	(8,190)
Income tax expense		-	-
Loss after income tax expense for the half-year		(3,682)	(8,190)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		24	51
Other comprehensive income for the half-year, net of tax		24	51
Total comprehensive income for the half-year		<u>(3,658)</u>	<u>(8,139)</u>
Loss for the half-year is attributable to:			
Non-controlling interest		(248)	(776)
Owners of ASF Group Limited		(3,434)	(7,414)
		<u>(3,682)</u>	<u>(8,190)</u>
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		(248)	(776)
Owners of ASF Group Limited		(3,410)	(7,363)
		<u>(3,658)</u>	<u>(8,139)</u>
		Cents	Cents
Basic earnings per share	21	(0.43)	(0.94)
Diluted earnings per share	21	(0.43)	(0.94)

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

ASF Group Limited
Statement of financial position
As at 31 December 2023



		Consolidated	
	Note	31 Dec 2023 \$'000	30 June 2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	6	979	2,097
Trade and other receivables	7	127	151
Other		4	40
Total current assets		<u>1,110</u>	<u>2,288</u>
Non-current assets			
Other receivables	7	122	119
Investments accounted for using the equity method	9	6,894	6,805
Other financial assets		22	29
Property, plant and equipment	10	105	53
Right-of-use assets	8	85	206
Exploration and evaluation	11	3,532	3,529
Total non-current assets		<u>10,760</u>	<u>10,741</u>
Total assets		<u>11,870</u>	<u>13,029</u>
Liabilities			
Current liabilities			
Trade and other payables	12	566	1,139
Borrowings	13	31,966	2,602
Lease liabilities	14	72	203
Provisions	15	242	240
Total current liabilities		<u>32,846</u>	<u>4,184</u>
Non-current liabilities			
Borrowings	13	-	26,170
Lease liabilities	14	17	10
Total non-current liabilities		<u>17</u>	<u>26,180</u>
Total liabilities		<u>32,863</u>	<u>30,364</u>
Net liabilities		<u>(20,993)</u>	<u>(17,335)</u>
Equity			
Issued capital	16	122,662	122,662
Reserves	17	(2,710)	(2,734)
Accumulated losses		(138,299)	(134,865)
Equity attributable to the owners of ASF Group Limited		<u>(18,347)</u>	<u>(14,937)</u>
Non-controlling interest		(2,646)	(2,398)
Total Equity		<u>(20,993)</u>	<u>(17,335)</u>

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

ASF Group Limited
Statement of changes in equity
For the half-year ended 31 December 2023



Consolidated	Issued capital \$'000	Reserves \$'000	Consolidated Accumulated losses \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 July 2022	122,669	(2,374)	(123,320)	(1,811)	(4,836)
Loss after income tax expense for the half-year	-	-	(7,414)	(776)	(8,190)
Other comprehensive income for the half-year, net of tax	-	51	-	-	51
Total comprehensive income for the half-year	-	51	(7,414)	(776)	(8,139)
<i>Transactions with owners in their capacity as owners:</i>					
Share buy-back	(4)	-	-	-	(4)
Balance at 31 December 2022	<u>122,665</u>	<u>(2,323)</u>	<u>(130,734)</u>	<u>(2,587)</u>	<u>(12,979)</u>

Consolidated	Issued capital \$'000	Reserves \$'000	Consolidated Accumulated losses \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 July 2023	122,662	(2,734)	(134,865)	(2,398)	(17,335)
Loss after income tax expense for the half-year	-	-	(3,434)	(248)	(3,682)
Other comprehensive income for the half-year, net of tax	-	24	-	-	24
Total comprehensive income for the half-year	-	24	(3,434)	(248)	(3,658)
Balance at 31 December 2023	<u>122,662</u>	<u>(2,710)</u>	<u>(138,299)</u>	<u>(2,646)</u>	<u>(20,993)</u>

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

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ASF Group Limited
Statement of cash flows
For the half-year ended 31 December 2023



		Consolidated	
	Note	31 Dec 2023	31 Dec 2022
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		487	315
Payments to suppliers (inclusive of GST)		(3,107)	(2,573)
		(2,620)	(2,258)
Interest received		9	23
Government Grants		35	44
Net cash used in operating activities		(2,576)	(2,191)
Cash flows from investing activities			
Payments for property, plant and equipment	10	(65)	(10)
Payments for intangibles	11	(3)	(5)
Net cash used in investing activities		(68)	(15)
Cash flows from financing activities			
Proceeds from borrowings		1,640	1,539
Repayment of loans from associates		-	250
Repayment of lease liabilities		(139)	(137)
Loans to associates		-	(150)
Payment for share buy-backs		-	(4)
Net cash from financing activities		1,501	1,498
Net decrease in cash and cash equivalents		(1,143)	(708)
Cash and cash equivalents at the beginning of the financial half-year		2,097	4,412
Effects of exchange rate changes on cash and cash equivalents		25	48
Cash and cash equivalents at the end of the financial half-year		<u>979</u>	<u>3,752</u>

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

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Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Going concern

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 half year ended 31 December 2023, the Group recorded a loss after income tax and non-controlling interest of \$3,434,000 (2022: \$7,414,000); showed net cash outflow from investing activities of \$68,000 (2022: \$15,000) and net cash outflows from operating activities of \$2,576,000 (2022: 2,191,000) and, as of that date, the Group's current liabilities exceeded its current assets by \$31,736,000 (June 2023:\$1,896,000). The net liabilities of the Group as of 31 December 2023 were \$20,993,000 (June 2023: \$17,335,000).

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 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, right issues and convertible notes over the past 12 years. As at the date of this report, the Group has \$2.05 million in a convertible note facility available for draw down;
- The Group expects convertible notes amounting to \$27,243,000 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 commission revenue to be received from the settlement of Stage 3 of the Peninsula Hope Island project, for the 12 months from the date of issue of these financial statements projects that the Group will be able to operate as usual.

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 31 December 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.

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Note 2. Operating segments

The Group's operating segment is identified 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.

Note 3. Revenue

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
Corporate services	401	315
Commission revenue	26	24
Revenue	<u>427</u>	<u>339</u>

Note 4. Other income

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
Government grant	35	44
Write back impairment of investments in associates	416	-
Other income	<u>451</u>	<u>44</u>

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Note 5. Expenses

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	14	9
<i>Amortisation</i>		
Right of use assets	130	129
Total depreciation and amortisation	144	138
<i>Impairment</i>		
Impairment of investment - Rey Resources Limited	-	3,773
- Key Petroleum Limited	-	20
- Kaili Resources Limited	6	2
Impairment of loan to Rey Resources Limited	49	-
Total impairment	55	3,795
<i>Share of loss of associates</i>		
Rey Resources Limited	204	179
ActivEx Limited	72	90
Key Petroleum Limited	38	92
BSF Enterprises PLC	13	163
Total share of loss of associates	327	524
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	1,270	1,223
<i>Leases</i>		
Minimum lease payments	47	63
<i>Superannuation expense</i>		
Defined contribution superannuation expense	43	48

Note 6. Cash and cash equivalents

	Consolidated	
	31 Dec 2023	30 June 2023
	\$'000	\$'000
<i>Current assets</i>		
Cash on hand	6	3
Cash at bank	973	2,094
	979	2,097

Note 7. Trade and other receivables

	Consolidated	
	31 Dec 2023	30 June 2023
	\$'000	\$'000
<i>Current assets</i>		
Trade receivables	55	72
Loan receivable from associate – Dawson West JV	71	68
Other receivable	1	11
Loan receivable from associate - Rey Resources Limited	852	-
Less: Provision for impairment of receivables (REY)	(852)	-
	127	151
<i>Non-current assets</i>		
Deposits	122	119
Loan receivable from associate - Rey Resources Limited	-	804
Less: Provision for impairment of receivables (REY)	-	(804)
	122	119
	249	270

Note 8. Right-of-use assets

	Consolidated	
	31 Dec 2023	30 June 2023
	\$'000	\$'000
<i>Non-current assets</i>		
Right-of-use assets	85	206
	85	206

Reconciliations

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

Consolidated	\$'000	Total \$'000
Balance at 1 July 2023	206	206
Additions	10	10
Depreciation expense	(131)	(131)
	85	85
Balance at 31 December 2023	85	85

Note 9. Investments accounted for using the equity method

	Consolidated	
	31 Dec 2023	30 June 2023
	\$'000	\$'000
<i>Non-current assets</i>		
Rey Resources Limited (ASX: REY)	6,240	6,067
ActivEx Limited (ASX:AIV)	429	500
Key Petroleum Limited (ASX: KEY)	225	225
BSF Enterprise PLC (LSE: BSFA)	-	13
	6,894	6,805
	6,894	6,805

Note 10. Property, plant and equipment

	Consolidated	
	31 Dec 2023	30 June 2023
	\$'000	\$'000
<i>Non-current assets</i>		
Leasehold improvements - at cost	153	154
Less: Accumulated depreciation	(153)	(154)
	<u>-</u>	<u>-</u>
Plant and equipment - at cost	459	395
Less: Accumulated depreciation	(354)	(342)
	<u>105</u>	<u>53</u>
	<u>105</u>	<u>53</u>

Reconciliations

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

Consolidated	Plant & equipment \$'000	Leasehold improvements \$'000	Total \$'000
Balance at 1 July 2023	53	-	53
Additions	65	-	65
Depreciation expense	(13)	-	(13)
Balance at 31 December 2023	<u>105</u>	<u>-</u>	<u>105</u>

Note 11. Exploration and evaluation

	Consolidated	
	31 Dec 2023	30 June 2023
	\$'000	\$'000
<i>Non-current assets</i>		
Mining exploration and evaluation expenditures	6,030	6,027
Less: Impairment	(2,498)	(2,498)
	<u>3,532</u>	<u>3,529</u>

Note 12. Trade and other payables

	Consolidated	
	31 Dec 2023	30 June 2023
	\$'000	\$'000
<i>Current liabilities</i>		
Trade payables	431	95
Other payables	135	1,044
	<u>566</u>	<u>1,139</u>

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Note 13. Borrowings

	Consolidated	
	31 Dec 2023	30 June 2023
	\$'000	\$'000
<i>Current liabilities</i>		
Dawson West JV - Star Diamond	4,398	2,289
Dawson West JV - LDO loan	325	313
Convertible notes payable	27,243	-
	<u>31,966</u>	<u>2,602</u>
<i>Non-current liabilities</i>		
Convertible notes payable	-	26,170
	<u>31,966</u>	<u>28,772</u>

Note 14. Lease liabilities

	Consolidated	
	31 Dec 2023	30 June 2023
	\$'000	\$'000
<i>Current liabilities</i>		
Lease liability	72	203
<i>Non-current liabilities</i>		
Lease liability	17	10
	<u>89</u>	<u>213</u>

Note 15. Provisions

	Consolidated	
	31 Dec 2023	30 June 2023
	\$'000	\$'000
<i>Current liabilities</i>		
Annual leave	157	155
Long service leave	85	85
	<u>242</u>	<u>240</u>

Note 16. Issued capital

	Consolidated			
	31 Dec 2023	30 June 2023	31 Dec 2023	30 June 2023
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	<u>792,397,534</u>	<u>792,397,534</u>	<u>122,662</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.

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Note 17. Reserves

	Consolidated	
	31 Dec 2023	30 June 2023
	\$'000	\$'000
Foreign currency reserve	(222)	(246)
Capital profits reserve	314	314
Non-controlling interests reserve	(2,802)	(2,802)
	<u>(2,710)</u>	<u>(2,734)</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Non-controlling interest reserve

The reserve is used to recognise non-controlling interest arising from the disposal of subsidiaries and to recognise the equity component within convertible notes payable and other borrowings.

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Foreign currency reserve	Non- controlling interest reserve	Capital reserve	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	(246)	(2,802)	314	(2,734)
Foreign currency translation	24	-	-	24
Balance at 31 December 2023	<u>(222)</u>	<u>(2,802)</u>	<u>314</u>	<u>(2,710)</u>

Note 18. Dividends

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

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Note 19. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity'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

Consolidated – 31 December 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Assets</i>				
Investment at fair value through profit or loss	22	-	-	22
Total assets	22	-	-	22

Consolidated - 30 June 2023

<i>Assets</i>				
Investment at fair value through profit or loss	29	-	-	29
Total assets	29	-	-	29

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to 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.

Note 20. Interests in subsidiaries

No additions to interests in subsidiaries disclosed in the financial report as at 31 December 2023.

Note 21. Earnings per share

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
Loss after income tax	(3,682)	(8,190)
Non-controlling interest	248	776
Loss after income tax attributable to the owners of ASF Group Limited	<u>(3,434)</u>	<u>(7,414)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	792,397,534	792,550,388
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>792,397,534</u>	<u>792,550,388</u>
	Cents	Cents
Basic earnings per share	(0.43)	(0.94)
Diluted earnings per share	(0.43)	(0.94)

Note 22. Events after the reporting period

Subsequent to the half year end, the Company drew down \$1 million loan under the Star Diamond loan facility on 18 January 2024.

A lease was executed on 12 February 2024 between ASF Corporate Pty Ltd, a wholly owned subsidiary of the Company, and SPC Investment Pty Ltd, an entity in which Ms Min Yang has a beneficial interest, for the renewal of existing office lease for 3 years from 1 April 2024 to 31 March 2027.

Settlement of Stage 3 of the Peninsula Hope Island project commenced in February 2024 and, as of the date of this report, invoices for the settlement commission of approximately \$1.3 million have been issued to the developer.

Other than disclosed above, no other matters or circumstances that have arisen since 31 December 2023 that has significantly affect, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-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.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

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Min Yang
Chairman

27 February 2024

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ASF GROUP LIMITED

To the members of ASF Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of ASF Group Limited (the 'Company') and Consolidated Entities (the 'Group'), which comprises the Consolidated Statement of Financial Position as at 31 December 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 half-year ended on that date, notes comprising material accounting policy information and other explanatory information, and the Directors' Declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of ASF Group Limited and its controlled entities does not comply with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of 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 annual 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 review report.

Material uncertainty related to going concern

We draw attention to Note 1 - *Going Concern* in the half-year financial report, which indicates that the Group incurred a net loss of \$3.4 million after income tax and non-controlling interests during the half-year ended 31 December 2023 and had net liabilities of \$21 million. As stated in Note 1 - *Going Concern*, 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 conclusion is not modified in respect of this matter.

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Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Nexia Sydney Audit Pty Ltd



Joseph Santangelo
Director

Date: 27 February 2024

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