

1. Company details

Name of entity:	ASF Group Limited
ABN:	50 008 924 570
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	5% to	404,317
Loss from ordinary activities after tax attributable to the owners of ASF Group Limited	down	3% to	(3,333,423)
Loss for the half-year attributable to the owners of ASF Group Limited	down	3% to	(3,333,423)
		31 Dec 2024	31 Dec 2023
		Cents	Cents
Basic earnings per share		(0.42)	(0.43)
Diluted earnings per share		(0.42)	(0.43)

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 \$3,333,423 (31 December 2023: \$3,433,960).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(4.37)	(3.09)

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)		Impairment (provided) / written back (where material)	
	Reporting period %	Previous period %	Reporting period \$	Previous period \$	Reporting period \$	Previous period \$
Rey Resources Limited	16.39%	16.37%	(264,703)	(204,511)	(428,630)	377,844
ActivEx Limited	16.74%	16.74%	(48,255)	(71,515)	(168,159)	-
Key Petroleum Limited	8.95%	9.96%	(23,090)	(38,213)	(51,283)	38,213
BSF Enterprise PLC	13.43%	16.07%	-	(12,902)	-	-
UK International Innovation Centre Ltd	20.00%	20.00%	-	-	-	-
			(336,048)	(327,141)	(648,072)	416,057
Dawson West Joint Venture	60.35%	60.35%	(514,354)	(1,717,895)	-	-
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>						
Profit/(loss) from ordinary activities before income tax			(850,402)	(2,045,036)	(648,072)	416,057

8. Accounting standards used for foreign entities

For foreign entities, the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') were used in compiling these reports.

9. 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 2024.

10. Attachments

Details of attachments (if any):

The Interim Report - Half-year ended of ASF Group Limited for the half-year ended 31 December 2024 is attached.

11. Signed

Signed 

Date: 27 February 2025

ASF Group Limited

ABN 50 008 924 570

Interim Report - Half-year ended 31 December 2024

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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 2024.

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 Wong (Alex) Lao
Mr Quan (David) Fang
Mr Wai Sang Ho
Mr Geoff Baker
Mr Chi Yuen (William) Kuan
Mr Louis Li Chien *(retired 27 November 2024)*

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 2024, revenue from continuing operations of ASF Group Limited (the "Company") and its controlled entities (referred to hereafter as the "Group") amounted to \$404,317 (2023: \$426,812).

Consolidated loss after tax and non-controlling interest for the period was \$3,333,423 (2023: \$3,433,960), which was mainly attributed to the following:

- Share of losses of the associates of \$336,048 (2023: \$327,141);
- Provision for impairment of investments of \$648,072 (2023: \$6,600);
- Interest expenses and other finance costs \$1,408,007 (2023: \$1,270,215); and
- Share of expenditures for the Dawson West JV Project of \$514,354 (2023: \$1,717,895).

On 30 July 2024 the Company announced the extension of buyback program for a further 12 months from 13 August 2024 and up to 79.2 million shares can be bought back over the next 12 months. No shares were bought back under the share buyback program during the review period.

At the annual general meeting of the Company held on 27 November 2024, Mr Louis Chien retired as director of the Company. The Board thanks Mr Chien for his invaluable contributions during this tenure and wish him all the best for this future endeavours.

Financial position

During the period, Civil & Mining Resources Pty Ltd ("CMR"), a subsidiary of the Company, secured a \$2 million loan facility ("CMR Facility") from Star Diamond Developments Limited ("Star Diamond") for a term of 1 year. The CMR Facility was subsequently increased to \$7 million and the maturity date was extended to 31 December 2025.

As of 31 December 2024, the Group maintained a cash balance of \$1,670,913 and has remaining loan facilities granted by Star Diamond to the Company and CMR available for draw down for a total of \$7.05 million.

Finance costs amounted to \$1,408,007 (2023: \$1,270,215) which represented principally interest on the loans 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 minerals in Queensland.

AIV executed a non-binding Terms Sheet with HK Create Capital Investment Group Ltd ("HKCCIG") for the establishment of a joint venture ("JV") on its Gilberton Gold Project ("Gilberton Project"), pursuant to which HKCCIG will acquire 65% of the Gilberton Project from AIV for a cash consideration of \$1 million. HKCCIG also has an option to increase its interest in the JV to 75.5% by investing an additional \$1 million into the JV.

During the review period, AIV completed the drilling program of its Gilberton Project within the Mt Hogan and Split Rock tenements with a total of 2,416m of angled RC drilling for an average depth of 115m drilled. It has also been granted the second of the two Exploration Permits for Minerals (EPM) at the Aramac Project and has completed a first pass exploration with exciting initial results which indicate both REE and Base Metal potential along a considerable strike length within the Aramac Project.

As at 31 December 2024, the Company holds 16.74% of the issued capital of AIV with a market value of \$0.29 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.

On 1 August 2024, REY announced that it has executed a Binding Cooperation Framework Agreement with China Guoxin Investment Holdings Co., Limited ("Guoxin") pursuant to which Guoxin will acquire all the issued capital of a wholly owned subsidiary of REY, Gulliver Productions Pty Ltd which holds 100% interest in the Lennard Shelf Blocks comprising EP104, R1 and L15, for a cash consideration of \$400,000.

REY also announced the extension of its share buy-back program for 12 months commencing from 16 September 2024 and up to 21.1 million shares can be bought back by REY over the next 12 months.

As at 31 December 2024, the Company holds 16.39% of the issued capital of REY with a market value of \$1.25 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.

KEY has decided not to proceed with Petroleum Lease (PL) applications for the areas of ATP 920 and ATP 924 within the Lake Eyre Basin (LEB) exclusion zone due to its low probability of success. Instead, KEY is applying for Potential Commercial Area (PCA) status for both ATP 920 and ATP 924. Concurrently, KEY continues to assess potential additions to its asset portfolio.

In October 2024, KEY announced the appointments of two new directors, Mr Quan (David) Fang and Professor Bingsong Yu, and the resignation of three current directors, Mr Geoff Baker, Ms Min Yang and Mr Dennis Wilkins.

Effective 15 January 2025, KEY appointed Mr. Wei Jin as Executive Chairman and Ms. Yuki Cao as Executive Director, and the resignation of Non-Executive Chairman Mr. Quan (David) Fang.

During the period, KEY completed a placement of 255,000,000 fully paid ordinary shares at \$0.001 each raising \$255,000 (before costs) for its working capital and the development of its Cooper Basin assets ATP924 and ATP920. KEY also completed the consolidation of its issued capital for one hundred (100) existing shares into one (1) consolidation share.

Also during the period, a capital consolidation was completed, converting 100 shares into 1, reducing total issued shares from 2.26 billion to 22.63 million.

As at 31 December 2024, the Group holds 8.95% of the issued capital of KEY with a market value of \$0.15 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 \$17,600 as at 31 December 2024.

Civil & Mining Resources Pty Ltd ("CMR")

Through 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). Subsequent to the half year ended 31 December

2024, CMR together with its JV partner obtained approvals for an additional 750,000 tonnes to the already approved sample pit of 250,000 tonnes on the Dawson West 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 patents newly pending, 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. Testing of B stage in Europe has now been completed. The engine achieved emissions that were better than Euro 6 and China 6b standards without expensive VVT or EGR technology and passed a 1000hr durability test that is 2.5 times the normal standard test requirement. One patent has been granted for the US market with a second patent proceeding to grant for Europe.

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, the parent company of Kerato Ltd which specializes in corneal tissue replacement, has announced a partnership and research agreement with the University of Montreal to develop an in-situ gelling cornea for treating corneal damage. Kerato, aiming to reduce the complexity of traditional transplant surgeries, combines synthetic proteins with host cells to repair tissue through injections. This treatment is expected to improve patient outcomes, lower healthcare costs, and shorten hospital stays. The partnership will focus on advancing clinical trials and regulatory approvals, initially testing the technology in veterinary applications to accelerate market entry.

- **Key Updates for the half year**

Fundraising and Share Placement:

BSFA in December 2024 successfully raised £500,000 through an oversubscribed placement of 20 million new ordinary shares at 2.5p each, with warrants exercisable at 5p per share within three years. Management contributed 15% of the funds raised, and the capital, combined with existing resources, provides over 12 months of operational runway. The funds will support key growth initiatives, including scaling Lab-Grown Leather Ltd's innovative materials, launching CytoBoost™ for the biopharma market, advancing Kerato Ltd's LiQD Cornea device toward clinical trials, and expanding BSF Enterprise (Hong Kong)'s cultivated meat initiatives in Greater China. Admission and trading of the 20 million new shares are expected to commence on 27 December 2024, increasing the total share count to 123,335,937.

- **Portfolio Highlights:**

In addition, BSFA's subsidiary 3D Bio-Tissues Ltd (3DBT) has secured a £50,000 Northern Accelerator Growth Support Grant to advance its lab-grown leather technology. This funding will enable the transition from lab-scale development to small-scale manufacturing and prepare for commercialization. The grant will support market research, revenue stream definition, and the creation of a technology roadmap, including plans for a pilot plant. This milestone positions 3DBT to provide sustainable and scalable alternatives to traditional leather, addressing the growing demand in sectors like fashion and automotive within a market projected to reach USD 47.89 billion by 2031.

In January 2025, 3DBT and Sartorius AG, a global leader in bioprocess solutions, entered into a Memorandum of Understanding for a strategic partnership, pursuant to which 3DBT and Sartorius agreed to leverage the combined strengths of both companies, driving innovation and efficiency in the development of sustainable production methods.

- **Strategic Vision for 2025**

With these strategic initiatives, BSFA continues to strengthen its position as an innovator in sustainable biotechnological solutions. The company's efforts aim to drive significant progress in tissue engineering, cultivated meat, and regenerative medicine, advancing technologies with the potential to disrupt industries and deliver meaningful environmental and ethical benefits.

The Company through its subsidiary BSF Angel Funding Limited holds 16,610,944 fully paid ordinary shares of BSFA with a market value of GBP0.39 million (equivalent to approximately A\$0.80 million) as at 31 December 2024

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.

Construction of the Peninsula Terraces townhouses concluded in June 2024 and all units settled. The resale of established properties in the Hope Island precinct along with upcoming new projects are expected to provide revenue contributions to the Group.

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.

Matters subsequent to the end of the financial half-year

The Company loses significant influence over KEY as a result of the resignation of Mr. Quan (David) Fang as director of KEY on 15 January 2025.

On 4 February 2025, the Company transferred its 46% interest in CMR to its wholly owned subsidiary, ASF Resources Pty Ltd which is then holding a direct interest of 68.97% in CMR.

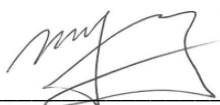
No other matters or circumstances that have arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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 2025

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 2024, 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



Erin Tanyag

Director

Date: 27 February 2025

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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 2025.

ASF Group Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024



		Consolidated	
	Note	31 Dec 2024	31 Dec 2023
		\$	\$
Revenue	3	404,317	426,812
Share of losses of associates accounted for using the equity method	5	(336,048)	(327,141)
Other income	4	92,108	451,168
Interest income		66,386	57,650
Expenses			
Employee benefits expense		(619,873)	(747,404)
Commission and fee expenses		(85,225)	(13,000)
Depreciation and amortisation expense	5	(156,710)	(143,535)
Impairment of investment recognised	5	(702,381)	(55,223)
Consultancy expense		(311,529)	(719,608)
Marketing expenses		(16,727)	(15,879)
Legal and professional fees		(86,149)	(65,563)
Occupancy expense	5	(38,948)	(46,551)
Exploration expense		(185,412)	(924,294)
Corporate and administration expense		(320,083)	(288,940)
Finance costs	5	(1,408,007)	(1,270,215)
Loss before income tax expense		(3,704,281)	(3,681,723)
Income tax expense		-	-
Loss after income tax expense for the half-year		(3,704,281)	(3,681,723)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		2,143	24,281
Other comprehensive income for the half-year, net of tax		2,143	24,281
Total comprehensive income for the half-year		(3,702,138)	(3,657,442)
Loss for the half-year is attributable to:			
Non-controlling interest		(370,858)	(247,763)
Owners of ASF Group Limited		(3,333,423)	(3,433,960)
		(3,704,281)	(3,681,723)
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		(370,858)	(247,763)
Owners of ASF Group Limited		(3,331,280)	(3,409,679)
		(3,702,138)	(3,657,442)
		Cents	Cents
Basic earnings per share	21	(0.42)	(0.43)
Diluted earnings per share	21	(0.42)	(0.43)

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 2024



		Consolidated	
	Note	31 Dec 2024	30 June 2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	6	1,670,913	1,330,502
Trade and other receivables	7	391,660	419,061
Other		85,267	32,878
Total current assets		<u>2,147,840</u>	<u>1,782,441</u>
Non-current assets			
Other receivables	7	127,385	146,781
Investments accounted for using the equity method	9	1,399,000	2,383,120
Other financial assets		17,600	17,600
Property, plant and equipment	10	34,716	37,187
Right-of-use assets	8	760,083	763,043
Exploration and evaluation	11	3,663,907	3,606,672
Total non-current assets		<u>6,002,691</u>	<u>6,954,403</u>
Total assets		<u>8,150,531</u>	<u>8,736,844</u>
Liabilities			
Current liabilities			
Trade and other payables	12	656,370	729,763
Borrowings	13	6,886,694	4,869,729
Lease liabilities	14	347,447	255,840
Provisions	15	211,277	219,191
Total current liabilities		<u>8,101,788</u>	<u>6,074,523</u>
Non-current liabilities			
Borrowings	13	30,563,986	29,407,743
Lease liabilities	14	425,074	492,758
Total non-current liabilities		<u>30,989,060</u>	<u>29,900,501</u>
Total liabilities		<u>39,090,848</u>	<u>35,975,024</u>
Net liabilities		<u>(30,940,317)</u>	<u>(27,238,180)</u>
Equity			
Issued capital	16	122,661,927	122,661,927
Reserves	17	(2,705,510)	(2,707,654)
Accumulated losses		(147,491,023)	(144,157,600)
Equity attributable to the owners of ASF Group Limited		<u>(27,534,606)</u>	<u>(24,203,327)</u>
Non-controlling interest		<u>(3,405,711)</u>	<u>(3,034,853)</u>
Total Equity		<u>(30,940,317)</u>	<u>(27,238,180)</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 2024



Consolidated	Issued capital \$	Reserves \$	Consolidated Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2023	122,661,927	(2,734,478)	(134,864,784)	(2,397,877)	(17,335,212)
Loss after income tax expense for the half-year	-	-	(3,433,960)	(247,763)	(3,681,723)
Other comprehensive income for the half-year, net of tax	-	24,281	-	-	24,281
Total comprehensive income for the half-year	-	24,281	(3,433,960)	(247,763)	(3,657,442)
<i>Transactions with owners in their capacity as owners:</i>					
Share buy-back	-	-	-	-	-
Balance at 31 December 2023	<u>122,661,927</u>	<u>(2,710,197)</u>	<u>(138,298,744)</u>	<u>(2,645,640)</u>	<u>(20,992,654)</u>
Consolidated	Issued capital \$	Reserves \$	Consolidated Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2024	122,661,927	(2,707,654)	(144,157,600)	(3,034,853)	(27,238,180)
Loss after income tax expense for the half-year	-	-	(3,333,423)	(370,858)	(3,704,281)
Other comprehensive income for the half-year, net of tax	-	2,143	-	-	2,143
Total comprehensive income for the half-year	-	2,143	(3,333,423)	(370,858)	(3,702,138)
Balance at 31 December 2024	<u>122,661,927</u>	<u>(2,705,510)</u>	<u>(147,491,023)</u>	<u>(3,405,711)</u>	<u>(30,940,317)</u>

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

ASF Group Limited
Statement of cash flows
For the half-year ended 31 December 2024



		Consolidated	
	Note	31 Dec 2024	31 Dec 2023
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		524,546	486,525
Payments to suppliers (inclusive of GST)		(1,991,135)	(3,107,605)
		(1,466,589)	(2,621,080)
Interest received		12,077	9,027
Interest paid		(122,005)	-
Government Grants		92,006	35,111
Net cash used in operating activities		(1,484,511)	(2,576,942)
Cash flows from investing activities			
Payments for property, plant and equipment	10	(3,177)	(65,049)
Payments for intangibles	11	(57,235)	(3,296)
Net cash used in investing activities		(60,412)	(68,345)
Cash flows from financing activities			
Proceeds from borrowings		2,000,000	1,640,348
Repayment of lease liabilities		(123,756)	(138,742)
Net cash from financing activities		1,876,244	1,501,606
Net decrease in cash and cash equivalents		331,321	(1,143,681)
Cash and cash equivalents at the beginning of the financial half-year		1,330,502	2,097,458
Effects of exchange rate changes on cash and cash equivalents		9,090	25,292
Cash and cash equivalents at the end of the financial half-year		<u>1,670,913</u>	<u>979,069</u>

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

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 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 2024 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 2024, the Group recorded a loss after income tax and non-controlling interest of \$3,333,423 (2023: \$3,433,960); showed net cash outflow from investing activities of \$60,412 (2023: \$68,345) and net cash outflows from operating activities of \$1,484,511 (2023: 2,576,942) and, as of that date, the Group's current liabilities exceeded its current assets by \$5,953,948 (June 2024: \$4,292,082). The net liabilities of the Group as of 31 December 2024 were \$30,940,317 (June 2024: \$27,238,180).

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 13 years. As at the date of this report, the Group has \$7.05 million loan facilities available for draw down;
- The Group expects convertible notes amounting to \$30,563,986 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 drawdown of loans and disposal of investments, for the 12 months from the date of issue of these financial statements project 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 2024. 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.

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 2024	31 Dec 2023
	\$	\$
Corporate services	370,317	400,812
Commission revenue	34,000	26,000
Revenue	<u>404,317</u>	<u>426,812</u>

Note 4. Other income

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$	\$
Government grant	92,006	35,111
Miscellaneous income	102	-
Write back impairment of investments in associates	-	416,057
Other income	<u>92,108</u>	<u>451,168</u>

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Note 5. Expenses

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	6,071	12,999
<i>Amortisation</i>		
Right of use assets	150,639	130,536
Total depreciation and amortisation	156,710	143,535
<i>Impairment</i>		
Impairment of investment - Rey Resources Limited	428,630	-
- ActivEx Limited	168,159	-
- Key Petroleum Limited	51,283	-
- Kaili Resources Limited	-	6,600
Impairment of loan to Rey Resources Limited	54,309	48,623
Total impairment	702,381	55,223
<i>Share of loss of associates</i>		
Rey Resources Limited	264,703	204,511
ActivEx Limited	48,255	71,515
Key Petroleum Limited	23,090	38,213
BSF Enterprises PLC	-	12,902
Total share of loss of associates	336,048	327,141
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	1,408,007	1,270,215
<i>Leases</i>		
Minimum lease payments	38,948	46,551
<i>Superannuation expense</i>		
Defined contribution superannuation expense	53,685	44,224

Note 6. Cash and cash equivalents

	Consolidated	
	31 Dec 2024	30 June 2024
	\$	\$
<i>Current assets</i>		
Cash on hand	6,766	6,428
Cash at bank	1,664,147	1,324,074
	<u>1,670,913</u>	<u>1,330,502</u>

Note 7. Trade and other receivables

	Consolidated	
	31 Dec 2024	30 June 2024
	\$	\$
<i>Current assets</i>		
Trade receivables	122,053	203,955
Loan receivable from associate – Dawson West JV	238,939	231,737
Other receivable	30,668	(16,631)
	<u>391,660</u>	<u>419,061</u>
<i>Non-current assets</i>		
Deposits	127,385	146,781
Loan receivable from associate - Rey Resources Limited	954,540	900,231
Less: Provision for impairment of receivables (REY)	(954,540)	(900,231)
	<u>127,385</u>	<u>146,781</u>
	<u><u>519,045</u></u>	<u><u>565,842</u></u>

Note 8. Right-of-use assets

	Consolidated	
	31 Dec 2024	30 June 2024
	\$	\$
<i>Non-current assets</i>		
Right-of-use assets	<u>760,083</u>	<u>763,043</u>

Reconciliations

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

Consolidated	\$	Total
	\$	\$
Balance at 1 July 2024	763,043	763,043
Additions	147,679	147,679
Depreciation expense	(150,639)	(150,639)
Balance at 31 December 2024	<u><u>760,083</u></u>	<u><u>760,083</u></u>

Note 9. Investments accounted for using the equity method

	Consolidated	
	31 Dec 2024	30 June 2024
	\$	\$
<i>Non-current assets</i>		
Rey Resources Limited (ASX: REY)	1,248,000	1,941,333
ActivEx Limited (ASX:AIV)	-	216,414
Key Petroleum Limited (ASX: KEY)	151,000	225,373
	<u><u>1,399,000</u></u>	<u><u>2,383,120</u></u>

Note 10. Property, plant and equipment

	Consolidated	
	31 Dec 2024	30 June 2024
	\$	\$
<i>Non-current assets</i>		
Leasehold improvements - at cost	156,595	153,418
Less: Accumulated depreciation	(153,099)	(152,993)
	<u>3,496</u>	<u>425</u>
Plant and equipment - at cost	401,756	395,872
Less: Accumulated depreciation	(370,536)	(359,110)
	<u>31,220</u>	<u>36,762</u>
	<u><u>34,716</u></u>	<u><u>37,187</u></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	Leasehold improvements	Total
	\$	\$	\$
Balance at 1 July 2024	36,762	425	37,187
Additions	-	3,177	3,177
Depreciation expense	(5,965)	(106)	(6,071)
Foreign exchange difference	423	-	423
	<u>31,220</u>	<u>3,496</u>	<u>34,716</u>

Note 11. Exploration and evaluation

	Consolidated	
	31 Dec 2024	30 June 2024
	\$	\$
<i>Non-current assets</i>		
Mining exploration and evaluation expenditures	6,161,753	6,104,518
Less: Impairment	(2,497,846)	(2,497,846)
	<u>3,663,907</u>	<u>3,606,672</u>

Note 12. Trade and other payables

	Consolidated	
	31 Dec 2024	30 June 2024
	\$	\$
<i>Current liabilities</i>		
Trade payables	369,320	180,925
Other payables	287,050	548,838
	<u>656,370</u>	<u>729,763</u>

Note 13. Borrowings

	Consolidated	
	31 Dec 2024	30 June 2024
	\$	\$
<i>Current liabilities</i>		
Dawson West JV – ASF loan	163,612	158,680
Dawson West JV – Star Diamond	4,375,000	4,375,000
Dawson West JV – LDO loan	348,082	336,049
CMR – Star Diamond	2,000,000	-
	<u>6,886,694</u>	<u>4,869,729</u>
<i>Non-current liabilities</i>		
Convertible notes payable	30,563,986	29,407,743
	<u>37,450,680</u>	<u>34,277,472</u>

Note 14. Lease liabilities

	Consolidated	
	31 Dec 2024	30 June 2024
	\$	\$
<i>Current liabilities</i>		
Lease liability	347,447	255,840
<i>Non-current liabilities</i>		
Lease liability	425,074	492,758
	<u>772,521</u>	<u>748,598</u>

Note 15. Provisions

	Consolidated	
	31 Dec 2024	30 June 2024
	\$	\$
<i>Current liabilities</i>		
Annual leave	145,286	157,682
Long service leave	65,991	61,509
	<u>211,277</u>	<u>219,191</u>

Note 16. Issued capital

	Consolidated			
	31 Dec 2024	30 June 2024	31 Dec 2024	30 June 2024
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>792,397,534</u>	<u>792,397,534</u>	<u>122,661,927</u>	<u>122,661,927</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.

Note 16. Issued capital (continued)

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.

Note 17. Reserves

	Consolidated	
	31 Dec 2024	30 June 2024
	\$	\$
Foreign currency reserve	(218,128)	(220,270)
Capital profits reserve	314,377	314,377
Non-controlling interests reserve	(2,801,759)	(2,801,759)
	<u>(2,705,510)</u>	<u>(2,707,652)</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:

	Foreign currency reserve	Non- controlling interest reserve	Capital reserve	Total
Consolidated	\$	\$	\$	\$
Balance at 1 July 2024	(220,270)	(2,801,759)	314,377	(2,707,652)
Foreign currency translation	2,142	-	-	2,142
Balance at 31 December 2024	<u>(218,128)</u>	<u>(2,801,759)</u>	<u>314,377</u>	<u>(2,705,510)</u>

Note 18. Dividends

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

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 2024	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Investment at fair value through profit or loss	17,600	-	-	17,600
Total assets	17,600	-	-	17,600

Consolidated - 30 June 2024

<i>Assets</i>				
Investment at fair value through profit or loss	17,600	-	-	17,600
Total assets	17,600	-	-	17,600

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 2024.

Note 21. Earnings per share

	Consolidated	
	31 Dec 2024 \$	31 Dec 2023 \$
Loss after income tax	(3,704,281)	(3,681,723)
Non-controlling interest	370,858	247,763
Loss after income tax attributable to the owners of ASF Group Limited	(3,333,423)	(3,433,960)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	792,397,534	792,397,534
Weighted average number of ordinary shares used in calculating diluted earnings per share	792,397,534	792,397,534
	Cents	Cents
Basic earnings per share	(0.42)	(0.43)
Diluted earnings per share	(0.42)	(0.43)

Note 22. Events after the reporting period

The Company loses significant influence over KEY as a result of the resignation of Mr. Quan (David) Fang as director of KEY on 15 January 2025.

On 4 February 2025, the Company transferred its 46% interest in CMR to its wholly owned subsidiary, ASF Resources Pty Ltd which is then holding a direct interest of 68.97% in CMR.

No other matters or circumstances that have arisen since 31 December 2024 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.

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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 2024 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

A handwritten signature in black ink, appearing to read "Min Yang", is written over a horizontal line.

Min Yang
Chairman

27 February 2025

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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 2024, 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 2024 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 states that, for the half year ended 31 December 2024, the Group recorded a loss after income tax and non-controlling interest of \$3,333,423, net cash outflow from investing activities of \$60,412 and net cash outflows from operating activities of \$1,484,511. As of 31 December 2024, the Group's current liabilities exceeded its current assets by \$5,953,948, and the net liabilities of the Group were \$30,940,317. 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.

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 2024 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

Nexia Sydney Audit Pty Ltd



Erin Tanyag
Director

Date: 27 February 2025