

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

ASF Group Limited

ABN

50 008 924 570

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	241	241
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(2)	(2)
(d) leased assets	-	-
(e) staff costs	(326)	(326)
(f) administration and corporate costs	(623)	(623)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other - GST (paid)/refunds and misc expense	4	4
1.9 Net cash from / (used in) operating activities	(705)	(705)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other - security deposit released	-	-
	- shares buy-back	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,881	1,881
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(705)	(705)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	8	8
4.6	Cash and cash equivalents at end of period	1,184	1,184

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,184	1,881
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,184	1,881

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(259) *
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

* Consulting fees, director fees and salary (\$184), office lease (\$75)

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (Convertible Loan)	25,000	21,950
7.4	Total financing facilities	25,000	21,950
7.5	Unused financing facilities available at quarter end		3,050
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. Unsecured convertible loan facilities which bear an interest rate at 10% per annum with extended maturity date of 31 October 2024 granted by Star Diamond Developments Limited: (i) \$5 million granted on 15 September 2016; and (ii) \$10 million granted on 21 March 2017, which had been subsequently increased to \$20 million. As of 30 September 2023, a total of \$21.95 million had been drawn down by the Company.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(705)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,184
8.3	Unused finance facilities available at quarter end (item 7.5)	3,050
8.4	Total available funding (item 8.2 + item 8.3)	4,234
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	6
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

23 October 2023

Date:

William Kuan, Company Secretary

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Activities Report – For the quarter ended 30 September 2023

Corporate

As of 30 September 2023, the Company together with its subsidiaries (the “Group”) maintained a cash balance of approximately \$1.2 million.

On 17 July 2023 the Company announced the extension of the buyback program for a further 12 months from 31 July 2023 and up to 79.2 million shares can be bought back over the next 12 months. During the quarter, no shares were bought back under the share buyback program.

Pursuant to section 6 of the Company’s Appendix 4C, the Company paid approximately \$259,000 to the related parties during the quarter, of which \$184,000 were consulting and director fees and \$75,000 were office rentals.

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.

In end of September AIV announced its final results for the year ended 30 June 2023, which recorded an operating loss before tax of \$984,068, a significant decrease of approximately 49% compared with the loss of \$1,933,089 last year. Capitalised exploration expenditure incurred for the year was \$794,835 compared with \$1,347,321 in prior year, a decrease of approximately 41%. In order to meet investor interest and market demands, AIV is adjusting its exploration focus from coal and gold to include lithium, rare earth and other critical minerals.

As at 30 September 2023, the Company holds 16.74% of the issued capital of AIV with a market value of \$0.58 million.

Rey Resources Limited (“REY”)

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

During the quarter, REY announced the extension of its share buy-back program for 12 months commencing from 1 September 2023. In the past 12 months, 210,000 shares had been bought back by REY at an average price of \$0.1447 per share.

REY also released its final results on 27 September 2023. For the year ended 30 June 2023, REY recorded a net loss after income tax of \$2.23 million which was mainly attributed to the interest of \$1.7 million on loans due to the Company and Ms Wanyan Liu.

As at 30 September 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.

According to KEY's annual report which was released on 22 September 2023, KEY recorded an operating profit after income tax for the year ended 30 June 2023 of \$0.35 million, compared with a loss of \$1.2 million last year. Profit for the year was contributed by the gain on disposal of its interests in Production Licence L7 and Exploration Permit EP437 to Triangle Energy (Global) Limited (ASX: TEG).

As at 30 September 2023, the Group holds 11.45% of the issued capital of KEY with a market value of \$0.34 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 30 September 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 quarter, CMR together with its JV partner continued the development of the sample pit operations on the project with satisfactory progress.

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

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

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

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

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

BSF Enterprise PLC ("BSFA")

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

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

3DBT has developed a proprietary platform technology termed "tissue templating" (commonly referred to as "tissue engineering") that facilitates the production of a variety of animal tissue types for multiple uses. This technology aims to offer structured, functional and scalable tissue replicates with potential applications in



clinical settings for the replacement of human skin & corneas or broader uses in consumable protein including lab grown meat.

Amongst other intellectual property, 3DBT has also:

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

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\$3.2 million) as at 30 September 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 Stage 3 of The Peninsula Hope Island - the final stage of a master-planned gated community development located on the Gold Coast, Queensland. The company has also achieved strong sales progress for "The AU" project, located in the Gold Coast city centre on Surfers Paradise Beach. It is expected that these two projects will continue to generate further revenue for ASFP in the year ahead.

Fund Management and Advisory Services

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

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



UKIIC, UK

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

Information about ASF

ASF Group Limited (ASX: AFA) is a diversified investment company with an international outlook and a history of more than 40 years. In an increasingly dynamic global market, we are experienced in spearheading strategic trade and investment between Australia and the world. Our insight and experience with transnational trade and investment allows us to generate value and maximise returns in our focus sectors of property, resources, technology and financial services.

Authorised by:
Board of ASF Group Limited

For further information, please contact:
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