



ASF Group Limited
Annual Report 2025

Dear Shareholders,

I am pleased to present the annual report and consolidated financial statements of ASF Group Limited (the "Company") and the entities it controlled (the "Group") for the financial year ended 30 June 2025. This year marks a decisive turning point for our Group, delivering a strong profit, a debt-free balance sheet, and meaningful progress across our diversified portfolio.

Financial Performance

The Group recorded a consolidated profit after tax and non-controlling interest of \$25.82 million, compared with a loss of \$9.30 million in the previous year — an improvement of approximately 378%.

This outstanding performance was primarily driven by the execution of a Debt-to-Equity Conversion Deed with Star Diamond Developments Limited, under which all outstanding loans under a \$25 million unsecured convertible loan facility were converted into equity in ASF Resources Pty Ltd (holding 68.97% of CMR Coal).

The transaction discharged approximately \$22 million in debt, generated a gain of \$33 million, and resulted in the full disposal of our interest in CMR Coal. As a result, the Group now holds no outstanding debt and is positioned with greater financial flexibility to pursue strategic growth initiatives.

Commission revenue for the year was modest at \$75,800, reflecting the completion in June 2024 of the final stage of The Peninsula Hope Island development project. However, our ongoing strategy to focus on high-value investments and emerging opportunities has strengthened our ability to deliver sustainable returns.

Strategic Investments and Developments

Our resources portfolio remains an important foundation for the Group:

- ActivEX Limited (AIV) – Advanced exploration across key Queensland tenements targeting copper, gold, and rare earth elements. Notable achievements include securing additional REE tenements in Central Queensland and reporting encouraging early-stage results at the Aramac Project.
- Rey Resources Limited (REY) – Completed a strategic transaction involving its Lennard Shelf Blocks and, post year-end, received and accepted a takeover offer from Vigorous Resources Pty Ltd, which is proceeding to a successful outcome.
- Key Petroleum Limited (KEY) – Progressed exploration work in the Cooper Eromanga Basin and implemented capital restructuring measures to enhance shareholder value.
- Kaili Resources Limited (KLR) – Maintained our position in targeted early-stage resource exploration projects.

The disposal of our interest in CMR Coal has streamlined our portfolio while retaining flexibility to re-enter high-potential opportunities in the resources sector.

Innovation and Emerging Technologies

In advanced engineering, ASF Technologies (Australia) Pty Ltd continued development of its patented Scotch Yoke engine, delivering superior performance, emissions compliance, and fuel flexibility without expensive add-on systems. The technology's potential spans hybrid and range-extender vehicles, aviation, and distributed power generation, positioning it strongly in a low-carbon energy future.

In biotechnology, our investment in BSF Enterprise PLC achieved global recognition with the launch of Elemental X™ — the world's first lab-grown leather derived from synthetic *Tyrannosaurus rex* DNA. The campaign reached over 500 million people worldwide and triggered commercial discussions with leading luxury brands. BSF also achieved breakthroughs with its Elemental+™ ultra-thin leather for aerospace and performance markets, and progressed commercialisation of CytoBoost™, a cryopreservation supplement showing up to 100% improvement in post-thaw cell revival. These developments mark a transition from R&D to early commercial engagement, with strong potential for near-term market adoption.

Property and Capital Management

Our property services arm, ASF Properties Pty Ltd, continues to serve Australian and international investors with expertise in development management, project marketing, and asset management. The portfolio spans New South Wales and Queensland, with revenue opportunities from established property resales and new project pipelines.

ASF Capital Pty Ltd remains active in facilitating cross-border capital flows between Australia and Asia, advising on public listings, investment strategies, and tailored wholesale fund structures.

Extension of On-market Share Buyback Program

Post year-end, the Company extended its on-market share buyback program for a further 12 months from 26 August 2025, authorising the repurchase of up to 79.2 million shares, reflecting our confidence in the Company's long-term value.

Looking Ahead

With a strengthened balance sheet, no debt, and a well-diversified portfolio spanning resources, biotechnology, advanced engineering, and property services, ASF Group is well positioned to capitalise on opportunities in fast-growing sectors.

On behalf of the Board, I extend my sincere gratitude to our management team, staff, partners, and shareholders for their steadfast support. We look forward to building on this year's momentum and delivering continued success in the years ahead.

Yours sincerely,

A handwritten signature in black ink, appearing to be "Michael", written over a faint, stylized graphic element.

Chairman
ASF Group Limited

1 October 2025

Introduction

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of ASF Group Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

Directors

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

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

Dividends

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

Review of operations

The profit for the consolidated entity after providing for income tax and non-controlling interest amounted to \$25,818,078 (30 June 2024: loss of \$9,292,819).

Financial results and commentary

During the financial year, the Company executed a Debt to Equity Conversion Deed with Star Diamond Developments Limited ("Star Diamond") pursuant to which Star Diamond converted all outstanding loans including accrued interest due by the Company under a \$25 million unsecured convertible loan facility ("Convertible Loan") into 100% equity of the Company's wholly owned subsidiary, ASF Resources Pty Ltd ("ASFR") which holds 68.97% interest in Civil & Mining Resources Pty Ltd ("CMR"). After the assignment to Star Diamond of the approximately \$9.6 million loan due by CMR, a net outstanding amount (including accrued interest) of approximately \$22 million due to Star Diamond was discharged in full and the Convertible Loan was terminated forthwith.

As a result of the aforesaid conversion of the Convertible Loan, the Group recorded a gain on disposal of ASFR and CMR of \$32.7 million.

Consolidated profit after tax and non-controlling interest for the year amounted to \$25,818,078, a substantial increase of approximately 378% compared with a loss of \$9,292,819 for last year, after deduction of the following major expense items:

- Share of losses of the associates of \$604,416 (2024: \$2,101,059);
- Impairment of investments in associates and other entities of \$1,367,744 (2024: 2,332,764);
- Impairment of loan receivables of \$728,224 (2024: \$95,749);
- Interest expenses and other finance costs \$2,122,371 (2024: \$2,665,731); and
- Share of exploration expenditures for the Dawson West JV Project of \$749,732 (2024: \$2,214,627).

Commission revenue was modest for the year at \$75,800 (2024: \$1,908,872) as construction of the Peninsula Terraces townhouses, being the final stage of "The Peninsula Hope Island" development project, completed and all units settled in June last year.

Subsequent to the financial year end on 12 August 2025, the Company announced the extension of its on-market share buyback program for a further 12 months from 26 August 2025 and up to 79.2 million shares of the Company can be bought back over the next 12 months under the new buyback program. During the year, no shares were bought back by the Company under share buyback program.

Financial position

As of 30 June 2025, the Group maintained a cash balance of approximately \$1.27 million with no outstanding debt as a result of the conversion by Star Diamond of the Convertible Loan.

Finance costs for the year amounted to \$2,122,371 (2024: \$2,665,731) which represented principally interest on the loans due to Star Diamond before the conversion of the Convertible Loan.

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 Term 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 would acquire up to 75.5% of the Gilberton Project by paying a cash consideration of \$1 million to AIV and investing an additional \$1 million into the JV. The drilling program under the Gilberton Project within the Mt Hogan and Split Rock tenements completed with a total of 2,416m of angled RC drilling for an average depth of 115m drilled.

During the year, AIV was granted the second of the two Exploration Permits for Minerals ("EPM") at the Aramac Project and completed a first pass exploration with exciting initial results which indicated both Rare Earth Elements ("REE") and Base Metal potential along a considerable strike length within the Aramac Project. A petrological report for a sample collected from the Aramac Project from Mintex Petrological Solutions confirmed that the sample was a *"geothitic gossan with gossan clasts containing relic fine-grained quartz and chlorite"*.

AIV also secured three REE tenements in Central Queensland with a total area of 820km². The project has been named Westgrove after the company's REE exploration target – Westgrove Ironstone member. The project is located 500km NW of Brisbane and 50km north of Injune.

As at 30 June 2025, the Company holds 16.97% of the issued capital of AIV with a market value of \$0.26 million.

Rey Resources Limited ("REY")

REY is an ASX listed energy company with a large tenement holding in coal, oil, and 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 executed a Binding Cooperation Framework Agreement with China Guoxin Investment Holdings Co., Limited ("Guoxin") pursuant to which Guoxin acquired all the issued capital of a wholly owned subsidiary of REY, Gulliver Productions Pty Ltd, which holds a 100% interest in the Lennard Shelf Blocks comprising EP104, R1 and L15, for a cash consideration of \$400,000.

Subsequent to the year end, on 8 July 2025, REY received a Bidder's Statement from Vigorous Resources Pty Ltd ("Vigorous"), a substantial shareholder of REY, for the off-market takeover bid ("Offer") for all the REY's issued shares for \$0.028 per ordinary share in cash. The Offer closed on 11 August 2025 and Vigorous has purchased over 90% of REY's issued shares under the Offer, and accordingly, Vigorous is currently undertaking a compulsory acquisition for the remaining shares of REY.

As at 30 June 2025, the Company held 16.39% of the issued capital of REY. The Company had accepted the Offer by selling all its interest in REY to Vigorous and received proceeds of \$0.97 million on 5 August 2025.

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.

During the financial year, KEY completed a 100-to-1 share consolidation, reducing the total issued shares from over 2.26 billion to approximately 22.6 million, enhancing asset value per share without affecting shareholder percentages.

During the year, KEY submitted 8 applications for Potential Commercial Area (PCA) status, four across each of ATP 920 and ATP 924. Concurrently, KEY continues to assess potential additions to its asset portfolio both onshore and overseas.

KEY also successfully raised A\$255,000 through the placement of shares to China Create Capital Holding Group Co Limited and completed a 1 for 5 non-renounceable entitlement offer at an issue price of \$0.062 per share raising approximately \$129,000.

Subsequent to the year end, on 31 July 2025, KEY completed the placement of the full 2,954,682 shortfall shares at \$0.062 per share raising approximately \$183,190. Further, it was announced on 4 August 2025 that the remaining capacity of KEY, the full 3,627,636 shares, was privately placed for \$0.042 per share to a sophisticated investor raising approximately \$152,361.

As at 30 June 2025, the Group holds 9.92% of the issued capital of KEY with a market value of approximately \$97,000.

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 30 June 2025.

Civil & Mining Resources Pty Ltd ("CMR")

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

The Dawson West project, which is 87.5% owned by CMR, has confirmed export quality thermal coal resources and has defined a JORC2012 code compliant resource, with a total of 876Mt (188Mt Indicated, 688Mt Inferred resource). The project has obtained approvals for a 1 million tonne sample pit.

As a result of the conversion of Convertible Loan as mentioned in the "Financial results and commentary" section above, the Company has disposed of all of its interest in ASFR, including CMR and the Dawson West project. For further details, please refer to the Company's announcement dated 28 March 2025.

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 nine patents newly pending, and tested by FEV. The engine is the first successful four 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. 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. Three patents have been granted for the US market with one patent granted for Europe and a second proceeding to grant. The patent portfolio is growing steadily.

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

BSF Enterprise PLC ("BSFA")

BSF Enterprise PLC (LSE: BSFA; OTCQB: BSFAF) is a UK-based biotechnology company pioneering cell-based tissue engineering to revolutionise cultured meat, lab-grown leather, human corneas, collagen growth and skin substitutes across multiple sectors. Its wholly-owned subsidiary, 3D Bio-Tissues Ltd (3DBT), has developed a proprietary tissue templating technology platform that enables the production of structured, functional animal tissue types for diverse applications.

Strategic Fundraising

During FY2025, BSFA successfully completed two equity placements:

- December 2024 – 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 approximately 15% of the funds. Proceeds support scaling Lab-Grown Leather Ltd's (LGL) manufacturing capabilities, launching CytoBoost™ for the biopharmaceutical market, advancing Kerato Ltd's LiQD Cornea device toward clinical trials, and expanding cultivated meat initiatives in Greater China.
- April 2025 – Raised £141,750 through a placing of 4,725,000 new ordinary shares at 3p per share, conducted within FCA headroom and supported by BSFA's largest shareholder following global publicity surrounding its T-Rex Leather innovation. Admission of the shares to the LSE occurred in May 2025.

Major Commercial and Technological Milestones

- Global Launch of Elemental X™ – In partnership with VML (a WPP company) and The Organoid Company, LGL unveiled the world's first leather derived from synthetic Tyrannosaurus rex DNA. This innovation combines fossil collagen sequencing with scaffold-free tissue engineering to recreate leather structurally and genetically identical to traditional leather. The launch campaign reached over 500 million people and initiated commercial discussions with three leading luxury fashion brands.
- Elemental+™ Breakthrough – Developed ultra-thin lab-grown leather at only 0.04 mm thickness while retaining strength, enabling applications in aerospace, electric vehicles, and high-performance sportswear. A new patent application has been filed for this innovation.
- Sample Delivery and Industry Engagement – Delivered eight 10×10 cm² samples of Elemental Leather™ to global fashion houses, receiving positive feedback and improving texture, processing compatibility, and aesthetics. Sample production costs are being co-funded by partners.
- Cost Reduction and Operational Efficiency – Integration of City-Mix™ media additive into LGL's tissue production process is projected to reduce costs by over £500,000 over five years, enhancing scalability and sustainability.

Collaborations and R&D Initiatives

- Sartorius AG Partnership – Signed an MoU to collaborate on scaling sustainable tissue production methods, leveraging Sartorius' bioprocess expertise.
- PA Consulting Engagement – Commissioned market research and commercial validation for lab-grown leather applications, focusing on fashion, jewellery, and automotive markets. Workstreams include revenue model definition, pilot plant planning, and technology roadmap development.
- Kerato Ltd – LiQD Cornea – Advanced development of a minimally invasive corneal repair treatment combining synthetic proteins with host cells. Veterinary trials commenced in 2024; human clinical trials are targeted for 2026.
- 3DBT – CytoBoost™ – Continued development of a cryopreservation supplement demonstrating up to 100% improvement in post-thaw cell revival, targeting the US\$95 billion cryopreservation market.

As at 30 June 2025, the Company, through its subsidiary BSF Angel Funding Limited, holds 16,610,944 fully paid ordinary shares of BSFA with a market value of approximately £0.35 million (equivalent to A\$0.73 million).

Property Marketing and Services

ASF Properties Pty Ltd ("ASFP"), a wholly-owned subsidiary of the Company, offers a full suite of property services to Australian and international investors. Helping investors navigate opportunities, ASFP supports clients throughout the entire investment process—from identifying opportunities to managing assets—with expertise in development management, project marketing, property management, and tailored consultations. ASFP's portfolio spans assets across New South Wales and Queensland.

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 year

In July 2025, the Company accepted the off-market takeover offer from Vigorous and received proceeds of \$0.97 million on 5 August 2025 for all the REY shares held by the Company.

On 12 August 2025, the Company announced the extension of its on-market share buyback program for a further 12 months from 26 August 2025 and up to 79.2 million shares of the Company can be bought back over the next 12 months under the new buyback program.

The Company sold all 2.2 million shares of Kaili Resources Limited (ASX: KLR) on the market at an average price of \$0.28 per share in August 2025.

No other matters or circumstances that have arisen since 30 June 2025 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.

Information on directors

Name:	Ms Min Yang
Title:	Director and Chairman
Experience and expertise:	Min Yang is the Chair and Founder of ASF Group Limited. With over 30 years of extensive experience in international business, Ms Yang has proven her unique business insight and expertise in the identification, acceleration and realisation of diverse investment opportunities. Under Ms Yang's leadership, ASF Group continues to actively spearhead strategic investment between Australia and the world.
Other current directorships:	Non-executive Chairman of ActivEX Limited (ASX: AIV). Executive Chairman of BSF Enterprise PLC (LSE:BSFA).
Former directorships (last 3 years):	Non-executive director of Key Petroleum Limited (ASX: KEY) – resigned 15 October 2024. Non-executive Chairman of Rey Resources Limited (ASX: REY) – resigned 22 September 2025.
Special responsibilities:	Member of the Audit Committee – appointed 26 February 2025
Interests in shares:	Direct interest in 286,500 ordinary shares and indirect interest in 86,914,266 ordinary shares held by FY Holdings Limited which is jointly controlled by Ms Yang and Mr Fang.
Name:	Mr Nga Wong (Alex) Lao
Title:	Vice Chairman and Non-Executive Director
Experience and expertise:	Mr Lao is the managing director of ASF Macau Multinational Holdings Limited and is in charge of the operations of Multinational Youth Travel Agency Limited. Mr Lao resides in Macau where he has business interests in property, travel and retail industries and is Chairman of the Macau Travel Agency Association.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	18,026,525 ordinary shares

Name:	Mr Quan (David) Fang
Title:	Director
Experience and expertise:	David Fang is the Executive Director of ASF Group Limited. With over 30 years of experience in the Australian real estate sales and property development sectors, he has led the acquisition, development and sales of multiple projects. His accomplishments have ranged from driving the delivery of high-end residential developments to large-scale urban renewal projects. Mr Fang continues to advance the Company through the realisation of property development projects and the acquisition of new projects to generate further value.
Other current directorships:	None
Former directorships (last 3 years):	Non-executive Chairman of Key Petroleum Limited (ASX: KEY) – appointed 15 October 2024 and resigned 15 January 2025.
Special responsibilities:	None
Interests in shares:	Direct interest in 10,000 ordinary shares and indirect interest in 86,914,266 ordinary shares held by FY Holdings Limited which is jointly controlled by Ms Yang and Mr Fang.
Name:	Mr Wai Sang Ho
Title:	Non-executive director
Experience and expertise:	Mr Ho is a Hong Kong resident and a large property developer in Southern China. He has substantial property interests in Hong Kong and China.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	44,808,270 ordinary shares
Name:	Mr Geoff Baker
Title:	Director
Qualifications:	Mr Baker is a qualified lawyer in Australia and Hong Kong with a Commerce degree (Accounting and Financial Management), a Law degree and Master of business administration (MBA).
Experience and expertise:	Mr Baker assists in the international operations of the Group. He joined the Group after practising extensively for 30 years as a lawyer in Australia, Japan, Asia and China.
Other current directorships:	Non-executive director of ActivEX Limited (ASX: AIV). Director of BSF Enterprise PLC (LSE:BSFA).
Former directorships (last 3 years):	Non-executive Chairman of Key Petroleum Limited (ASX: KEY) – resigned 15 October 2024. Non-executive director of Rey Resources Limited (ASX: REY) – resigned 22 September 2025.
Special responsibilities:	Chairman of the Audit Committee
Interests in shares:	Indirect interest in 7,734,517 ordinary shares held by Gold Star Industry Ltd, a related entity

Name:	Mr Chi Yuen (William) Kuan
Title:	Director and Company Secretary
Qualifications:	Mr Kuan holds a Master Degree in International Accounting. He is a Fellow of CPA Australia and an Associate of The Chartered Governance Institute UK & Ireland (formerly ICSA) and The Hong Kong Chartered Governance Institute (formerly HKICS).
Experience and expertise:	Mr Kuan joined the Group as the Company Secretary in February 2010 and has been responsible for all aspects of financial and corporate matters of the Group. He has extensive experience in accounting, corporate finance and company secretarial areas. Prior to joining the Group, he was company secretary for a number of diverse Hong Kong listed companies.
Other current directorships:	None
Former directorships (last 3 years):	Director of Rey Resources Limited (ASX: REY) – appointed 6 March 2023 and resigned on 15 May 2023.
Special responsibilities:	Member of the Audit Committee – appointed 26 February 2025
Interests in shares:	250,000 ordinary shares

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

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

Company secretary

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

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2025, and the number of meetings attended by each director were:

	Full Board		Audit Committee	
	Attended	Held	Attended	Held
Ms Min Yang - Chairman	3	3	1	1
Mr Nga Wong (Alex) Lao	-	3	-	-
Mr Quan (David) Fang	3	3	-	-
Mr Wai Sang Ho	-	3	-	-
Mr Geoff Baker	3	3	2	2
Mr William Kuan	3	3	1	1
Mr Louis Li Chien *	2	2	1	1

* Mr Louis Li Chien retired at the company's annual general meeting held on 27 November 2024.

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

Remuneration report (audited)

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

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

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

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

Principles used to determine the nature and amount of remuneration

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

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

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

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

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

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

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

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

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

Non-executive directors' remuneration

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

Executive remuneration

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

The executive remuneration and reward framework has the following components:

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

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

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

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

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

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

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

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

Group's performance and link to remuneration

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

Use of remuneration consultants

During the financial year ended 30 June 2025, the Group did not use any remuneration consultants.

Voting and comments made at the company's 2024 Annual General Meeting ('AGM')

At the 2024 AGM, 99.99% of shareholders voted for the adoption of the remuneration report for the year ended 30 June 2024. The company did not receive any specific feedback at the AGM regarding its remuneration practices and received unanimous approval on the adoption of its remuneration report.

Details of remuneration

Amounts of remuneration

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

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

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Bonus	Non-monetary	Super-annuation	Long service leave accrued/(used)	Equity-settled	
2025	\$	\$	\$	\$	\$	\$	\$
Min Yang	190,338	-	-	3,569	-	-	193,907
David Fang	119,480	-	-	9,874	1,569	-	130,923
Geoff Baker	124,912	-	-	-	-	-	124,912
William Kuan	158,399	-	-	17,545	2,834	-	178,778
Louis Chien *	96,900	-	-	-	-	-	96,900
	690,029	-	-	30,988	4,403	-	725,420

2024	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Bonus	Non-monetary	Super-annuation	Long service leave accrued/(used)	Equity-settled	
	\$	\$	\$	\$	\$	\$	\$
Min Yang	187,236	-	-	3,511	-	-	190,747
David Fang	118,511	-	-	9,526	1,118	-	129,155
Geoff Baker	151,297	-	-	-	-	-	151,297
William Kuan	173,433	-	-	18,700	(25,936)	-	166,197
Louis Chien *	122,400	-	-	-	-	-	122,400
	752,877	-	-	31,737	(24,818)	-	759,796

* Mr Louis Chien retired on 27 November 2024.

Mr Nga Wong (Alex) Lao and Mr Wai Sang Ho did not receive any remuneration during 2025 and 2024 financial year.

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

Name	Fixed remuneration		STI	
	2025	2024	2025	2024
<i>Directors:</i>				
Min Yang	100%	100%	-	-
David Fang	100%	100%	-	-
Geoff Baker	100%	100%	-	-
William Kuan	100%	100%	-	-
Louis Chien	100%	100%	-	-

Service agreements

The table below summarises the key contractual provisions of the key management personnel.

Key Management Personnel	Position Held	Contract Details
Min Yang	Director and Chairman	Employment contract with ASF (Hong Kong) Limited (a subsidiary of the Company). The contract may be terminated at any time by either party giving to the other party not less than 30 days prior written notice.
Quan (David) Fang	Director	(a) Employment contract with ASF (Hong Kong) Limited (a subsidiary of the Company). The contract was terminated on 31 July 2025; and (b) Employment contract with ASF Corporate Pty Ltd (a subsidiary of the Company). The contract may be terminated at any time by either party giving to the other party not less than one month's prior written notice.
Geoff Baker	Director	(a) Employment contract with ASF (Hong Kong) Limited (a subsidiary of the Company). The contract may be terminated at any time by either party giving to the other party not less than 30 days prior written notice; (b) Consultancy agreement between ASF Corporate Pty Ltd (a subsidiary of the Company) and the director's related entity, Gold Star Industry Limited. The contract was terminated on 31 August 2025; and (c) Consultancy agreement between ASF Technologies (Australia) Pty Ltd (a subsidiary of the Company) and the director's related entity, Gold Star Industry Limited. The contract was terminated on 31 January 2025.
Chi Yuen (William) Kuan	Director and Company Secretary	Employment contract with the company. The contract may be terminated at any time by either party giving to the other party not less than 30 days prior written notice.
Louis Li Chien	Director	(a) Consultancy agreement between ASF Corporate Pty Ltd (a subsidiary of the Company) and the director's related entity, Chanticleer 168 Pty Ltd. The contract was terminated on 31 July 2025; and (b) Consultancy agreement between ASF Technologies (Australia) Pty Ltd (a subsidiary of the Company) and the director's related entity, Chanticleer 168 Pty Ltd. The contract was terminated on 31 January 2025.

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

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2025 (2024: Nil).

Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that was outstanding as at 30 June 2025 (2024: Nil).

There were no options over ordinary shares granted to or vested in directors and other key management personnel as part of compensation during the year ended 30 June 2025.

Additional information

The earnings of the Group for the five years to 30 June 2025 are summarised below:

	2025	2024	2023	2022	2021
	\$	\$	\$	\$	\$
Sales revenue	799,724	2,688,867	975,785	2,199,863	1,528,821
Profit (Loss) after income tax	25,818,078	(9,292,819)	(11,544,661)	(4,062,702)	(3,234,103)
Net equity	1,669,608	(27,238,181)	(17,335,211)	(4,837,027)	(293,457)

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

	2025	2024	2023	2022	2021
Average share price (\$)	0.014	0.049	0.047	0.052	0.066
Basic earnings per share (cents per share)	3.258	(1.17)	(1.46)	(0.51)	(0.41)
Share buy-back (\$)	-	-	7,214	6,723	11,944

Additional disclosures relating to key management personnel

Shareholding

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

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

* Included indirect interest of 86,914,266 (2024: 86,914,266) shares held by FY Holdings Limited, an entity jointly controlled by Ms Yang and Mr Fang.

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

Other transactions with key management personnel and their related parties

1. Rent paid on the operating lease of the head office of the Group to SPC Investments Pty Ltd, an entity in which Ms Min Yang has a beneficial interest, amounting to \$332,090 (2024: \$276,837).
2. Consulting fees paid to Gold Star Industry Ltd, an entity in which Mr Geoff Baker has a beneficial interest, amounting to \$69,000 (2024: \$76,500).
3. Consulting fees paid to Chanticleer 168 Pty Ltd, an entity in which Mr Louis Chien has a beneficial interest, amounting to \$96,900 (2024: \$122,400).

This concludes the remuneration report, which has been audited.

Shares under option

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

Shares issued on the exercise of options

There were no ordinary shares of ASF Group Limited issued on the exercise of options during the year ended 30 June 2025 and up to the date of this report.

Indemnity and insurance of officers

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

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

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

Officers of the company who are former partners of Wis Audit Pty Ltd

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

Auditor's independence declaration

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

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

On behalf of the directors



Min Yang
Chairman

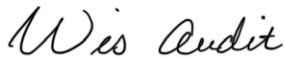
1 October 2025

Auditor's Independence Declaration

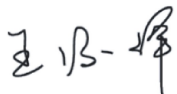
As lead auditor for the audit of the financial report of ASF Group Limited and its controlled entities (altogether "the Group") for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of the Group during the year ended 30 June 2025.



Wis Audit Pty Ltd (AAC No. 528780)



Lingfeng Wang

Director
Sydney, 1 October 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 year. The financial statements are presented in Australian dollars, which is ASF Group Limited's functional and presentation currency.

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

Suite 2, 3B Macquarie Street
Sydney NSW 2000

A description of the nature of the 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 1 October 2025.

ASF Group Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2025



	Note	Consolidated 2025 \$	2024 \$
Revenue	4	799,724	2,688,867
Share of losses of associates accounted for using the equity method	7	(604,416)	(2,101,059)
Other income	5	92,110	40,185
Gain on disposal of subsidiaries	6	32,744,544	-
Interest revenue calculated using the effective interest method		131,871	115,323
Loss on financial instruments at fair value through profit or loss		(81,585)	(11,000)
Expenses			
Employee benefits expense		(1,257,010)	(1,316,962)
Commission and fee expenses		(106,025)	(1,111,550)
Depreciation expense	7	(287,415)	(264,861)
Impairment of investments in associates and other entities	7	(1,286,159)	(2,321,764)
Impairment of other receivables	7	(728,224)	(95,749)
Loss on disposal of plant and equipment		-	(4,842)
Consultancy expense		(525,404)	(1,087,638)
Marketing expenses		(25,119)	(34,397)
Legal and professional fees		(173,269)	(291,976)
Occupancy expense	7	(147,499)	(324,436)
Exploration expense		(400,021)	(662,941)
Corporate and administration expense		(720,409)	(479,264)
Finance costs	7	(2,122,371)	(2,665,731)
Profit / (Loss) before income tax expense		25,303,323	(9,929,795)
Income tax expense	8	-	-
Profit / (Loss) after income tax expense for the year		25,303,323	(9,929,795)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(9,462)	26,827
Other comprehensive income/(loss) for the year, net of tax		(9,462)	26,827
Total comprehensive income/(loss) for the year		<u>25,293,861</u>	<u>(9,902,968)</u>
Profit / (Loss) for the year is attributable to:			
Non-controlling interest		(514,755)	(636,976)
Owners of ASF Group Limited		<u>25,818,078</u>	<u>(9,292,819)</u>
		<u>25,303,323</u>	<u>(9,929,795)</u>
Total comprehensive income/(loss) for the year is attributable to:			
Non-controlling interest		(514,755)	(636,976)
Owners of ASF Group Limited		<u>25,808,616</u>	<u>(9,265,992)</u>
		<u>25,293,861</u>	<u>(9,902,968)</u>
		Cents	Cents
Basic earnings per share	36	3.258	(1.17)
Diluted earnings per share	36	3.258	(1.17)

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

	Note	Consolidated 2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	9	1,266,107	1,330,501
Trade and other receivables	10	169,208	419,061
Other current assets	12	37,367	32,878
Total current assets		<u>1,472,682</u>	<u>1,782,440</u>
Non-current assets			
Trade and other receivables	10	123,695	146,781
Investments accounted for using the equity method	13	346,667	2,383,120
Financial assets at fair value through profit or loss	14	114,961	17,600
Property, plant and equipment	15	25,210	37,187
Right-of-use assets	11	487,449	763,043
Exploration and evaluation expenditure	16	156,745	3,606,672
Total non-current assets		<u>1,254,727</u>	<u>6,954,403</u>
Total assets		<u>2,727,409</u>	<u>8,736,843</u>
Liabilities			
Current liabilities			
Trade and other payables	17	322,907	728,268
Borrowings	18	-	4,871,224
Lease liabilities	19	271,836	255,840
Employee benefit obligations	20	242,136	219,191
Total current liabilities		<u>836,879</u>	<u>6,074,523</u>
Non-current liabilities			
Borrowings	18	-	29,407,743
Lease liabilities	19	220,922	492,758
Total non-current liabilities		<u>220,922</u>	<u>29,900,501</u>
Total liabilities		<u>1,057,801</u>	<u>35,975,024</u>
Net assets / (liabilities)		<u>1,669,608</u>	<u>(27,238,181)</u>
Equity			
Issued capital	21	122,661,927	122,661,927
Reserves	22	(2,717,114)	(2,707,652)
Accumulated losses		(118,339,523)	(144,157,601)
Total equity / (deficiency in equity) attributable to the owners of ASF Group Limited		1,605,290	(24,203,326)
Non-controlling interest		64,318	(3,034,855)
Total equity / (deficiency in equity)		<u>1,669,608</u>	<u>(27,238,181)</u>

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

ASF Group Limited
Consolidated statement of changes in equity
For the year ended 30 June 2025



	Issued capital \$	Reserves \$	Accumulated losses \$	Non- controlling interest \$	Total equity / (deficiency in equity) \$
Consolidated					
Balance at 1 July 2023	122,661,927	(2,734,479)	(134,864,782)	(2,397,879)	(17,335,213)
Loss after income tax expense for the year	-	-	(9,292,819)	(636,976)	(9,929,795)
Other comprehensive income for the year, net of tax	-	26,827	-	-	26,827
Total comprehensive income / (loss) for the year	-	26,827	(9,292,819)	(636,976)	(9,902,968)
Balance at 30 June 2024	<u>122,661,927</u>	<u>(2,707,652)</u>	<u>(144,157,601)</u>	<u>(3,034,855)</u>	<u>(27,238,181)</u>
	Issued capital \$	Reserves \$	Accumulated losses \$	Non- controlling interest \$	Total equity / (deficiency in equity) \$
Consolidated					
Balance at 1 July 2024	122,661,927	(2,707,652)	(144,157,601)	(3,034,855)	(27,238,181)
Profit / (Loss) after income tax expense for the year	-	-	25,818,078	(514,755)	25,303,323
Other comprehensive loss for the year, net of tax	-	(9,462)	-	-	(9,462)
Total comprehensive income / (loss) for the year	-	(9,462)	25,818,078	(514,755)	25,293,861
Derecognition of non-controlling interest upon disposal of subsidiaries	-	-	-	3,613,928	3,613,928
Balance at 30 June 2025	<u>122,661,927</u>	<u>(2,717,114)</u>	<u>(118,339,523)</u>	<u>64,318</u>	<u>1,669,608</u>

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

ASF Group Limited
Consolidated statement of cash flows
For the year ended 30 June 2025



	Note	Consolidated 2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		912,751	2,829,062
Payments to suppliers (inclusive of GST)		(3,418,021)	(5,659,028)
		(2,505,270)	(2,829,966)
Interest received		24,139	18,871
Government Grants		92,006	35,111
Interest paid		(205,351)	(410,472)
Refund of security deposits		19,586	-
Net cash used in operating activities	34	(2,574,890)	(3,186,456)
Cash flows from investing activities			
Payments for property, plant and equipment	15	(1,450)	(65,490)
Payments for exploration and evaluation		(87,851)	(30,107)
Acquisition of subsidiary		-	(75,000)
Disposal of subsidiaries	37	(6,993)	-
Proceeds from disposal of property, plant and equipment		-	55,682
Investment in financial asset at fair value through profit or loss		(27,946)	-
Investment in an associate		(5,122)	-
Net cash from/(used in) investing activities		(129,362)	(114,915)
Cash flows from financing activities			
Proceeds from borrowings	35	2,900,000	2,789,109
Repayment of lease liabilities		(255,840)	(281,841)
Net cash from financing activities		2,644,160	2,507,268
Net decrease in cash and cash equivalents		(60,092)	(794,103)
Cash and cash equivalents at the beginning of the financial year		1,330,501	2,097,458
Effects of exchange rate changes on cash and cash equivalents		(4,302)	27,146
Cash and cash equivalents at the end of the financial year	9	<u>1,266,107</u>	<u>1,330,501</u>

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

Note 1. Material accounting policy information

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

These general purpose financial statements for the reporting period ended 30 June 2025 have been prepared in accordance with the Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities.

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 1 October 2025.

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 year ended 30 June 2025, the consolidated entity showed net cash outflow from investing activities of \$129,362 (2024: \$114,915) and net cash outflows from operating activities of \$2,574,890 (2024: \$3,186,456).

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

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

- As at 30 June 2025, the consolidated entity holds no outstanding debt, providing greater financial flexibility to meet operational requirements and pursue strategic growth initiatives;
- Cash flow forecasts prepared for a period of at least 12 months from the date of these financial statements indicate the consolidated entity will be able to meet its obligations as and when they fall due without the need for additional funding;
- The consolidated entity actively manages its cash resources to meet business needs and retains the ability to raise additional capital or realise assets if required; and
- The consolidated entity has the capacity to reduce operating expenditures where appropriate.

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

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

At the date of approval of these financial statements, the directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial statements at 30 June 2025. 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.

Comparatives

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

Note 1. Material accounting policy information (continued)

Basis of preparation

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

Historical cost convention

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

Critical accounting estimates

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

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 30.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of ASF Group Limited as at 30 June 2025 and the results of all subsidiaries for the year then ended. ASF Group Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

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

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

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

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

Foreign currency translation

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

Note 1. Material accounting policy information (continued)

Foreign currency transactions

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

Foreign operations

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

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

Revenue recognition

The consolidated entity recognises revenue as follows:

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

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

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

Commission Revenue

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

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

Corporate Services

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

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

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

Note 1. Material accounting policy information (continued)

Income tax

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

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

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

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

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

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

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

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

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

Current and non-current classification

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

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

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

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

Note 1. Material accounting policy information (continued)

Cash and cash equivalents

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

Financial instruments

Recognition and derecognition

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

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

Classification and initial measurement of financial assets

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

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- financial assets at amortised cost
- financial assets at fair value through profit or loss (FVPL)

Classifications are determined by both:

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

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

Financial assets at amortised cost

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

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

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

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

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

Impairment of financial assets

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

Note 1. Material accounting policy information (continued)

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

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

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

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

Trade and other receivables and contract assets

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

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

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

Classification and measurement of financial liabilities

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

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

Interest income

Interest income is recognised in the statement of profit or loss as part of other income using effective interest method.

Associates

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

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

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

Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Note 1. Material accounting policy information (continued)

When a consolidated entity undertakes its activities under joint operations, the consolidated entity as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The consolidated entity accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the AASB Standards applicable to the particular assets, liabilities, revenue and expenses.

When the consolidated entity transacts with a joint operation in which a consolidated entity is a joint operator (such as a sale or contribution of assets), the consolidated entity is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the consolidated entity's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When the consolidated entity transacts with a joint operation in which the consolidated entity is a joint operator (such as a purchase of assets), the consolidated entity does not recognise its share of the gains and losses until it resells those assets to a third party.

Property, plant and equipment

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

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

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

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

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

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

Leases

As a lessee

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

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

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

Note 1. Material accounting policy information (continued)

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

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

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

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

Short-term leases and leases of low-value assets

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

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

Exploration and evaluation expenditure

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

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

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

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

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal.

Fair value measurement

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

Note 1. Material accounting policy information (continued)

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

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

Government grants

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

Finance costs

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

Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

Defined contribution superannuation expense

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

Issued capital

Ordinary shares are classified as equity.

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

Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

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

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

Note 1. Material accounting policy information (continued)

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

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

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2025. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces IAS 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The consolidated entity will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

Note 2. Critical accounting judgements, estimates and assumptions

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

Recovery of deferred tax assets

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

Exploration and evaluation costs

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

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

Impairment of investments in associates

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

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

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

Control over investee with a shareholding of 50%

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

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity's operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The consolidated entity 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 4. Revenue

	Consolidated	
	2025	2024
	\$	\$
Corporate services	723,924	779,995
Commission revenue	75,800	1,908,872
Revenue	<u>799,724</u>	<u>2,688,867</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2025	2024
	\$	\$
<i>Geographical regions</i>		
Australia	669,800	2,514,872
Asia	49,964	49,149
Europe	79,960	124,846
	<u>799,724</u>	<u>2,688,867</u>
<i>Timing of revenue recognition</i>		
Service recognised at a point in time	75,800	1,908,872
Services transferred over time	723,924	779,995
	<u>799,724</u>	<u>2,688,867</u>

Note 5. Other income

	Consolidated	
	2025	2024
	\$	\$
Net foreign exchange gain	-	1,550
EMDG grant	36,600	35,111
R&D rebate	55,406	-
Miscellaneous income	104	3,524
	<u>92,110</u>	<u>40,185</u>
Other income	<u>92,110</u>	<u>40,185</u>

Note 6. Gain on disposal of subsidiaries

	Consolidated	
	2025	2024
	\$	\$
Gain on disposal of subsidiaries *	32,744,544	-
	<u>32,744,544</u>	<u>-</u>
	<u>32,744,544</u>	<u>-</u>

* On 27 March 2025, the Company executed a Debt to Equity Conversion Deed with Star Diamond Developments Limited ("Star Diamond") pursuant to which Star Diamond agreed to convert all outstanding loans including accrued interests due by the Company into 100% equity of ASF Resources Pty Ltd ("ASFR"), a wholly owned subsidiary of the Company, which in turn holds 68.97% interest in Civil & Mining Resources Pty Ltd ("CMR"). Accordingly, an outstanding amount (including accrued interests) of approximately \$22 million (after the assignment to Star Diamond of the loan due by CMR of approximately \$9.6 million) were discharged in full and the Convertible Loan was terminated forthwith (refer to Note 37).

Note 7. Expenses

	Consolidated 2025 \$	2024 \$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements	159	255
Plant and equipment	11,662	22,080
Right of use assets	275,594	242,526
Total depreciation	287,415	264,861
<i>Impairment of other receivables</i>		
Impairment of loan to Rey Resources Limited	107,732	95,749
Impairment of loan to Dawson West Joint Venture	620,492	-
Total impairment of other receivables	728,224	95,749
<i>Share of loss of associates</i>		
Rey Resources Limited	527,949	1,540,366
ActiveEx Limited	53,377	452,040
Key Petroleum Limited	23,090	95,748
BSF Enterprise PLC	-	12,905
Total share of losses of associates	604,416	2,101,059
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	2,085,181	2,648,641
Interest expense for lease liabilities	37,190	17,090
Finance costs expensed	2,122,371	2,665,731
<i>Leases</i>		
Short-term lease expenses	147,499	324,436
<i>Superannuation expense</i>		
Defined contribution superannuation expense	97,833	90,488

Note 8. Income tax expense

	Consolidated	
	2025	2024
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit / (Loss) before income tax expense	25,303,323	(9,929,795)
Tax at the statutory tax rate of 25% (2024: 25%)	6,325,831	(2,482,449)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Disposal of subsidiaries	(6,831,572)	-
Entertainment expenses	1,286	1,729
Share of loss - associates	151,104	384,281
Interest expenses	424,385	559,542
Other adjustments	619,553	176,243
	(5,635,244)	1,121,795
Tax effect of unrecognised temporary difference	706,063	748,112
	1,396,650	(612,542)
Current year tax losses not recognised	-	612,542
Tax effect of utilisation of tax losses not previously recognised	(1,396,650)	-
Income tax expense	-	-

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

At the reporting date, the consolidated entity has unused tax losses of \$41,997,419 (2024: \$45,415,749) available for offset against future profits. No deferred tax asset has been recognised as it is not considered probable that there will be future taxable profits available.

Note 9. Cash and cash equivalents

	Consolidated	
	2025	2024
	\$	\$
<i>Current assets</i>		
Cash on hand	6,379	6,427
Cash at bank	1,259,728	1,324,074
	1,266,107	1,330,501

Reconciliation to cash and cash equivalents at the end of the financial year

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above		
Cash and cash equivalents	1,266,107	1,330,501
Balance as per statement of cash flows	1,266,107	1,330,501

Note 10. Trade and other receivables

	Consolidated 2025 \$	2024 \$
<i>Current assets</i>		
Trade receivables ¹	171,004	203,955
Loan receivable from Dawson West JV ²	620,492	231,737
Less: Allowance for impairment of receivables ²	(620,492)	-
BAS receivable/(payable)	(1,796)	(16,631)
	<u>169,208</u>	<u>419,061</u>
<i>Non-current assets</i>		
Deposits	123,695	146,781
Loan receivable from associate - Rey Resources Limited ³	1,007,963	900,231
Less: Allowance for impairment of receivables (REY)	(1,007,963)	(900,231)
	<u>123,695</u>	<u>146,781</u>
	<u><u>292,903</u></u>	<u><u>565,842</u></u>

1. Trade receivables are generally due for settlement within 30 days.
2. On 23 December 2022, a loan agreement was entered into between the Company, Civil & Mining Resources Pty Ltd, a subsidiary of the Company, LD Dawson Pty Ltd and Dawson West Coal Management Pty Ltd pursuant to which the amount of \$514,789 advanced by the Company to Dawson West JV will be charged at the interest rate of 7% per annum. As of 30 June 2025, the outstanding loan due by Dawson West JV was fully impaired.
3. On 12 October 2017, the consolidated entity entered into a loan facility agreement with its associate, Rey Resources Limited (ASX: REY). Pursuant to the agreement the consolidated entity will provide up to \$1 million in standby funding for REY's exploration activities and general working capital for a term of one year. Interest will accrue at 12% per annum. The loan facility was subsequently increased to \$3.8 million and the maturity date extended to 31 December 2019. In April 2019, REY repaid \$2.5 million which remains available for re-draw before maturity. On 31 December 2019, the parties agreed to reduce the loan facility amount from \$3.8 million to \$2 million and to extend the maturity date to 31 March 2020 which has subsequently been further extended to 30 April 2026. As of 30 June 2025, the outstanding loan due from REY was fully impaired. As a result, the provision for impairment increased by \$107,732 which was charged to profit or loss for the year.

Note 11. Right-of-use assets

	Consolidated 2025 \$	2024 \$
<i>Non-current assets</i>		
Right-of-use assets	<u>487,449</u>	<u>763,043</u>

Note 11. Right-of-use assets (continued)

Reconciliations

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

Consolidated	\$
Balance at 1 July 2023	205,506
Additions	800,063
Depreciation expense	(242,526)
Balance at 30 June 2024	763,043
Depreciation expense	(275,594)
Balance at 30 June 2025	487,449

The consolidated entity leases buildings for its office in Sydney. The original lease expired on 31 March 2024 and renewed for 3 years. On renewal, the terms of the leases are renegotiated, with fixed lease amount. The consolidated entity also leases phone system and photocopier with fixed monthly amount for its office in Sydney and the leases will expire in December 2027 and November 2028 respectively.

Note 12. Other current assets

	Consolidated	
	2025	2024
	\$	\$
Current assets		
Prepayments	37,367	32,878

Note 13. Investments accounted for using the equity method

	Consolidated	
	2025	2024
	\$	\$
Non-current assets		
Rey Resources Limited (ASX: REY)	346,667	1,941,333
ActivEX Limited (ASX: AIV)	-	216,414
Key Petroleum Limited (ASX: KEY) *	-	225,373
	346,667	2,383,120

Refer to note 32 for further information on interests in associates.

* The Company lost significant influence over KEY on 15 January 2025 and accordingly KEY was re-classified as financial asset at fair value through profit or loss (refer to note 14 below).

Note 14. Financial assets at fair value through profit or loss

	Consolidated	
	2025	2024
	\$	\$
Non-current assets		
Kaili Resources Limited (ASX: KLR)	17,600	17,600
Key Petroleum Limited (ASX: KEY)	97,361	-
	114,961	17,600

Note 15. Property, plant and equipment

	Consolidated	
	2025	2024
	\$	\$
<i>Non-current assets</i>		
Leasehold improvements - at cost	153,418	153,418
Less: Accumulated depreciation	(153,153)	(152,994)
	<u>265</u>	<u>424</u>
 Plant and equipment - at cost	 369,741	 395,873
Less: Accumulated depreciation	(344,796)	(359,110)
	<u>24,945</u>	<u>36,763</u>
	<u><u>25,210</u></u>	<u><u>37,187</u></u>

Reconciliations

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

Consolidated	Plant & equipment \$	Leasehold improvements \$	Motor vehicles \$	Total \$
Balance at 1 July 2023	54,263	680	-	54,943
Additions	-	-	65,049	65,049
Disposals	(441)	-	(60,084)	(60,525)
Depreciation expense	(17,115)	(256)	(4,965)	(22,336)
Exchange difference	56	-	-	56
	<u>36,763</u>	<u>424</u>	<u>-</u>	<u>37,187</u>
Balance at 30 June 2024	36,763	424	-	37,187
Additions	1,450	-	-	1,450
Disposals	(1,727)	-	-	(1,727)
Depreciation expense	(11,662)	(159)	-	(11,821)
Exchange difference	121	-	-	121
	<u>24,945</u>	<u>265</u>	<u>-</u>	<u>25,210</u>
Balance at 30 June 2025	<u><u>24,945</u></u>	<u><u>265</u></u>	<u><u>-</u></u>	<u><u>25,210</u></u>

Note 16. Exploration and evaluation expenditure

	Consolidated	
	2025	2024
	\$	\$
<i>Non-current assets</i>		
Mining exploration and evaluation expenditures	156,745	6,104,518
Less: Impairment	-	(2,497,846)
	<u>156,745</u>	<u>3,606,672</u>

Note 16. Exploration and evaluation expenditure (continued)

Reconciliations

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

Consolidated	\$
Balance at 1 July 2023	3,529,065
Additions	77,607
Balance at 30 June 2024	3,606,672
Additions	87,851
Write off of assets	(174,943)
Disposals	(3,362,835)
Balance at 30 June 2025	156,745

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

Note 17. Trade and other payables

	Consolidated 2025 \$	Consolidated 2024 \$
<i>Current liabilities</i>		
Trade payables	143,796	179,430
Other payables	179,111	548,838
	322,907	728,268

The amounts are unsecured and are usually paid within 30 days of recognition. Refer to note 24 for further information on financial risk management.

Note 18. Borrowings

	Consolidated 2025 \$	Consolidated 2024 \$
<i>Current liabilities</i>		
Dawson West JV - Star Diamond ¹	-	4,375,000
Dawson West JV - other loans	-	496,224
	-	4,871,224
<i>Non-current liabilities</i>		
Convertible notes payable ²	-	29,407,743
	-	34,278,967

- On 5 October 2022, a loan agreement was entered into with Star Diamond Developments Limited ("Star Diamond") pursuant to which Star Diamond agreed to grant a \$5 million loan facility to Dawson West JV at an interest rate of 9% per annum for a term of twelve months, which was subsequently extended to 31 December 2024.

Note 18. Borrowings (continued)

2. On 27 March 2025, the Company executed a Debt to Equity Conversion Deed with Star Diamond pursuant to which Star Diamond converted all outstanding loans including accrued interests ("Convertible Loan") into 100% equity of the Company's wholly owned subsidiary, ASF Resources Pty Ltd ("ASFR") which holds 68.97% interest in Civil & Mining Resources Pty Ltd ("CMR"). After the assignment to Star Diamond of approximately \$9.6 million loan due by CMR, a net outstanding amount (including accrued interests) of approximately \$22 million due to Star Diamond were discharged in full and the Convertible Loan was terminated forthwith.

Note 19. Lease liabilities

	Consolidated	
	2025	2024
	\$	\$
<i>Current liabilities</i>		
Lease liability	271,836	255,840
<i>Non-current liabilities</i>		
Lease liability	220,922	492,758
	<u>492,758</u>	<u>748,598</u>

Refer to note 24 for further information on financial risk management.

Note 20. Provisions for employee benefits

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Leave that is not expected to be taken within the next 12 months is \$71,798 (2024: \$61,509).

	Consolidated	
	2025	2024
	\$	\$
<i>Current liabilities</i>		
Annual leave	170,338	157,682
Long service leave	71,798	61,509
	<u>242,136</u>	<u>219,191</u>

Note 21. Issued capital

	Consolidated			
	2025	2024	2025	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>
<i>Movements in ordinary share capital</i>				
Details		Shares		\$
Balance at 30 June 2024		<u>792,397,534</u>		<u>122,661,927</u>
Balance at 30 June 2025		<u>792,397,534</u>		<u>122,661,927</u>

Note 21. Issued capital (continued)

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.

Capital risk management

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

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

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

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

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

The capital risk management policy remains unchanged from the 30 June 2024 Annual Report.

Note 22. Reserves

	Consolidated	
	2025	2024
	\$	\$
Foreign currency reserve	(229,732)	(220,270)
Capital reserve	314,377	314,377
Reserves in relation to transaction within owners capacity	(2,801,759)	(2,801,759)
	<u>(2,717,114)</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.

Reserves in relation to transaction within owners capacity

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.

Capital reserve

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

Note 22. Reserves (continued)

Movements in reserves

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

	Foreign currency reserve \$	Reserves in relation to transaction within owners capacity \$	Capital reserve \$	Total \$
Consolidated				
Balance at 1 July 2023	(247,097)	(2,801,759)	314,377	(2,734,479)
Foreign currency translation	26,827	-	-	26,827
Balance at 30 June 2024	(220,270)	(2,801,759)	314,377	(2,707,652)
Foreign currency translation	(9,462)	-	-	(9,462)
Balance at 30 June 2025	<u>(229,732)</u>	<u>(2,801,759)</u>	<u>314,377</u>	<u>(2,717,114)</u>

Note 23. Dividends

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

Note 24. Financial risk management

Financial risk management objectives

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

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

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

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The potential impact of foreign currency fluctuations is not considered material to the consolidated financial statements.

Price risk

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

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

Note 24. Financial risk management (continued)

Equity investments are publicly traded on the Australian Securities Exchange (ASX). If there was a 10% increase or decrease in the share price of Kalli Resources Limited (ASX: KLR) and Key Petroleum Limited (ASX: KEY), with all other variables held constant, the consolidated entity's profit before tax would have been \$11,496 higher/ \$11,496 lower (2024: \$1,760 higher/ \$1,760 lower). For those investments accounted for using the equity method, if there was a 10% increase or decrease in the share price of Rey Resources Limited (ASX: REY) and ActivEX Limited (ASX: AIV), with all other variables held constant, the consolidated entity's profit before tax would have been \$60,265 higher/ \$60,265 lower (2024: \$238,312 higher/ \$238,312 lower). The percentage change is the expected overall volatility of the investments, which is based on management's assessment of reasonable possible fluctuations.

Interest rate risk

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

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

An official increase/decrease in interest rates of 50 (2024: 50) basis points would have a favourable/adverse effect on profit before tax of \$6,331 (2024: \$6,653) per annum.

Credit risk

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

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

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

There was no provision for lifetime or 12 month ECL recognised for trade receivables as at 30 June 2025 as there are minimal aged debts.

As at 30 June 2025, the consolidated entity has a credit risk exposure with its loan receivables of \$1,628,455 (2024: \$1,131,968). The consolidated entity has recognised a loss of \$728,224 (2024: \$95,749) in profit or loss in respect of the expected credit losses for the year ended 30 June 2025.

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

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

	Consolidated	
	2025	2024
	\$	\$
Cash and cash equivalents	1,266,107	1,330,501
Trade receivables	169,208	419,061
Deposits	123,695	146,781
	<u>1,559,010</u>	<u>1,896,343</u>

Note 24. Financial risk management (continued)

Liquidity risk

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

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

Remaining contractual maturities

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

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Remaining contractual maturities \$
Consolidated - 2025				
Non-derivatives				
<i>Non-interest bearing</i>				
Trade payables	-	143,796	-	143,796
Other payables	-	179,111	-	179,111
<i>Interest-bearing - variable</i>				
Lease liability	6 to 14%	271,836	220,922	492,758
Total non-derivatives		594,743	220,922	815,665

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Remaining contractual maturities \$
Consolidated - 2024				
Non-derivatives				
<i>Non-interest bearing</i>				
Trade payables	-	179,430	-	179,430
Other payables	-	548,838	-	548,838
<i>Interest-bearing - variable</i>				
Lease liability	6 to 14%	255,840	492,758	748,598
<i>Interest-bearing - fixed rate</i>				
Convertible notes payable	10%	-	29,407,743	29,407,743
Total non-derivatives		984,108	29,900,501	30,884,609

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

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Fair value hierarchy

The following tables detail the consolidated entity's assets, 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

Note 24. Financial risk management (continued)

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Consolidated - 2025				
<i>Assets</i>				
Ordinary shares at fair value through profit or loss	114,961	-	-	114,961
Consolidated - 2024				
<i>Assets</i>				
Ordinary shares at fair value through profit or loss	17,600	-	-	17,600

There were no transfers between levels during the financial year.

Note 25. Key management personnel disclosures

Compensation

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

	Consolidated	
	2025	2024
	\$	\$
Short-term employee benefits	690,029	752,877
Post-employment benefits	30,988	31,737
Long-term benefits	4,403	(24,818)
	<u>725,420</u>	<u>759,796</u>

Note 26. Remuneration of auditors

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

	Consolidated	
	2025	2024
	\$	\$
<i>Interim audit services - Nexia Sydney Audit</i>	43,673	40,000
<i>Annual audit services - Nexia Sydney Audit</i>	-	78,632
<i>- Wis Audit</i>	60,000	-
Audit or review of the financial statements	<u>103,673</u>	<u>118,632</u>
<i>Audit services - unrelated firms</i>		
Audit or review of the financial statements	<u>5,175</u>	<u>5,090</u>
<i>Other services - unrelated firms</i>		
Tax compliance service	<u>6,832</u>	<u>5,165</u>
	<u>115,680</u>	<u>128,887</u>

Note 27. Contingencies

The consolidated entity has given bank guarantees as at 30 June 2025 of \$123,695 (30 June 2024: \$146,781).

Note 28. Commitments

	Consolidated	
	2025	2024
	\$	\$
<i>Capital commitments - Exploration and evaluation</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	2,331,274

In the prior year, capital commitments related to the minimum annual expenditure requirements under exploration licences for tenements in Queensland. No capital commitments exist in the current year as a result of the disposal of the relevant subsidiaries.

Note 29. Related party transactions

Parent entity

ASF Group Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 31.

Associates

Interests in associates are set out in note 32.

Key management personnel

Disclosures relating to key management personnel are set out in note 25 and the remuneration report included in the directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2025	2024
	\$	\$
<i>Sale of goods and services:</i>		
Corporate service fee earned from associates	366,000	456,000
Property sale commission earned from Peninsula Gold Coast Development Pty Ltd, an entity in which Ms Min Yang has beneficial interest	-	1,850,472
<i>Payment for other expenses:</i>		
Rent paid to SPC Investments Pty Ltd, an entity in which Ms Min Yang has a beneficial interest	332,090	276,837
Consulting fees paid to Gold Star Industry Ltd, an entity in which Mr Geoff Baker has a beneficial interest	69,000	76,500
Consulting fees paid to Chanticleer 168 Pty Ltd, an entity in which Mr Louis Chien has a beneficial interest	96,900	122,400

Receivable from related parties

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

	Consolidated	
	2025	2024
	\$	\$
<i>Current receivables:</i>		
ActivEx Limited	17,677	-
Key Petroleum Limited	26,400	-
Rey Resources Limited	39,600	-
BSF Enterprise (Hong Kong) Limited	1,377	369
	<u>85,054</u>	<u>369</u>

Note 29. Related party transactions (continued)

Loans to/from related parties

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

	Consolidated	
	2025	2024
	\$	\$
Current receivables:		
Loan to associate - Dawson West Joint Venture	620,492	231,737
Less: Allowance for impairment of receivables	(620,492)	-
	-	-
Non-current receivables:		
Loan to associate - Rey Resources Limited ¹	1,007,963	900,231
Less: Allowance for impairment of receivables	(1,007,963)	(900,231)
	-	-

1. The difference of \$107,732 represented accrued interest for the year.

Terms and conditions

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

Note 30. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2025	2024
	\$	\$
Profit / (Loss) after income tax	10,665,923	(5,693,516)
Total comprehensive income	10,665,923	(5,693,516)

Statement of financial position

	Parent	
	2025	2024
	\$	\$
Total current assets	966,281	335,507
Total assets	1,855,470	20,595,798
Total current liabilities	1,492	1,785,941
Total liabilities	1,787,433	31,193,684
Equity		
Issued capital	122,661,927	122,661,927
Capital reserve	314,377	314,377
Accumulated losses	(122,908,267)	(133,574,190)
Total equity / (deficiency in equity)	68,037	(10,597,886)

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

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2025 and 30 June 2024.

Note 30. Parent entity information (continued)

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 and 30 June 2024.

Material accounting policy information

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

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 31. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		2025 %	2024 %
ASF China Holdings Limited	British Virgin Islands	100.00%	100.00%
ASF Corporate Pty Ltd	Australia	100.00%	100.00%
ASF (Hong Kong) Ltd	Hong Kong	100.00%	100.00%
ASF Oil and Gas Holdings Pty Ltd	Australia	100.00%	100.00%
ASF Properties Pty Ltd	Australia	100.00%	100.00%
ASF Resources Pty Ltd *	Australia	-	100.00%
BSF International Ltd	United Kingdom	100.00%	100.00%
ASF Capital Pty Ltd	Australia	100.00%	100.00%
ASF Capital Investment Fund	Australia	100.00%	100.00%
ASF Capital Secure Fund	Australia	100.00%	100.00%
ASF Venture Fund	Australia	100.00%	100.00%
Activex Canning Pty Ltd #	Australia	100.00%	100.00%

* Disposed on 27 March 2025.

Acquired on 5 April 2024.

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

Name	Principal place of business / Country of incorporation	Principal activities	Parent		Non-controlling interest	
			Ownership interest 2025 %	Ownership interest 2024 %	Ownership interest 2025 %	Ownership interest 2024 %
Civil and Mining Resources Pty Ltd *	Australia	Exploration	-	69.00%	-	31.00%
ASF Technologies (Australia) Pty Ltd	Australia	Development of SYTECH technologies	62.00%	62.00%	38.00%	38.00%
BSF Angel Funding Limited #	United Kingdom	Investment holding	50.00%	50.00%	50.00%	50.00%

* Disposed on 27 March 2025.

This entity only holds the investment in BSF Enterprise PLC which has been equity accounted, as shown in note 32.

Note 31. Interests in subsidiaries (continued)

Summarised financial information

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

	Civil and Mining Resources Pty Ltd *		ASF Technologies (Australia) Pty Ltd	
	2025	2024	2025	2024
	\$	\$	\$	\$
<i>Summarised statement of financial position</i>				
Current assets	-	44,131	76,253	125,630
Non-current assets	-	3,362,945	13,263	288,826
Total assets	-	3,407,076	89,516	414,456
Current liabilities	-	5,565,796	71,373	14,513
Non-current liabilities	-	10,810,708	-	-
Total liabilities	-	16,376,504	71,373	14,513
Net assets/(liabilities)	-	(12,969,428)	18,143	399,943
<i>Summarised statement of profit or loss and other comprehensive income</i>				
Revenue	723,792	3,524	152,006	95,111
Expenses	(1,740,181)	(3,630,776)	(533,807)	(273,511)
Loss before income tax expense	(1,016,389)	(3,627,252)	(381,801)	(178,400)
Income tax expense	-	-	-	-
Loss after income tax expense	(1,016,389)	(3,627,252)	(381,801)	(178,400)
Other comprehensive income	-	-	-	-
Total comprehensive income	(1,016,389)	(3,627,252)	(381,801)	(178,400)
<i>Statement of cash flows</i>				
Net cash used in operating activities	(644,430)	(2,639,158)	(58,067)	(251,325)
Net cash used in investing activities	(2,473)	(15,607)	-	-
Net cash from financing activities	620,000	2,474,087	-	-
Net increase/(decrease) in cash and cash equivalents	(26,903)	(180,678)	(58,067)	(251,325)

The total accumulated non-controlling interests at the end of the reporting period is \$64,318 (2024: (\$3,034,855))

* Disposed on 27 March 2025

Note 32. Interests in associates

Interests in associates are accounted for using the equity method of accounting. Information relating to principal associates of the consolidated entity at the end of the reporting period are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2025 %	2024 %
ASF Macau Multinational Holdings Ltd (1)	British Virgin Islands	40.00%	40.00%
Key Petroleum Ltd (2)	Australia	9.92%	9.96%
Rey Resources Limited (3)	Australia	16.39%	16.39%
ActivEX Limited (4)	Australia	16.97%	16.74%
UK Interational Innovation Centre Limited (5)	United Kingdom	-	20.00%
BSF Enterprise PLC (6)	United Kingdom	6.47%	8.04%

- (1) Investment in this entity has been fully impaired.
(2) Strategic investment for the consolidated entity, entity involved in oil and gas operations. Investment has been reclassified as financial assets at fair value through profit or loss in current year.
(3) Strategic investment for the consolidated entity, entity involved in exploring and developing energy resources.
(4) Strategic investment for the consolidated entity, entity involved in mineral operation targeting copper-gold and gold mineralisation.
(5) Strategic investment for the consolidated entity, entity involved in the development of an incubation centre for development of early stage technology and life science businesses. Investment in this entity has been disposed in April 2024.
(6) Strategic investment for the consolidated entity, entity involved in the development of 3D tissue aimed to offer superior tissue replicates for the clinical and food markets. The investment is held through BSF Angel Funding Limited which the consolidated entity has an interest of 50%.

Summarised financial information of associates that are material to the consolidated entity are set out below:

	Key Petroleum Ltd ¹		Rey Resources Ltd ²		ActivEX Limited ³	
	2025 \$	2024 \$	2025 \$	2024 \$	2025 \$	2024 \$
<i>Summarised statement of financial position</i>						
Current assets - cash and cash equivalents	-	172,074	203,546	268,695	187,541	53,334
Current assets - others	-	8,564	95,054	5,107	477,540	25,674
Non-current assets	-	1,330,419	30,755,933	33,830,393	4,316,028	5,820,551
Total assets	-	1,511,057	31,054,533	34,104,195	4,981,109	5,899,559
Current liabilities - others	-	294,729	23,536,501	836,365	2,792,025	104,544
Non-current liabilities - others	-	-	-	22,527,146	-	2,568,864
Total liabilities	-	294,729	23,536,501	23,363,511	2,792,025	2,673,408
Net assets	-	1,216,328	7,518,032	10,740,684	2,189,084	3,226,151
<i>Summarised statement of profit or loss and other comprehensive income</i>						
Revenue	-	16,970	-	-	250,233	8,717
Interest income	3,157	8,092	1,444	-	-	-
Depreciation and amortisation	-	-	-	-	-	-
Expenses	(238,624)	(986,455)	(3,223,371)	(9,400,573)	(1,287,298)	(2,709,530)
Profit/(Loss) before income tax	(235,467)	(961,393)	(3,221,927)	(9,400,573)	(1,037,065)	(2,700,813)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	(235,467)	(961,393)	(3,221,927)	(9,400,573)	(1,037,065)	(2,700,813)

¹ The Company lost significant influence over KEY on 15 January 2025 and accordingly KEY was re-classified as financial asset at fair value through profit or loss. The summarised statement of profit or loss for KEY as disclosed above were for the six months ended 31 December 2024 and the effect from 1 January 2025 up to 15 January 2025 were immaterial.

² Based on the draft financial statements provided by the associate.

³ Based on the audited financial statements of the associate.

Note 32. Interests in associates (continued)

(a) Carrying amount of associates that are material to the consolidated entity are set out below:

	Key Petroleum Ltd		Rey Resources Ltd		ActivEX Limited *	
	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$
<i>Reconciliation of the Group's carrying amount</i>						
Opening carrying amount	225,373	225,373	1,941,333	6,066,667	216,414	500,295
Share of loss after income tax	(23,090)	(95,748)	(527,949)	(1,540,366)	(53,377)	(452,040)
Foreign exchange difference	-	-	-	-	-	-
(Impairment)/Reversal of impairment	(132,868)	95,748	(1,066,717)	(2,584,968)	(168,159)	168,159
Acquisition of investment	27,946	-	-	-	5,122	-
Transfer of investment to FVTPL	(97,361)	-	-	-	-	-
Closing carrying amount	-	225,373	346,667	1,941,333	-	216,414
Quoted fair value	97,361	225,373	346,667	1,941,333	255,984	216,414

* The consolidated entity's share of losses in ActivEX Limited has reduced the carrying amount of the investment to nil. Accordingly, the consolidated entity has not recognised further losses. The consolidated entity's unrecognised share of losses in ActivEX Limited for the year ended 30 June 2025 is \$121,154 (2024: Nil). The cumulative unrecognised share of losses is \$121,154 (2024: Nil).

The consolidated entity's share of losses in BSF Enterprise PLC has reduced the carrying amount of the investment to nil. Accordingly, the consolidated entity has not recognised further losses. The consolidated entity's unrecognised share of losses in BSF Enterprise PLC for the year ended 30 June 2025 is \$504,200 (2024: \$489,979). The cumulative unrecognised share of losses is \$994,179 (2024: \$489,979).

Contingent liabilities

Contingent liabilities as at 30 June 2025 nil (30 June 2024: nil).

Commitments

Share of commitments but not recognised as liability as at 30 June 2025 nil (30 June 2024: nil).

Note 33. Events after the reporting period

In July 2025, the Company accepted the off-market takeover offer from Vigorous and received proceeds of \$0.97 million on 5 August 2025 for all the REY shares held by the Company.

On 12 August 2025, the Company announced the extension of its on-market share buyback program for a further 12 months from 26 August 2025 and up to 79.2 million shares of the Company can be bought back over the next 12 months under the new buyback program.

The Company sold all 2.2 million shares of Kaili Resources Limited (ASX: KLR) on the market at an average price of \$0.28 per share in August 2025.

No other matters or circumstances that have arisen since 30 June 2025 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.

Note 34. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2025	2024
	\$	\$
Profit/(Loss) after income tax expense for the year	25,303,323	(9,929,795)
Adjustments for:		
Depreciation and amortisation	287,415	264,861
Net loss on disposal of property, plant and equipment	-	4,842
Impairment of investments	1,367,744	2,398,985
Share of loss - associates	604,416	2,101,059
Write back impairment of investment in associates	-	(66,925)
Foreign exchange differences	(5,279)	(1,549)
Impairment of other receivables	728,224	96,453
Interest and other finance costs	1,915,734	2,255,259
Gain on disposal of subsidiaries	(32,744,545)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(61,563)	94,565
Increase/(decrease) in trade and other payables	29,641	(404,211)
Net cash used in operating activities	<u>(2,574,890)</u>	<u>(3,186,456)</u>

Note 35. Changes in liabilities arising from financing activities

Consolidated	Convertible	Other	Total
	notes	loans	
	\$	\$	\$
Balance at 1 July 2023	26,169,574	2,602,334	28,771,908
Loan drawdown	1,000,000	1,789,109	2,789,109
Interest payable	2,238,169	479,781	2,717,950
Balance at 30 June 2024	29,407,743	4,871,224	34,278,967
Loan drawdown	900,000	2,000,000	2,900,000
Assignment of loan *	(9,631,449)	-	(9,631,449)
Interest payable	1,697,541	392,970	2,090,511
Conversion of loan *	(22,373,835)	-	(22,373,835)
Disposal of subsidiaries *	-	(7,264,194)	(7,264,194)
Balance at 30 June 2025	<u>-</u>	<u>-</u>	<u>-</u>

* On 27 March 2025, Star Diamond Developments Limited ("Star Diamond") converted all outstanding loans including accrued interest due by the Company under a \$25 million unsecured convertible loan facility granted by Star Diamond into 100% equity of ASF Resources Pty Ltd, a wholly owned subsidiary of the Company, which holds 68.97% interest in Civil & Mining Resources Pty Ltd, a private company that holds 87.5% interest in Dawson West coal project in Queensland.

As a result of assignment to Star Diamond of the approximately \$9.6 million loan due by CMR, a net outstanding amount (including accrued interest) of approximately \$22 million due to Star Diamond was discharged in full.

Note 36. Earnings per share

	Consolidated 2025 \$	2024 \$
Profit / (Loss) after income tax	25,303,323	(9,929,795)
Non-controlling interest	514,755	636,976
Profit / (Loss) after income tax attributable to the owners of ASF Group Limited	<u>25,818,078</u>	<u>(9,292,819)</u>
	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	<u>792,397,534</u>	<u>792,397,534</u>
	Cents	Cents
Basic earnings per share	3.258	(1.17)
Diluted earnings per share	3.258	(1.17)

Note 37. Disposal of subsidiaries

As disclosed in Note 6, on 27 March 2025 the Group disposed of its interest in its wholly owned subsidiary, ASF Resources Pty Ltd ("ASFR"). ASFR holds a 68.97% interest in Civil and Mining Resources Pty Ltd ("CMR"), which in turn holds an 87.5% interest in Dawson West. The disposal was executed in exchange for the discharge of a convertible loan payable to Star Diamond.

The consolidated net assets of ASFR at the date of disposal were as follows:

	\$
Cash and cash equivalents	6,993
Trade and other receivables	13,351
Property, plant and equipment	1,725
Exploration and evaluation expenditure	3,362,835
Trade and other payables	(473,899)
Borrowings	(16,895,643)
Non-controlling interest	3,613,928
Net assets / (liabilities) disposed of	<u>(10,370,710)</u>
Less: Conversion of loan due to Star Diamond	<u>22,373,835</u>
Gain on disposal	<u>32,744,545</u>

Note 38. Major non-cash transaction

On 27 March 2025, Star Diamond Developments Limited ("Star Diamond") converted all outstanding loans including accrued interest due by the Company under a \$25 million unsecured convertible loan facility granted by Star Diamond into 100% equity of ASF Resources Pty Ltd, a wholly owned subsidiary of the Company, which holds 68.97% interest in Civil & Mining Resources Pty Ltd, a private company that holds 87.5% interest in Dawson West coal project in Queensland.

As a result of assignment to Star Diamond of the approximately \$9.6 million loan due by CMR, a net outstanding amount (including accrued interest) of approximately \$22 million due to Star Diamond was discharged in full.

Entity name	Entity type	Place formed / incorporated	% of share capital held	Tax residency
ASF Group Limited	Body Corporate	Australia	-	Australia
ASF Corporate Pty Ltd	Body Corporate	Australia	100.00%	Australia
ASF Oil and Gas Holdings Pty Ltd	Body Corporate	Australia	100.00%	Australia
ASF Properties Pty Ltd	Body Corporate	Australia	100.00%	Australia
ActivEx Canning Pty Ltd	Body Corporate	Australia	100.00%	Australia
ASF Capital Pty Ltd	Body Corporate	Australia	100.00%	Australia
ASF Capital Investment Fund	Fixed Unit Trust	Australia	100.00%	Australia
ASF Capital Secure Fund	Fixed Unit Trust	Australia	100.00%	Australia
ASF Venture Fund	Fixed Unit Trust	Australia	100.00%	Australia
ASF Technologies (Australia) Pty Ltd	Body Corporate	Australia	62.00%	Australia
BSF International Ltd	Body Corporate	United Kingdom	100.00%	United Kingdom
BSF Angel Funding Limited	Body Corporate	United Kingdom	50.00%	United Kingdom
ASF (Hong Kong) Ltd	Body Corporate	Hong Kong	100.00%	Hong Kong
ASF China Holdings Limited	Body Corporate	British Virgin Islands	100.00%	British Virgin Islands

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

Determination of tax residency

Section 295 (3A)(vi) of the *Corporations Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- **Australian tax residency**
The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5
- **Foreign tax residency**
Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the *Corporations Act 2001*).

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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

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

On behalf of the directors

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

Min Yang
Chairman

1 October 2025

Independent Auditor's Report to the members of ASF Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of ASF Group Limited (the Company) and its subsidiaries (altogether the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Group had net cash outflow from operating activities of \$2,574,890 for the year ended 30 June 2025. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<i>Accounting for the disposal of the subsidiary - ASF Resources Pty Ltd (ASFR)</i> Refer to Note 6 <i>Gain on disposal of subsidiaries</i> and Note 37 <i>Disposal of subsidiaries</i>. During the year, the Group entered a deed with Star Diamond Developments Limited (Star Diamond) to which the Group has an outstanding loan payable balance of \$22,373,835. By executing the deed, the Group transferred all interests in its subsidiary ASFR (and all its controlled entities and operations) to Star Diamond, in consideration of full discharge of the loan. A gain of \$32,744,545 from this transaction was recorded in the consolidated statement of profit or loss and other comprehensive income. Accounting for the transaction required significant judgments and accounting calculation in accordance with AASB 10 <i>Consolidated Financial Statements</i> and AASB 9 <i>Financial Instruments</i>. Given the significance of the transaction and the judgment involved, this is considered a key audit matter.	Our audit procedures included, amongst others: - Assessing management's determination of the date of loss of control over ASFR; - Testing the derecognition of assets, liabilities and non-controlling interests from the Group's consolidated financial report, against supporting documentation; - Verifying the settlement of the loan facility, including accrued interest, to the executed conversion agreement and supporting calculations; - Recalculating the gain on disposal; and - Evaluating the adequacy of the related disclosures in the financial report.
<i>Impairment of Investments in Rey Resources Limited (Rey)</i> Refer to Note 13 <i>Investments accounted for using the equity method</i> and Note 32 <i>Interests in associates</i>. The Group's investment in Rey is accounted for using the equity method. During the current year, the Group recorded impairment losses for the investment of \$1,066,717, in accordance with AASB 136 <i>Impairment of Asset</i>. Given the significance of the impairment and the judgment required in assessing the impairment, this is considered a key audit matter.	Our audit procedures included, amongst others: - Obtaining understanding of the Group's accounting policies in relation to investment in associates. - Reviewing and assessing management impairment workings and the underlying evidence and assumptions. - Evaluating the adequacy of disclosures in the financial report relating to the investments and associated impairments.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluates the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

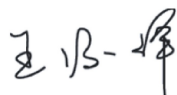
We have audited the Remuneration Report included in pages 9 to 14 of the directors' report for the year ended 30 June 2025. In our opinion, the Remuneration Report of ASF Group Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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



Wis Audit Pty Ltd (AAC No. 528780)



Lingfeng Wang

Director
Sydney, 1 October 2025

The shareholder information set out below was applicable as at 26 September 2025.

Distribution of equitable securities

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

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	1,358	0.072
1,001 to 5,000	982	0.333
5,001 to 10,000	330	0.337
10,001 to 100,000	363	1.264
100,001 and over	89	97.994
	3,122	100.000
Holding less than a marketable parcel	3,012	1.769

Equity security holders

Twenty largest quoted equity security holders

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

	Ordinary shares	
	Number held	% of total shares issued
FY HOLDINGS LIMITED	86,914,266	10.969%
EVERBRIGHT SECURITIES INVESTMENT SERVICES (HK) LTD <CLIENTS A/C>	76,534,488	9.659%
MR TIANYAO ZHANG	46,000,000	5.805%
WAI SANG HO	44,808,270	5.655%
MR WEICHENG HE	39,415,000	4.974%
RISING GAIN HOLDINGS LIMITED	39,214,563	4.949%
TEAM FORTUNE TRADING LIMITED	39,000,000	4.922%
WELL SMART CAPITAL HOLDINGS	38,462,500	4.854%
FOREVER GRAND GROUP LIMITED	37,156,615	4.689%
FEIXIONG YE	35,680,202	4.503%
WISEPLAN HOLDINGS LTD	34,086,919	4.302%
BETTER FUTURE CAPITAL INVESTMENT LIMITED	33,750,000	4.259%
XING MAO LIMITED	31,226,457	3.941%
GLORY RESOURCES INTERNATIONAL INVESTMENT LIMITED	30,000,000	3.786%
MR ZHEN LI	29,124,153	3.675%
JADE SILVER INVESTMENTS LIMITED	26,573,776	3.354%
NGA FONG LAO	18,026,525	2.275%
MR JIANZHONG YANG	10,000,000	1.262%
GOLD STAR INDUSTRY LIMITED	7,734,517	0.976%
MR YIMING DU & MS LI CHEN	5,625,000	0.710%
	709,333,251	89.517%

Unquoted equity securities

There are no unquoted equity securities.

Substantial holders

Substantial holders in the company are set out below:

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

Voting rights

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

Ordinary shares

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

There are no other classes of equity securities.

Exploration Tenements

Tenement Number	Tenement Name	Interest owned %
EPC2386	Lonesome Creek	100%
EPC2421	Cracow West	100%
EPC2390	Styx	100%
EPC2432	Carnarvon	100%
EPC2392	Mount Lorne	100%
EPC2387	Bioela South	100%
EPC2459	Riverview	100%
EPC2360	Denison Creek	100%
EPC2451	Mount Patterson	100%
EPC04/2681	Liveringa (Application)	100%

Directors	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
Company secretary	Mr Chi Yuen (William) Kuan
Registered office	Suite 2, 3B Macquarie Street Sydney NSW 2000 Telephone: 02 9251 9088 Facsimile: 02 9251 9066
Principal place of business	Suite 2, 3B Macquarie Street Sydney NSW 2000 Telephone: 02 9251 9088 Facsimile: 02 9251 9066
Share register	Boardroom Pty Limited Level 8, 210 George Street Sydney NSW 2000 Telephone: 02 9290 9600 Facsimile: 02 9279 0664
Auditor	Wis Audit Pty Ltd Suite 801, Level 8 50 Margaret Street Sydney NSW 2000
Solicitors	Thomson Geer Lawyers Level 25 1 O'Connell Street, Sydney NSW 2000
Bankers	Commonwealth Bank of Australia 48 Martin Place, Sydney NSW 2000
Stock exchange listing	ASF Group Limited shares are listed on the Australian Securities Exchange (ASX code: AFA)
Website	www.asfgroupltd.com
Corporate governance statement	The corporate governance statement was approved at the same time as the annual report and can be found at https://www.asfgroupltd.com/investor-centre/

