

Appendix 4C

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

Name of entity

ASF Group Limited

ABN

50 008 924 570

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	301	542
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(2)	(4)
(d) leased assets	-	-
(e) staff costs	(325)	(651)
(f) administration and corporate costs	(213)	(836)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other - GST (paid)/refunds and misc expense	(12)	(8)
1.9 Net cash from / (used in) operating activities	(250)	(955)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,184	1,881
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(250)	(955)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(11)	(3)
4.6	Cash and cash equivalents at end of period	923	923

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	923	1,184
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	923	1,184

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(256) *
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

* Consulting fees, director fees and salary (\$181), office lease (\$75)

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(250)
8.2 Cash and cash equivalents at quarter end (item 4.6)	923
8.3 Unused finance facilities available at quarter end (item 7.5)	3,050
8.4 Total available funding (item 8.2 + item 8.3)	3,973
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	15.9
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	N/A
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	N/A

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

Answer: N/A

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

Compliance statement

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

30 January 2024

Date:

William Kuan, Company Secretary

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

Notes

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

Activities Report – For the quarter ended 31 December 2023

Corporate

As of 31 December 2023, the Company together with its subsidiaries (the “Group”) maintained a cash balance of approximately \$0.92 million and has an available loan facility of \$3.05 million granted by Star Diamond Developments Limited.

Pursuant to section 6 of the Company’s Appendix 4C, the Company paid approximately \$256,000 to the related parties during the quarter, of which \$181,000 were consulting and director fees and \$75,000 were office rentals.

Principal Investments

ActivEX Limited (“AIV”)

AIV is an ASX listed mineral exploration company holding a number of prospective tenements, principally targeting copper, gold and critical minerals in Queensland.

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

Rey Resources Limited (“REY”)

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

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

Key Petroleum Limited (“KEY”)

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

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

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

As a result of the aforesaid placement, the Group’s interest in the issued capital of KEY was diluted to 9.96% as at 31 December 2023 with a market value of \$0.23 million.

Kaili Resources Limited (“KLR”)

KLR is a resources exploration company which holds tenements in Western Australia. The Group holds 2.2 million shares in KLR with a market value of \$22,000 as at 31 December 2023.

Civil & Mining Resources Pty Ltd (“CMR”)

Together with its subsidiary ASF Resources Pty Ltd, the Company holds 68.97% of the issued capital of CMR which is a privately owned company with a substantial coal tenement portfolio in Queensland situated in close proximity to operating mines, infrastructure and proven economic coal resources.

The Dawson West project, which is 87.5% owned by CMR, has confirmed export quality thermal coal resources with seams of mineable thickness expected to extend further into unexplored areas. CMR has



defined a JORC2012 code compliant resource, with a total of 876Mt (188Mt Indicated, 688Mt Inferred resource). During the quarter, CMR together with its JV partner continued the preparation and development of the sample pit operations and associated logistics for the project.

ASF Technologies (Australia) Pty Ltd (“ASFTA”)

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

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

In addition to new energy vehicles, the engine is easily adaptable for a range of power applications ranging from aviation use to home generator use. The engine is designed to be fuel agnostic and can run on Gasoline, LPG, CNG and Hydrogen. During the quarter, ASFTA has been further progressing engine testing to target completion by mid 2024.

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

BSF Enterprise PLC (“BSFA”)

BSF Enterprise PLC (LSE: **BSFA**), (OTCQB: BSFAF) is at the forefront of unlocking the next era of biotechnological solutions, focusing on cell-based tissue engineering to revolutionize cultured meat, lab-grown leather, human corneas, collagen growth, and skin substitutes across various sectors. As the parent company, BSFA initially acquired 100% of 3D Bio-Tissues Ltd (**3DBT**), which had developed a proprietary platform technology termed “tissue templating” (commonly referred to as “tissue engineering”) that facilitates the production of a variety of animal tissue types for multiple uses.

3DBT was spun-out from Newcastle University, UK in 2019 as a tissue engineering firm with patent-protected technology that aims to offer structured, functional and scalable tissue replicates with potential applications in clinical settings for the replacement of human skin & corneas or broader uses in consumable protein including lab grown meat.

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

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

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

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



Property Marketing and Services

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

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

Fund Management and Advisory Services

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

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

Information about ASF

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

Authorised by:
Board of ASF Group Limited

For further information, please contact:
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