Appendix 4C

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

For personal use only

Name of entity	
ASF Group Limited	
ABN	**Quarter ended ("current quarter")**
50 008 924 570	30 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	290	290
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(13)	(13)
	(d) leased assets	-	-
	(e) staff costs	(349)	(349)
	(f) administration and corporate costs	(808)	(808)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	310	310
1.8	Other - GST refunds and misc expense	63	63
1.9	**Net cash from / (used in) operating activities**	**(507)**	**(507)**

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	(63)	(63)

For personal use only

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	19	19
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	1,540	1,540
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	92	92
2.6	**Net cash from / (used in) investing activities**	**1,588**	**1,588**

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	3	3
	- shares buy-back	(5)	(5)
3.10	**Net cash from / (used in) financing activities**	**(2)**	**(2)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,827	3,827
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(507)	(507)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1,588	1,588

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2)	(2)
4.5	Effect of movement in exchange rates on cash held	(2)	(2)
4.6	**Cash and cash equivalents at end of period**	**4,904**	**4,904**

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	4,904	3,827
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)**	**4,904**	**3,827**

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	(241) *
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

* Consulting fees, director fees and salary ($166), office lease ($75)

For personal use only

7.	**Financing facilities** *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (Convertible Loan)	23,000	18,150
7.4	**Total financing facilities**	23,000	18,150

7.5	**Unused financing facilities available at quarter end**	4,850

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Unsecured convertible loan facilities which bear an interest rate at 10% per annum with extended maturity date of 31 October 2021 granted by Star Diamond Developments Limited:

(i) $5 million granted on 15 September 2016 which had been fully drawn down; and

(ii) $10 million granted on 21 March 2017, which has been subsequently increased to $18 million. As of 30 September 2020, a total of $13.15 million had been drawn down by the Company.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(507)
8.2	Cash and cash equivalents at quarter end (item 4.6)	4,904
8.3	Unused finance facilities available at quarter end (item 7.5)	4,850
8.4	Total available funding (item 8.2 + item 8.3)	9,754
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	19.2

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.

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

For personal use only

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.

29 October 2020

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.

For personal use only

ASF GROUP LIMITED
ACN 008 924 570
Bennelong, 2/3B Macquarie Street
Sydney NSW 2000
Telephone: (61 2) 9251 9088
Facsimile: (61 2) 9251 9066
www.asfgroupltd.com

For personal use only

Activities Report – For the quarter ended 30 September 2020

Corporate

During the quarter, the Company received a repayment of loan principal of $1,540,000 from Rey Resources Limited ("REY"). The $2 million loan facility granted by the Company is available for redraw by REY before the maturity date which has been extended to 31 October 2021.

As of 30 September 2020, the Company together with its subsidiaries (the "Group") maintained a cash balance of $4.9 million.

During the quarter ended 30 September 2020, the Company bought back 90,000 shares at an average price of $0.059 per share.

As required pursuant to section 6 of the Company's Appendix 4C, the Company paid approximately $241,000 to the related parties during the quarter, of which $166,000 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 gold mineralisation in Queensland. AIV also holds a potash project in Western Australia, which has an established resource and a granted mining lease.

The Group holds 19.62% of the issued capital of AIV with a market value of $3.5 million as of 30 September 2020.

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

As at 30 September 2020, the Group holds 16.34% of the issued capital of REY with a market value of $6.6 million.

Key Petroleum Limited ("KEY")
KEY is an ASX listed Australian oil and gas operating company focused on exploration in conventional and unconventional projects in the North Perth and Canning Basins in Western Australia. Acreage within the Canning Basin portfolio consists of a number of exciting development and exploration opportunities.

As at 30 September 2020, the Group holds 11.45% of the issued capital of KEY with a market value of $1.1 million.

Kaili Resources Limited ("KLR")
KLR is a resources exploration company which holds tenements in QLD and Western Australia. The Group holds 2.2 million shares in KLR with a market value of $88,000 as at 30 September 2020.

For personal use only

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.

ASF Technologies (Australia) Pty Ltd ("ASFTA")
ASFTA is an Australian company that has developed Australian patents for the Scotch Yoke mechanism technology used initially as range extender for electric vehicles which results in power generation for engines with lower vibration, less noise, lower emissions, and lower cost than conventional engines.

Property Marketing and Services

ASF Properties Pty Ltd ('ASFP'), a wholly-owned subsidiary of the Company, continues to provide international property services to investors in Australia and China. It represents an important strategic platform for investors to access the Australian real estate market. The service scope includes development management, property management, property advisory, and development syndication. The projects which ASFP provides services for are located in 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 able to form any number of tailor-made wholesale funds to capture a diverse array of investment opportunities.

Castle Green, London

The Group and the London Borough of Barking & Dagenham ('LBBD') continue to work jointly together in assessing the possible development of a major infrastructure project in the Castle Green area, which could include the building of 15,000 new residential dwellings; rerouting of the A13 trunk road and creating commercial buildings of 3,700,000 square feet which will create an estimated 8,000 employment opportunities.

The Castle Green project will be transformational for LBBD, bringing considerable social, economic and infrastructure benefits, and will be conducted together with Be First LBBD's local authority regeneration company.

3D Bio-Tissues, UK

During the quarter, the Company completed its equity investment in 3D Bio-Tissues Ltd ("3DBT") and is now 49% owned by BSF Angel Funding Limited, a subsidiary of the Company.

3DBT was spun-out from Newcastle University, UK in 2019 and is aimed to offer superior tissue replicates for the restoration of a patients' skin or cornea and it also has a broader application in food markets.

For personal use only

UKIIC, UK

In November 2019, the Company through its wholly owned UK subsidiary BSF International Ltd launched the UK International Innovation Centre (**UKIIC**) to join the Cocoon Global in the City of London to develop an incubation Centre for development of early stage technology and life science businesses.

As of 30 September 2020, the Group holds 20% interest in the issued capital of UKIIC.

Information about ASF

ASF Group Limited (ASX: AFA) is unique among ASX-listed public companies as it powers business between the East and West. ASF is an investment and trading house which focuses principally on the identification, incubation and realization of opportunities in areas of synergy between China, Australia, UK and Europe including technology, oil & gas, resources, property, infrastructure, travel and financial services sectors.

Authorised by:
Board of ASF Group Limited

For further information, please contact:
William Kuan
Company Secretary
ASF Group Limited
Ph: +612 9251 9088