

## 1. Company details

Name of entity:	ASF Group Limited
ABN:	50 008 924 570
Reporting period:	For the year ended 30 June 2021
Previous period:	For the year ended 30 June 2020

## 2. Results for announcement to the market

				<b>\$'000</b>
Revenues from ordinary activities	down	65% to		1,529
Loss from ordinary activities after tax attributable to the owners of ASF Group Limited	down	45.6% to		3,233
Loss for the year attributable to the owners of ASF Group Limited	down	45.6% to		3,233

### Dividends

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

### Comments

The loss for the Group after providing for income tax and non-controlling interest amounted to \$3,233,000 (30 June 2020: \$5,946,000).

Refer to the attached Operating and Financial Review for detailed commentary.

## 3. Net tangible assets

	<b>Reporting period Cents</b>	<b>Previous period Cents</b>
Net tangible assets per ordinary security	(0.46)	(0.01)

## 4. Details of associates and joint venture entities

<b>Name of associate / joint venture</b>	<b>Reporting entity's percentage holding</b>		<b>Contribution to profit/(loss) (where material)</b>	
	<b>Reporting period %</b>	<b>Previous period %</b>	<b>Reporting period \$'000</b>	<b>Previous period \$'000</b>
Rey Resources Limited	16.36%	16.34%	(216)	(307)
ActivEX Limited	19.63%	19.62%	(131)	(315)
Key Petroleum Limited	11.45%	11.45%	(384)	(84)
3D Bio-Tissues Ltd	24.5%	24.5%	(155)	(28)
UK International Innovation Centre Ltd	20%	20%	-	(1)
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Loss from ordinary activities before income tax			(886)	(735)

**5. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The financial statements are currently being audited and an unqualified opinion is expected to be issued.

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**6. Attachments**

*Details of attachments (if any):*

The Preliminary Financial Report of ASF Group Limited for the year ended 30 June 2021 is attached.

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**7. Signed**



Signed \_\_\_\_\_

Min Yang  
Chairman

Date: 30 August 2021

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The operating and financial review covers the operations of 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 2021.

### **Financial results and commentary**

For the year ended 30 June 2021, ASF Group Limited ('the Company') and its controlled entities (referred to hereafter as the 'Group') recorded a consolidated loss after tax and non-controlling interest of \$3,233,000 (2020: loss of \$5,946,000).

Majority of the loss for the year was attributed to the following:

- Share of losses of associates of \$886,000; and
- Interest expenses and other finance costs \$1,796,000.

During the year, operations of the Group were adversely affected by the Covid-19 pandemic. Revenue from continuing operations decreased by approximately 65% to \$1,529,000 (2020: \$4,338,000).

On 18 June 2021, the Company announced the extension of its on-market share buyback program for a further 12 months from 5 July 2021. During the year, the Company bought back 198,776 shares at an average price of \$0.06 per share.

### **Financial position**

With the continuing support from Star Diamond Developments Limited ("Star Diamond"), the Company announced on 18 June 2021 that Star Diamond has agreed to increase the loan facility amount by \$2 million to a total of \$25 million ("CN") and to extend the maturity date of the CN for two years to 31 October 2023. As of 30 June 2021, a total of \$19.95 million CN has been drawn down with remaining \$5.05 million available for further draw down by the Company.

Finance costs amounted to \$1,796,000 (2020: \$1,879,000) represented principally of interest on the CN.

As of 30 June 2021, the Group maintained a cash balance of \$4 million.

### **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.

During the year, AIV announced that its JV partner, Ballymore Resources, has recommenced field-based exploration at the Ravenswood Gold Project. In June 2021, AIV commenced drilling on its 100% owned Gilberton Gold Project and the drilling result is expected to be available in around mid August.

The Group holds 19.63% of the issued capital of AIV at a book value of \$0.97 million, compared with its market value of \$5.9 million as of 30 June 2021.

**Rey Resources Limited (“REY”)**

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

REY also holds interest in a gas project in the Surat Basin of Queensland (“Surat Gas Project”). In December 2020, REY announced the proposed acquisition of up to 75% equity interests in Southernpec (Australia) Pty Ltd (“SouthnA”) which holds significant interests in 7 conventional gas production licences in Surat Gas Project that is located just south of Roma GLNG asset in Surat Basin. During the year, REY had completed stage one and part of stage two of the acquisition and is now holding 20% equity interest in SouthnA.

During the year, REY repaid all the loan principal to the Company with \$639,000 accrued interest remain outstanding as of 30 June 2021. On 16 June 2021, the Company announced that it has agreed to extend the maturity date of the loan for one year to 31 October 2022.

The Group holds 16.36% of the issued capital of REY at a book value of \$9.1 million, compared with its market value of \$9.36 million as at 30 June 2021.

**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 Cooper Basin in Queensland.

On 23 October 2020, the Company announced that an unsecured loan facility of \$250,000 was granted to KEY at an interest rate of 10% per annum maturing 30 September 2021. As at 30 June 2021, a total of \$200,000 of the loan facility had been drawn down by KEY.

As at 30 June 2021, the Group holds 11.45 % of the issued capital of KEY with a market value of \$0.68 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 \$55,000 as at 30 June 2021.

**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.

CMR has successfully completed 48 boreholes on their key project Dawson West, with a total of 10,940m drilled, geophysical logged selectively cored, sampled and analysed, which 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).

Following completion of the recent exploration program at Dawson West Project, CMR Coal lodged a bulk sample pit application which has now been approved, including the Environmental approval and a signed Cultural Heritage Management Plan with the traditional owners.

Based on the outcomes of the exploration, CMR has completed highly detailed pre-feasibility studies and has developed plans for an underground thermal coal mine. The project has life of mine agreements in place for native title and land access as well as having strong support from local and state regulators, local communities, businesses and stakeholders. Mining and environmental approval processes have both commenced and both the EIS and engineering feasibility studies are under way.

Together with its subsidiary ASF Resources Pty Ltd, the Company holds 68.97% of the issued capital of CMR.

**ASF Technologies Ltd (“ASFT”)**

ASFTA is an Australian company that has developed Australian patents for the Scotch Yoke mechanism technology used initially 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.

ASFP has commenced sales and marketing service for Stage 3 of the Peninsula Hope Island project which is the final stage of a master-planned gated community development located in Gold Coast, Queensland. It is expected this project will continue to increase the revenue for ASFP in the year ahead.

### **Fund Management and Advisory Services**

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

ASF Capital assists select businesses both on shore and off on matters such as public listing, financial advisory, entry and/or expansion in Australia, and visa migration related areas. Also, ASF Capital is 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 ('LBBB') 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 LBBB, bringing considerable social, economic and infrastructure benefits, and will be conducted together with Be First LBBB's local authority regeneration company.

### **3D Bio-Tissues, UK**

3D Bio-Tissues Ltd ("3DBT") is 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.

### **UKIIC, UK**

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

### **Matters subsequent to the end of the financial year**

No other matters or circumstances that have arisen since 30 June 2021 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.



# ASF Group Limited

ABN 50 008 924 570

## Preliminary Financial Report - 30 June 2021

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ASF Group Limited  
Statement of profit or loss and other comprehensive income  
For the year ended 30 June 2021



	Note	Consolidated	
		2021 \$'000	2020 \$'000
<b>Revenue</b>	1	1,529	4,338
Finance income	1	94	262
Share of losses of associates accounted for using the equity method	3	(886)	(735)
Other income	2	1,604	1,204
<b>Expenses</b>			
Loss on disposal of investment	3	-	(750)
Commission and fee expenses		(383)	(289)
Consultancy expenses		(1,245)	(2,678)
Marketing expenses		(52)	(61)
Employee benefits expense		(1,385)	(1,704)
Depreciation and amortisation expenses	3	(423)	(946)
Impairment of non-financial assets	3	-	(173)
Impairment of financial assets at fair value through profit or loss	3	(24)	-
Loss on disposal of plant and equipment	3	(5)	-
Impairment gain/(loss) of financial assets	3	(3)	(4)
Legal and professional fees		(190)	(857)
Corporate and administration expenses		(190)	(954)
Occupancy expenses	3	19	(308)
Finance costs	3	(1,796)	(1,879)
<b>Loss before income tax expense</b>		(3,336)	(5,534)
Income tax expense		-	-
<b>Loss after income tax expense for the year</b>		(3,336)	(5,534)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(104)	37
<b>Total comprehensive income for the year</b>		(3,440)	(5,497)
Loss for the year is attributable to:			
Non-controlling interest		(103)	412
Owners of ASF Group Limited		(3,233)	(5,946)
		(3,336)	(5,534)
Total comprehensive income for the year is attributable to:			
Non-controlling interest		(103)	412
Owners of ASF Group Limited		(3,337)	(5,909)
		(3,440)	(5,497)
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	15	(0.41)	(0.75)
Diluted loss per share	15	(0.41)	(0.75)

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



	Note	Consolidated	
		2021 \$'000	2020 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		4,041	3,833
Trade and other receivables	4	246	221
Other assets		5	27
Total current assets		<u>4,292</u>	<u>4,081</u>
<b>Non-current assets</b>			
Other receivables	5	761	2,290
Investments accounted for using the equity method	6	11,477	12,005
Financial assets at fair value through profit or loss		55	79
Property, plant and equipment	7	77	119
Intangibles	8	3,347	3,275
Right of use assets	11	712	1,107
Total non-current assets		<u>16,429</u>	<u>18,875</u>
<b>Total assets</b>		<u>20,721</u>	<u>22,956</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	206	338
Employee benefits		163	138
Lease liabilities	11	242	395
Total current liabilities		<u>611</u>	<u>871</u>
<b>Non-current liabilities</b>			
Borrowings	10	19,950	18,156
Lease liabilities	11	455	772
Total non-current liabilities		<u>20,405</u>	<u>18,928</u>
<b>Total Liabilities</b>		<u>21,016</u>	<u>19,799</u>
<b>Net assets</b>		<u>(295)</u>	<u>3,157</u>
<b>Equity</b>			
Issued capital	12	122,676	122,688
Reserves	13	(2,364)	(2,260)
Accumulated losses		(119,258)	(116,025)
Equity attributable to the owners of ASF Group Limited		1,054	4,403
Non-controlling interest		(1,349)	(1,246)
<b>Total equity</b>		<u>(295)</u>	<u>3,157</u>

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

	Issued capital \$'000	Reserves \$'000 (note 13)	Accumulated losses \$'000	Non-controlling interest \$'000	Total equity \$'000
<b>Consolidated</b>					
Balance at 1 July 2019	122,690	(2,369)	(110,079)	(2,181)	8,061
Loss after income tax expense for the year	-	-	(5,946)	412	(5,534)
Other comprehensive income for the year, net of tax	-	37	-	-	37
Total comprehensive income for the year	-	37	(5,946)	412	(5,497)
<i>Transactions with owners in their capacity as owners:</i>					
Acquisition of investment with NCI	-	114	-	481	595
Disposal of subsidiary with NCI	-	(42)	-	42	-
Share buy-back (note 12)	(2)	-	-	-	(2)
Balance at 30 June 2020	122,688	(2,260)	(116,025)	(1,246)	3,157

	Issued capital \$'000	Reserves \$'000 (note 13)	Accumulated losses \$'000	Non-controlling interest \$'000	Total equity \$'000
<b>Consolidated</b>					
Balance at 1 July 2020	122,688	(2,260)	(116,025)	(1,246)	3,157
Loss after income tax expense for the year	-	-	(3,233)	(103)	(3,336)
Other comprehensive income for the year, net of tax	-	(104)	-	-	(104)
Total comprehensive income for the year	-	(104)	(3,233)	(103)	(3,440)
<i>Transactions with owners in their capacity as owners:</i>					
Share buy-back (note 12)	(12)	-	-	-	(12)
Balance at 30 June 2021	122,676	(2,364)	(119,258)	(1,349)	(295)

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

	Note	Consolidated	
		2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		1,893	4,600
Government grants received		1,162	585
Payments to suppliers (inclusive of GST)		(3,592)	(6,906)
Interest received		4	249
Interest and other finance costs paid		(1,825)	(85)
Net cash used in operating activities	16	(2,358)	(1,557)
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	7	(7)	(21)
Payments for intangibles	8	(72)	(245)
Acquisition of non-controlling interest		-	(365)
Investment in equity accounted investments		-	(30)
Net cash outflow for disposal of subsidiary		5	-
Proceeds from disposal of associates		-	2,357
Proceeds from sale of property, plant and equipment		19	500
Proceeds from sale of tenements		-	75
Advance of loan to other party		(300)	-
Repayment of loans from related parties		1,640	-
Net cash from investing activities		1,285	2,271
<b>Cash flows from financing activities</b>			
Loan to associates		-	(145)
Proceeds of loans from associates		-	1,475
Proceeds from borrowings		1,800	3,750
Repayment of borrowings		-	(5,949)
Payment for share buy-backs	12	(12)	(2)
Payment of principal portion of leases		(446)	(939)
Net cash from financing activities		1,342	(1,810)
Net increase/(decrease) in cash and cash equivalents		269	(1,096)
Cash and cash equivalents at the beginning of the financial year		3,833	4,929
Effects of exchange rate changes on cash and cash equivalents		(61)	-
Cash and cash equivalents at the end of the financial year		4,041	3,833

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

**Note 1. Revenue and finance income**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Sales revenue</b>		
Commission revenue	613	193
Corporate services	916	4,090
Marketing fees	-	55
	1,529	4,338
<b>Finance income</b>	94	262

**Note 2. Other income**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Gain on disposal of plant and equipment	8	422
Sundry income	485	197
R&D Rebate	797	-
Government grants	314	585
	1,604	1,204
Other income		

**Note 3. Expenses**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements	1	4
Plant and equipment	27	34
Motor vehicles	-	4
Total depreciation	28	42
Amortisation - right of use assets	395	904
Total depreciation and amortisation	423	946

**Note 3. Expenses (continued)**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Loss on disposal of investment</i>		
<i>(Gain)/loss on disposal of investment</i>		
ASF Technology Ltd	-	854
GCPM Pty Ltd	-	(104)
<b>Total loss on disposal of investment</b>	<b>-</b>	<b>750</b>
<i>Impairment of non-financial assets</i>		
Impairment of financial assets at fair value through profit or loss	24	-
Loss on disposal of plant and equipment	5	-
Impairment of investment in associates	-	173
<b>Total Impairment of non-financial assets</b>	<b>29</b>	<b>173</b>
<i>Impairment of financial assets</i>		
Allowance for expected credit loss	3	2,781
(Reversal of)/Impairment of loan to ActiveEX Limited	-	(735)
(Reversal of)/Impairment of loan to Rey Resources Limited	-	(2,042)
<b>Total impairment (gain)/loss of financial assets</b>	<b>3</b>	<b>4</b>
<i>Share of losses of associates</i>		
Rey Resources Limited	216	307
ActivEX Limited	131	315
Key Petroleum Limited	384	84
3D Bio-Tissues Ltd	155	28
UK International Innovation Centre Ltd	-	1
<b>Total share of losses of associates</b>	<b>886</b>	<b>735</b>
<i>Finance costs</i>		
Interest and finance charges paid/payable	1,796	1,879
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	(19)	308
<i>Superannuation expense</i>		
Defined contribution superannuation expense	90	102

**Note 4. Current assets - trade and other receivables**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade receivables	41	196
Other receivables	1	25
Loan receivable from associate – Key Petroleum Limited <sup>1</sup>	204	-
	<b>205</b>	<b>25</b>
	<b>246</b>	<b>221</b>

1. On 22 October 2020, the Company entered into a loan agreement with its associate, Key Petroleum Limited (ASX: KEY). Pursuant to the agreement the Company will provide an unsecured loan facility of \$250,000 to KEY at an interest rate of 10% per annum maturing 30 September 2021.

**Note 5. Non-current assets - other receivables**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits	122	197
Loan receivable from associate – Rey Resources Limited <sup>1</sup>	639	2,093
	<u>761</u>	<u>2,290</u>

1. On 12 October 2017, the Group entered into a loan facility agreement with its associate, Rey Resources Limited (ASX: REY). Pursuant to the agreement the Group 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 31 October 2022.

**Note 6. Non-current assets - investments accounted for using the equity method**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Rey Resources Limited (ASX: REY)	9,098	9,315
ActivEX Limited (ASX: AIV)	968	1,099
Key Petroleum Limited (ASX: KEY)	676	658
3D Bio-Tissues Ltd	735	933
	<u>11,477</u>	<u>12,005</u>

**Note 7. Non-current assets - property, plant and equipment**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Leasehold improvements - at cost	154	190
Less: Accumulated depreciation	(152)	(185)
	<u>2</u>	<u>5</u>
Plant and equipment - at cost	417	434
Less: Accumulated depreciation	(342)	(336)
	<u>75</u>	<u>98</u>
Motor vehicles - at cost	-	48
Less: Accumulated depreciation	-	(32)
	<u>-</u>	<u>16</u>
	<u>77</u>	<u>119</u>

**Note 7. Non-current assets - property, plant and equipment (continued)**

*Reconciliations*

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

<b>Consolidated</b>	<b>Leasehold improvements \$'000</b>	<b>Plant and equipment \$'000</b>	<b>Motor Vehicles \$'000</b>	<b>Total \$'000</b>
Balance at 1 July 2019	77	137	20	234
Additions	-	21	-	21
Disposal	(68)	(26)	-	(94)
Exchange differences	-	-	-	-
Depreciation expense	(4)	(34)	(4)	(42)
Balance at 1 July 2020	5	98	16	119
Additions	-	7	-	7
Disposal	(2)	(2)	(16)	(20)
Exchange differences	-	(1)	-	(1)
Depreciation expense	(1)	(27)	-	(28)
Balance at 30 June 2021	2	75	-	77

**Note 8. Non-current assets – intangibles**

	<b>Consolidated</b>	
	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Mining exploration and evaluation expenditures – at cost	3,347	3,275

*Reconciliations*

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

<b>Consolidated</b>	<b>Total \$'000</b>
Balance at 1 July 2019	3,030
Additions	245
Write-off of assets	-
Balance at 30 June 2020	3,275
Additions	72
Write-off of assets	-
Balance at 30 June 2021	3,347

**Note 9. Current liabilities – trade and other payables**

	<b>Consolidated</b>	
	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Trade payables	76	60
Other payables	130	278
	206	338

#### Note 10. Non-current liabilities - borrowings

	Consolidated	
	2021	2020
	\$'000	\$'000
Convertible notes payable	19,950	18,156

#### Convertible notes payable

With the continuing support from Star Diamond Developments Limited ("Star Diamond"), on 18 June 2021 Star Diamond agreed to increase the loan facility by \$2 million to a total of \$25 million ("SD Facilities") and to extend the maturity date of the SD Facilities for two years to 31 October 2023. As of 30 June 2021, a total of \$19.95 million SD Facilities has been drawn down with remaining \$5.05 million available for further draw down by the Company.

#### Note 11. Leases

	Consolidated	
	2021	2020
	\$'000	\$'000
Right of use assets		
Opening balance	1,107	2,343
Amortisation	(395)	(904)
Other	-	(332)
Closing balance	712	1,107
Lease liabilities		
Current	242	395
Non-current	455	772
Total lease liabilities	697	1,167

#### Note 12. Equity - issued capital

Consolidated	2021	Consolidated		2020
	Shares	2020	2021	2020
		Shares	\$'000	\$'000
Ordinary shares – fully paid	792,726,289	792,925,065	122,676	122,688

#### Movement in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	30 July 2019	792,947,052		122,690
Share buy-back	1 July 2019 – 30 June 2020	(21,987)	\$0.075	(2)
Balance	30 June 2020	792,925,065		122,688
Share buy-back	1 July 2020 – 30 June 2021	(198,776)	\$0.060	(12)
Balance	30 June 2021	792,726,289		122,676

#### 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.



**Note 12. Equity - issued capital (continued)**

*Share buy-back*

During the year, the Company bought back 198,776 shares at a cost of \$11,944. On 18 June 2021, the Company announced the extension of on-market share buyback program for a further 12 months from 5 July 2021.

**Note 13. Equity – reserves**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Foreign currency reserve	124	228
Non-controlling interests reserve	(2,802)	(2,802)
Capital reserve	314	314
	(2,364)	(2,260)

*Foreign currency reserve*

The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars.

*Non-controlling interest reserve*

The reserve is used to recognise non-controlling interest arising from the disposal of subsidiaries.

*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.

<b>Consolidated</b>	<b>Foreign currency reserve \$'000</b>	<b>Non- controlling interest reserve \$'000</b>	<b>Capital reserve \$'000</b>	<b>Total \$'000</b>
Balance at 1 July 2019	191	(2,874)	314	(2,369)
Foreign currency translation	37	-	-	37
Acquisition of non-controlling interest	-	114	-	114
Transfer from NCI to NCI reserve	-	(42)	-	(42)
Balance at 1 July 2020	228	(2,802)	314	(2,260)
Foreign currency translation	(104)	-	-	(104)
Acquisition of non-controlling interest	-	-	-	-
Transfer from NCI to NCI reserve	-	-	-	-
Balance at 30 June 2021	124	(2,802)	314	(2,364)

**Note 14. Equity – dividends**

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

**Note 15. Earnings per share**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Loss after income tax	(3,336)	(5,534)
Non-controlling interest	103	(412)
Loss after income tax attributable to the owners of ASF Group Limited	<u>(3,233)</u>	<u>(5,946)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>792,789,766</u>	<u>792,932,825</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>792,789,766</u>	<u>792,932,825</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.41)	(0.75)
Diluted earnings per share	(0.41)	(0.75)

**Note 16. Cash flow information**

*Reconciliation of loss after income tax to net cash used in operating activities*

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Loss after income tax expense for the year	(3,336)	(5,534)
Adjustments for:		
Depreciation and amortisation	423	946
Gain on disposal of intangible assets	-	(75)
Share of loss - associates	886	735
Impairment (reversal)/loss of investment in associates	(403)	173
Loss/(Gain) on disposal of property, plant and equipment	2	(422)
Bad debts	3	4
Net fair value loss on investments	24	-
Interest expense	(29)	1,629
(Gain)/Loss on disposal of investment	(5)	750
Change in operating assets and liabilities:		
Decrease in trade and other receivables	186	647
Decrease in trade and other payables	(109)	(410)
Net cash used in operating activities	<u>(2,358)</u>	<u>(1,557)</u>

**Note 16. Cash flow information (continued)**

*Changes in liabilities arising from financing activities*

<b>Consolidated</b>	<b>Convertible notes \$'000</b>	<b>Loan payable \$'000</b>	<b>Other loans \$'000</b>	<b>Total \$'000</b>
Balance at 1 July 2019	16,645	2,200	105	18,950
Net cash (used in)/from financing activities	-	(2,200)	-	(2,200)
Interest payable	1,511	-	-	1,511
Other	-	-	(105)	(105)
	<hr/>			
Balance at 30 June 2020	18,156	-	-	18,156
Net cash (used in)/from financing activities	-	-	-	-
Loan drawdown	1,800	-	-	1,800
Interest payable	1,819	-	-	1,819
Repayment of interest	(1,825)	-	-	(1,825)
	<hr/>			
Balance at 30 June 2021	<u>19,950</u>	<u>-</u>	<u>-</u>	<u>19,950</u>

**Note 17. Events after the reporting period**

No other matters or circumstances have arisen since 30 June 2021 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.