

**VGX LIMITED**  
*(Incorporated in British Virgin Islands)*  
ARBN 612 834 572

**INTERIM FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018**

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*The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with any public announcements made by VGX Limited during the interim reporting period in accordance with the continuous disclosure requirements of the National Stock Exchange of Australia ("NSX") Listing Rules.*

**VGX LIMITED  
DIRECTORS' REPORT  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2018 TO 31 DECEMBER 2018**

The Directors are pleased to present their report and the interim financial statements of VGX Limited and its controlled entity (“the Group”) for the six months ended 31 December 2018.

**DIRECTORS**

The Directors of the Company in office during the financial period until the date of this report are:

Chong Ying Choy  
Eric Chung Chi Kong  
Kong Teck Chin  
Yap Poh Yee

**REVIEW OF OPERATIONS**

The principal activity of the Company is an investment holding company. The principal activity of its controlled entity is to carry on business of research, development and commercialisation of food and agriculture related technologies. There have been no significant changes in the nature of these activities during the six months ended 31 December 2018.

The Company and its controlled entity for the six months ended 31 December 2018 produced a loss, which comprise mainly administrative and distribution expenses incurred from the Group.

On behalf of the Board of Directors



ERIC CHUNG CHI KONG  
**Director**



YAP POH YEE  
**Director**

Kuala Lumpur  
28 February 2019

**VGX LIMITED**  
**STATEMENT BY DIRECTORS**

In the opinion of the Directors, the accompanying interim consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows, together with notes thereon, are drawn up so as to give a true and fair view of the financial position of the Group as at 31 December 2018 and of the results of the business, changes in equity and cash flows of the Group for the six months ended on that date and as at the date of this statement there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors



**ERIC CHUNG CHI KONG**  
**Director**



**YAP POH YEE**  
**Director**

Kuala Lumpur  
28 February 2019

**REVIEW REPORT**  
**TO THE MEMBERS OF VGX LIMITED**  
(Company Regn. No. ARBN 612 834 572)

**HML & CO.**  
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**Introduction**

We have reviewed the accompanying interim consolidated statement of financial position as at 31 December 2018 and the interim consolidated statements of comprehensive income, statement of changes in equity and statement of cash flows for the six months then ended, and selected explanatory notes and a summary of significant accounting policies (“Financial Information”) of VGX LIMITED AND ITS CONTROLLED ENTITY (“the Group”). Directors is responsible for the preparation and presentation of these interim consolidated financial statements in accordance with the provisions of the International Financial Reporting Standards. Our responsibility is to express a conclusion on this interim consolidated financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements does not present fairly, in all material respects, the financial position of the Group as at 31 December 2018, and of the Group’s financial performance and its cash flows for the six months then ended in accordance with the International Financial Reporting Standards.



HML & CO.  
Chartered Accountants  
Kuala Lumpur  
28 February 2019



HO MEE LING  
Chartered Accountant

**VGX LIMITED**  
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

		<b>Group</b>	
	<b>Note</b>	<b>31.12.2018</b>	<b>30.6.2018</b>
		<b>A\$</b>	<b>A\$</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	37,170	41,111
Intangible asset	4	270,463	280,782
Goodwill	5	10,036	9,840
		<u>317,669</u>	<u>331,733</u>
<b>CURRENT ASSETS</b>			
Inventories	6	13,740	28,082
Trade receivables		88,900	117,550
Other receivables, deposits and prepayment	7	358,209	319,021
Fixed deposit with licensed bank		-	63,737
Cash and bank balances		5,171	18,838
		<u>466,020</u>	<u>547,228</u>
<b>TOTAL ASSETS</b>		<u><u>783,689</u></u>	<u><u>878,961</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Share capital	8	691,390	691,390
Accumulated losses		(433,130)	(374,793)
Foreign currency translation reserve		46,648	40,975
<b>SHAREHOLDERS' EQUITY</b>		<u>304,908</u>	<u>357,572</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred income		-	80,795
Finance lease payables	9	22,185	25,809
		<u>22,185</u>	<u>106,604</u>
<b>CURRENT LIABILITIES</b>			
Trade payables		89,695	106,689
Other payables and accruals	10	78,162	77,105
Amount owing to Directors	11	278,804	219,908
Finance lease payables	9	9,935	11,083
		<u>456,596</u>	<u>414,785</u>
<b>TOTAL LIABILITIES</b>		<u>478,781</u>	<u>521,389</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>783,689</u></u>	<u><u>878,961</u></u>

The accompanying notes form an integral part of the financial statements

**VGX LIMITED**  
**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD FROM 1 JULY 2018 TO 31 DECEMBER 2018**

	<b>Group</b>	
	<b>Six Months Ended 31.12.2018 A\$</b>	<b>Six Months Ended 31.12.2017 A\$</b>
Revenue	277,511	434,679
Cost of sales	(105,502)	(145,649)
Gross profit	<u>172,009</u>	<u>289,030</u>
Other operating income	80,569	6,821
Administration expenses	(187,356)	(170,681)
Distribution expenses	(75,646)	(93,729)
Research and development expenses	(22,158)	(28,603)
Other operating expenses	<u>(24,969)</u>	<u>(22,636)</u>
Loss from operations	(57,551)	(19,798)
Finance costs	<u>(786)</u>	<u>(818)</u>
Loss before tax	(58,337)	(20,616)
Income tax expense	<u>-</u>	<u>-</u>
Loss for the year	<u><u>(58,337)</u></u>	<u><u>(20,616)</u></u>

The accompanying notes form an integral part of the financial statements

**VGX LIMITED**  
**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD FROM 1 JULY 2018 TO 31 DECEMBER 2018**

	<b>Share capital A\$</b>	<b>Accumulated losses A\$</b>	<b>Foreign currency translation reserve A\$</b>	<b>Total A\$</b>
As at 1 July 2018	691,390	(374,793)	40,975	357,572
Currency translation	-	-	5,673	5,673
Loss for the period	<u>-</u>	<u>(58,337)</u>	<u>-</u>	<u>(58,337)</u>
As at 31 December 2018	<u><u>691,390</u></u>	<u><u>(433,130)</u></u>	<u><u>46,648</u></u>	<u><u>304,908</u></u>

	<b>Share capital A\$</b>	<b>Accumulated losses A\$</b>	<b>Foreign currency translation reserve A\$</b>	<b>Total A\$</b>
As at 1 July 2017	691,390	(244,688)	-	446,702
Currency translation	-	-	19,075	19,075
Loss for the period	<u>-</u>	<u>(20,616)</u>	<u>-</u>	<u>(20,616)</u>
As at 31 December 2017	<u><u>691,390</u></u>	<u><u>(265,304)</u></u>	<u><u>19,075</u></u>	<u><u>445,161</u></u>

The accompanying notes form an integral part of the financial statements

**VGX LIMITED**  
**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD FROM 1 JULY 2018 TO 31 DECEMBER 2018**

	<b>Group</b>	
	<b>Six Months Ended 31.12.2018 A\$</b>	<b>Six Months Ended 31.12.2017 A\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(58,337)	(20,616)
Adjustments for:		
Amortisation of intangible asset	15,524	14,688
Depreciation of property, plant and equipment	9,679	8,457
Government grant recognised	(82,404)	(6,994)
Interest expenses	786	1,077
Interest income	(148)	(300)
Operating loss before working capital changes	(114,900)	(3,688)
Decrease/(Increase) in inventories	14,342	(1,527)
Decrease/(Increase) in trade receivables	28,650	(14,066)
Increase in other receivables, deposits and prepayment	(39,188)	(62,006)
(Decrease)/Increase in trade payables	(16,994)	35,145
Increase in other payables and accruals	1,057	6,460
Increase in amount owing to Directors	58,896	31,472
Cash used in operations	(68,137)	(8,210)
Interest paid	(786)	(1,077)
Interest received	148	300
Government grant received	-	13,987
Net cash (used in)/from operating activities	(68,775)	5,001
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Purchase of property, plant and equipment	(4,919)	(196)
Net cash used in investing activity	(4,919)	(196)
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Repayment of finance lease payables	(4,772)	(4,881)
Net cash used in financing activity	(4,772)	(4,881)
Net decrease in cash and cash equivalents	(78,466)	(76)
Currency translation	1,062	8,689
Cash and cash equivalents at beginning of the period	82,575	23,743
Cash and cash equivalents at end of the period	5,171	32,356
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	5,171	32,356

The accompanying notes form an integral part of the financial statements



## **VGX LIMITED**

### **NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENT FOR THE FINANCIAL PERIOD FROM 1 JULY 2018 TO 31 DECEMBER 2018**

#### **1 GENERAL CORPORATE INFORMATION AND NATURE OF OPERATIONS**

The interim consolidated financial statements are for the six months ended 31 December 2018 and are presented in Australian Dollars. They have been prepared in accordance with *IAS 34 Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with International Financial Reporting Standards (“IFRSs”), and were authorised for issue in accordance with the resolution of the Directors on the date of this statement.

VGX Limited is a company limited by shares incorporated and domiciled in British Virgin Islands and listed on the National Stock Exchange of Australia, with its registered office in Australia located at Level 1, Office F, 1139 Hay Street, West Perth WA 6005, Australia.

The Company is an investment holding company and it holds 100% of the issued share capital of Virgin Greens X Sdn. Bhd., a Malaysian *BioNexus Status* company which carries on business of research, development and commercialisation of food and agriculture related technologies. *BioNexus Status* is a special status awarded by the Malaysian government to qualified international and Malaysian biotechnology companies that participate in and undertake value-added biotechnology activities.

There have been no significant changes in the nature of these activities during the six months ended 31 December 2018.

#### **2 SIGNIFICANT ACCOUNTING POLICIES**

##### **2.1 BASIS OF ACCOUNTING**

The interim consolidated financial statements are prepared in accordance with IFRSs, which collectively include all applicable individual IFRSs and Interpretations approved by the International Accounting Standard Board (“IASB”), and all applicable individual International Accounting Standards (“IASs”) and Interpretations as originated by the Board of the International Accounting Standards Committee and adopted by the IASB.

##### *i) Adoption Of New And Amended Standards*

During the period, the Company have adopted all the amendments to IFRS that are mandatory for the current period. The adoption of the amendments to IFRS did not have any significant impact on the financial statements of the Group except for the adoption of *Disclosure Initiative* (Amendments to IAS 7).

*ii) Standards Issued But Are Not Yet Effective*

The Group did not adopt an earlier application of the following new and revised IFRSs which have been issued by the IASB but are not yet effective for current period ended 31 December 2018.

IFRSs, IFRIC and amendments effective for annual periods beginning on or after 1 January 2019:

- IFRS 16, Leases
- IFRIC 23, Uncertainty Over Income Tax Treatments
- Amendments to IAS 28, Long-term Interests in Associates and Joint Ventures
- Amendments to IFRS 9, Prepayment Features with Negative Compensation
- Annual Improvements to IFRS Standards 2015 – 2017 Cycle
- Amendments to IAS 19, Plan Amendment, Curtailment or Settlement

IFRSs, IFRIC and amendments effective for annual periods beginning on or after 1 January 2021:

- IFRS 17, Insurance contracts

IFRSs, IFRIC and amendments effective for annual periods beginning on or after a date yet to be confirmed:

- Amendments to IFRS 10 and IAS 28, Sale or Contribution of Assets between an Investor and its Associates or Joint Venture

The Group will adopt the above IFRSs in the respective financial years when they become effective. The initial application of the above-mentioned IFRSs are not expected to have any significant impacts on the financial statements of the Group except as mentioned below.

*(a) IFRS 15, Revenue From Contracts With Customers*

IFRS 15 replaces the guidance in IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programmes, IFRIC 15, Agreements for Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers and SIC-31, Revenue – Barter Transactions Involving Advertising Services.

The core principle in IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services.

A new five-step process is applied before revenue can be recognised:

- Identify contracts with customers
- Identify the separate performance obligations
- Determine the transaction price of the contract
- Allocate the transaction price to each of the separate performance obligations; and
- Recognise the revenue as each performance obligation is satisfied

**(b) IFRS 9 Financial Instruments**

IFRS 9 replaces the guidance in IAS 39, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, impairment methodology and on hedge accounting.

IFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in IAS 39. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

**(c) IFRS 16, Leases**

IFRS 16 replaces the guidance in IAS 17, Leases, IFRIC 4, Determining whether an Arrangement contains a Lease, SIC-15, Operating Leases – Incentives and SIC-27, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

## **2.2 PROPERTY, PLANT AND EQUIPMENT**

**i) Recognition And Measurement**

Operating tangible assets that are used for more than one accounting period in the production and supply of goods and services, for administrative purpose or for rental to others, are recognised as property, plant and equipment when the Group obtains control of the assets. The assets, including major spares and stand-by equipment, are classified into appropriate classes based on their nature.

All property, plant and equipment are initially recorded at cost. For a purchased asset, cost comprises purchase price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use. For a self-constructed asset, cost comprises all direct and indirect costs of construction but excludes internal profits. For an exchange of non-monetary assets that has a commercial substance, cost is measured by reference to their fair value of the asset received.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within “other income” or “other expenses” respectively in profit or loss.

*ii) Subsequent Costs*

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

*iii) Depreciation*

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use.

The estimated useful lives, as follows:

	<u>Rate</u>
Computer	33%
Lab equipment	20%
Motor vehicles	20%
Office equipment	20%

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted where appropriate.

### **2.3 IMPAIRMENT OF NON-FINANCIAL ASSETS OTHER THAN GOODWILL**

At each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss, unless the relevant asset is carried at a revalued amount in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, to the extent the increased carrying amount does not exceed the carrying amount that would have been determined had no impairments loss been recognised for the asset (or a cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### **2.4 INTANGIBLE ASSETS**

Intangible assets are recognised when it is probable that expected future economic benefits that are attributable to the assets will flow to the Group, the cost or value of the assets can be measured reliably and the assets do not result from expenditure incurred internally on an intangible item.

Intangible assets acquired separately are measured at cost initially. Subsequently, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Intellectual property rights are amortised on a straight-line method over the estimated useful lives. The amortisation period and method are reviewed if there is an indication of a significant change in factors affecting the residual value, useful life or asset consumption pattern since the last annual reporting date.

## 2.5 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour costs and overheads, where applicable, that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

## 2.6 FINANCIAL INSTRUMENTS

### *i) Initial Recognition And Measurement*

The Group recognises a financial asset or a financial liability (including derivative instruments) in the statement of financial position when, and only when, an entity in the Group becomes a party to the contractual provisions of the instrument.

If a contract, whether financial or non-financial, contains an embedded derivative, the Group assesses whether the embedded derivative shall be separated from the host contract on the basis of the economic characteristics and risks of the embedded derivative and the host contract at the date when the Group becomes a party to the contract. If the embedded derivative is not closely related to the host contract, it is separated from the host contract and accounted for as a stand-alone derivative. The Group does not make a subsequent reassessment of the contract unless there is a change in the terms of the contract that significantly modifies the expected cash flows or when there is a reclassification of a financial asset out of the fair value through profit or loss category.

On initial recognition, all financial assets and financial liabilities (including government loans at below market interest rates) are measured at fair value plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

### *ii) Derecognition Of Financial Instruments*

For derecognition purposes, the Group first determines whether a financial asset or a financial liability should be derecognised in its entirety as a single item or derecognised part-by-part of a single item or of a group of similar items.

A financial asset, whether as a single item or as a part, is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Group transfers the contractual rights to receive cash flows of the financial asset, including circumstances when the Group acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. For this purpose, the Group considers a modification as substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate is different by 10% or more when compared with the carrying amount of the original liability.

**iii) *Subsequent Measurement Of Financial Assets And Financial Liabilities***

For the purpose of subsequent measurement, the Group classifies trade and other receivables, advances to related parties, and cash and cash equivalents in the category of loans and receivables. The Group has no other categories of financial assets.

After initial recognition, the Group measures:

- (a) financial assets in the loans and receivables category as at amortised cost using the effective interest method; and
- (b) financial liabilities comprise trade and other payables and advances from related parties. After initial recognition, the Group measures all financial liabilities at amortised cost using the effective interest method.

**iv) *Recognition Of Gains And Losses***

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in profit or loss only when the financial asset or financial liability is derecognised or impaired, and through the amortisation process of the instrument.

**v) *Impairment And Uncollectibility Of Financial Assets***

The Group applies the incurred loss model to recognise impairment losses of financial assets. At the end of each reporting period, the Group examines whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Evidence of trigger loss events include:

- (a) significant difficulty of the issuer or obligor;
- (b) a breach of contract, such as a default or delinquency in interest or principal payment;
- (c) granting exceptional concession to a customer;
- (d) it is probable that a customer will enter bankruptcy or other financial reorganisation;
- (e) the disappearance of an active market for that financial asset because of financial difficulties; or
- (f) any observable market data indicating that there may be a measurable decrease in the estimated future cash flows from a group of financial assets.

For a non-current loan and receivable carried at amortised cost, the revised estimated cash flows are discounted at its original effective interest rate. Any impairment loss is recognised in profit or loss and a corresponding amount is recorded in an allowance account. Any subsequent reversal of impairment loss of the financial asset is reversed in profit or loss with a corresponding adjustment to the allowance account, subject to the limit that the reversal should not result in the revised carrying amount of the financial asset exceeding the amount that would have been determined had no impairment loss been recognised previously.

For short-term trade and other receivables, where the effect of discounting is immaterial, impairment loss is tested for each individually significant receivable wherever there is any indication of impairment. Individually significant receivables for which no impairment loss is recognised are grouped together with all other receivables by classes based on credit risk characteristics and aged according to their past due periods. A collective allowance is estimated for a class group based on the Group's experience of loss ratio in each class, taking into consideration current market conditions.

## **2.7 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash and bank balances, short-term deposits and other short-term, highly liquid investments that are readily convertible to a known amount of cash with an insignificant risk of changes in value.

## **2.8 LEASES**

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the lease asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the statement of comprehensive income. Contingent rent, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the profit and loss statement on a straight-line basis over the lease term. The aggregated benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

## **2.9 FOREIGN CURRENCY TRANSLATION**

### ***i) Foreign Currency Transaction And Balances***

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.



In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

*ii) Foreign Operations*

The results and financial position of operations that have a functional currency different from the presentation currency ("A\$") ("Foreign Operation") are translated into A\$ as follows:

- (a) Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the reporting date;
- (b) Income and expenses for each income statement are translated at the exchange rate at the date of the transactions or an average rate that approximates those rates; and
- (c) All resulting exchange differences are taken to the FCTR within other comprehensive income.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations, translated at the closing rate at the reporting date.

If the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

## **2.10 PROVISIONS**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

## 2.11 GOVERNMENT GRANTS

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised as income on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate.

Government grants related to assets are presented in the statement of financial position by setting up the grant as deferred income while government grant related to income is presented as a credit in profit or loss separately.

The Group does not recognise government grants including non-monetary grants at fair value, until there is reasonable assurance that the Company will comply with the conditions attaching to the grants and the grants will be received.

The Group's government grants include a cradle fund approved by the Ministry of Finance not exceeding RM500,000 to assist with the commercialisation of its products and services.

The grants received will be converted into partial grant upon the Group achieving certain set of financial targets or conditions within the funding period of 4 years whereby 50% of the grants received will become repayable up to a maximum period of 2 years.

50% of the grants received during the financial year is recognised as income immediately whereas the other 50% of the grant is treated as a deferred income pending the subsidiary achieving certain set of financial targets or conditions within a period of 4 years from the date of Cradle Fund Agreement dated 8 December 2015.

### 3 PROPERTY, PLANT AND EQUIPMENT

	As at 1 July 2018	Additions	Exchange difference	As at 31 December 2018
	A\$	A\$	A\$	A\$
<b><u>Cost</u></b>				
Computer	4,719	-	94	4,813
Lab equipment	11,067	4,766	220	16,053
Motor vehicles	71,010	-	1,415	72,425
Office equipment	1,441	153	28	1,622
	<u>88,237</u>	<u>4,919</u>	<u>1,757</u>	<u>94,913</u>

	As at 1 July 2018	Charges for the period	Exchange difference	As at 31 December 2018
	A\$	A\$	A\$	A\$
<b><u>Accumulated Depreciation</u></b>				
Computer	3,336	572	66	3,974
Lab equipment	5,048	1,605	101	6,754
Motor vehicles	37,729	7,342	751	45,822
Office equipment	1,013	160	20	1,193
	<u>47,126</u>	<u>9,679</u>	<u>938</u>	<u>57,743</u>

	31.12.2018	30.6.2018
	A\$	A\$
<b><u>Carrying Amounts</u></b>		
Computer	839	1,383
Lab equipment	9,299	6,019
Motor vehicles	26,603	33,281
Office equipment	429	428
	<u>37,170</u>	<u>41,111</u>

The carrying amounts of the property, plant and equipment under finance lease of the Group is as follow:

	31.12.2018	30.6.2018
	A\$	A\$
Motor vehicles	<u>26,603</u>	<u>33,281</u>

#### 4 INTANGIBLE ASSET

GROUP	Intellectual property rights A\$	Total A\$
Cost		
At beginning of the period	310,218	310,218
Exchange difference	<u>5,205</u>	<u>5,205</u>
At end of the period	<u>315,423</u>	<u>315,423</u>
Accumulated amortisation		
At beginning of the period	29,436	29,436
Amortisation charges for the period	<u>15,524</u>	<u>15,524</u>
At end of the period	<u>44,960</u>	<u>44,960</u>
Carrying amounts		
As at 31 December 2018	<u>270,463</u>	<u>270,463</u>
As at 30 June 2018	<u>280,782</u>	<u>280,782</u>

#### 5 GOODWILL

	31.12.2018 A\$	30.6.2018 A\$
At beginning of the period	9,840	8,872
Exchange difference	<u>196</u>	<u>968</u>
At end of the period	<u>10,036</u>	<u>9,840</u>

#### 6 INVENTORIES

	31.12.2018 A\$	30.6.2018 A\$
At cost:		
Biotech products (finished goods)	5,117	16,655
Packaging material	<u>8,623</u>	<u>11,427</u>
	<u>13,740</u>	<u>28,082</u>

## 7 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

	Group	
	31.12.2018	30.6.2018
	A\$	A\$
Other receivables	355,270	315,574
Deposits	1,523	1,493
Prepayment	1,416	1,954
	<u>358,209</u>	<u>319,021</u>

Other receivable of A\$354,374 (30.6.2018: A\$314,913) is owing by a company controlled by two Directors of the Company.

## 8 CAPITAL AND RESERVES

### 8.1 SHARE CAPITAL

	Group	
	31.12.2018	30.6.2018
<b>Number of shares (units)</b>	<u>106,823,000</u>	<u>106,823,000</u>
<b>Issued and Paid-up (A\$)</b>		
At beginning/end of the period	<u>691,390</u>	<u>691,390</u>

### 8.2 FOREIGN CURRENCY TRANSLATION RESERVE

Foreign currency translation reserve comprises all foreign exchange differences arising from translation of the financial statements of the Company and foreign operations with different functional currencies from that of the Group's presentation currency.

## 9 FINANCE LEASE PAYABLES

	Group	
	31.12.2018	30.6.2018
	A\$	A\$
Finance lease payables	35,470	41,106
Less: Interest in suspense	<u>(3,350)</u>	<u>(4,214)</u>
	<u>32,120</u>	<u>36,892</u>
Total principal sums payable		
- within 1 year	9,935	11,083
- more than 1 year but not later than 5 years	<u>22,185</u>	<u>25,809</u>
	<u>32,120</u>	<u>36,892</u>

The Group obtains finance lease facilities to finance certain of its motor vehicles. The average remaining lease term is 3 years as at 31 December 2018. Implicit interest rates of the finance lease range from 2.64%-2.66% (30.6.2018: 2.64% - 2.66%) are fixed at the date of the agreements, and the amount of lease payments are fixed throughout the lease period. The Group has the option to purchase the assets at the end of the agreement with minimum purchase considerations. There is no significant restriction clauses imposed on the hire purchase arrangements.

#### 10 OTHER PAYABLES AND ACCRUALS

	<b>Group</b>	
	<b>31.12.2018</b>	<b>30.6.2018</b>
	A\$	A\$
Other payables	76,434	74,421
Accruals	<u>1,728</u>	<u>2,684</u>
	<u><u>78,162</u></u>	<u><u>77,105</u></u>

#### 11 AMOUNT OWING TO DIRECTORS

The amount due to Directors are non-trade in nature, unsecured, interest free and repayable on demand. Amount is denominated in Malaysian Ringgit.

#### 12 NET TANGIBLE ASSET BACKING PER SHARE

	<b>31.12.2018</b>	<b>30.6.2018</b>
	A\$	A\$
Net tangible assets	<u>24,409</u>	<u>66,950</u>
Number of issued shares	<u>106,823,000</u>	<u>106,823,000</u>
<b>Net tangible asset backing per share</b>	<u><u>0.02 cents</u></u>	<u><u>0.06 cents</u></u>

#### 13 RELATED PARTY TRANSACTIONS

The significant related party transactions of the Group are as follows:

	<b>Group</b>	
	<b>31.12.2018</b>	<b>30.6.2018</b>
	A\$	A\$
Net advances from Directors	58,896	192,859
Net advances to a company controlled by two Directors of the Company	<u>39,461</u>	<u>122,036</u>

**14 SHARE OPTIONS**

There were no share options granted during the period.

**15 EVENT AFTER THE REPORTING DATE**

There were no event incurred after the reporting date.

**16 CONTINGENT LIABILITIES**

There are no contingent liabilities as at the date of these financial statements.

**17 COMPARATIVE FIGURES**

The comparative figures of statement of comprehensive income and statement of cash flows are for the period from 1 July 2017 to 31 December 2017.

# FORM: Half yearly/preliminary final report

Name of issuer

VGX LIMITED

ACN or ARBN

612 834 572

Half yearly  
(tick)

✓

Preliminary  
final (tick)

Half year/financial year ended  
(‘Current period’)

31<sup>ST</sup> DECEMBER 2018

## For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

				A\$
Revenue (item 1.1)	up/down	18.9%	to	358,080
Profit (loss) for the period (item 1.9)	up/down	182.97%	to	(58,337)
Profit (loss) for the period attributable to members of the parent (item 1.11)	up/down	182.97%	to	(58,337)
<b>Dividends</b>		Current period		Previous corresponding period
Franking rate applicable:				
<b>Final dividend</b> (preliminary final report only)(item 10.13-10.14)		N/A		N/A
Amount per security				
Franked amount per security				
<b>Interim dividend</b> (Half yearly report only) (item 10.11 – 10.12)		N/A		N/A
Amount per security				
Franked amount per security				
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
N/A				



## Consolidated income statement *(The figures are not equity accounted)*

*(see note 3)*

*(as per paragraphs 81-85 and 88-94 of AASB 101: Presentation of Financial Statements)*

	Current period – A\$	Previous corresponding period – A\$
1.1 Revenues <i>(item 7.1)</i>	358,080	441,500
1.2 Expenses, excluding finance costs <i>(item 7.2)</i>	(415,631)	(461,298)
1.3 Finance costs	(786)	(818)
1.4 Share of net profits (losses) of associates and joint ventures <i>(item 15.7)</i>	-	-
<b>1.5 Profit (loss) before income tax</b>	<b>(58,337)</b>	<b>(20,616)</b>
1.6 Income tax expense <i>(see note 4)</i>	-	-
1.7 Profit (loss) from continuing operations	(58,337)	(20,616)
1.8 Profit (loss) from discontinued operations <i>(item 13.3)</i>	-	-
<b>1.9 Profit (loss) for the period</b>	<b>(58,337)</b>	<b>(20,616)</b>
1.10 Profit (loss) attributable to minority interests	-	-
<b>1.11 Profit (loss) attributable to members of the parent</b>	<b>(58,337)</b>	<b>(20,616)</b>
1.12 Basic earnings per security <i>(item 9.1)</i>	(0.0005)	(0.0002)
1.13 Diluted earnings per security <i>(item 9.1)</i>	(0.0005)	(0.0002)
1.14 Dividends per security <i>(item 9.1)</i>	N/A	N/A

## Comparison of half-year profits

*(Preliminary final statement only)*

	Current period – A\$	Previous corresponding period – A\$
2.1 Consolidated profit (loss) after tax attributable to members reported for the 1st half year <i>(item 1.11 in the half yearly statement)</i>	(58,337)	(20,616)
2.2 Consolidated profit (loss) after tax attributable to members for the 2nd half year	N/A	N/A

## Consolidated balance sheet

(See note 5)

(as per paragraphs 68-69 of AASB 101: Financial Statement Presentation)

<b>Current assets</b>		Current period –A\$	Previous corresponding period – A\$
3.1	Cash and cash equivalents	5,171	32,356
3.2	Trade and other receivables	447,109	411,781
3.3	Inventories	13,740	34,447
3.4	Other current assets (provide details if material)	-	-
3.5	<b>Total current assets</b>	466,020	478,584
<b>Non-current assets</b>			
3.6	Available for sale investments	-	-
3.7	Other financial assets	-	-
3.8	Investments in associates	-	-
3.9	Deferred tax assets	-	-
3.10	Exploration and evaluation expenditure capitalised (see para. 71 of AASB 1022 – new standard not yet finalised)	-	-
3.11	Development properties (mining entities)	-	-
3.12	Property, plant and equipment (net)	37,170	46,848
3.13	Investment properties	-	-
3.14	Goodwill	10,036	9,266
3.15	Other intangible assets	270,463	279,070
3.16	Other (provide details if material)	-	-
3.17	<b>Total non-current assets</b>	317,669	335,184
3.18	<b>Total assets</b>	783,689	813,768
<b>Current liabilities</b>			
3.19	Trade and other payables	446,661	252,777
3.20	Short term borrowings	-	-
3.21	Current tax payable	-	-
3.22	Short term provisions	-	-
3.23	Current portion of long term borrowings	9,935	10,167
3.24	Other current liabilities (provide details if material)	-	-
		456,596	262,944
3.25	Liabilities directly associated with non-current assets classified as held for sale (para 38 of AASB 5)	-	-
3.26	<b>Total current liabilities</b>	456,596	262,944
<b>Non-current liabilities</b>		-	-

	Current period – A\$	Previous corresponding period – A\$
3.27 Long-term borrowings	22,185	29,587
3.28 Deferred tax liabilities	-	-
3.29 Long term provisions	-	-
3.30 Other (provide details if material)	-	76,076
3.31 <b>Total non-current liabilities</b>	22,185	105,663
3.32 <b>Total liabilities</b>	478,781	368,607
3.33 <b>Net assets</b>	304,908	445,161
<b>Equity</b>		
3.34 Share capital	691,390	691,390
3.35 Other reserves	46,648	19,075
3.36 Retained earnings	(433,130)	(265,304)
Amounts recognised directly in equity relating to non-current assets classified as held for sale		
3.37 <b>Parent interest</b>	304,908	445,161
3.38 <b>Minority interest</b>		
3.39 <b>Total equity</b>	304,908	445,161

## Consolidated statement of changes in equity

(as per paragraphs 96-97 of AASB 101: Presentation of Financial Statements)

	Current period – A\$	Previous corresponding period – A\$
Revenues recognised directly in equity:	-	-
Expenses recognised directly in equity:	-	-
<b>4.1 Net income recognised directly in equity</b>	-	-
<b>4.2 Profit/(Loss) for the period</b>	(58,337)	(20,616)
<b>4.3 Total recognised income and expense for the period</b>	(58,337)	(20,616)
Attributable to:		
4.4 Members of the parent	(58,337)	(20,616)
4.5 Minority interest	-	-
Effect of changes in accounting policy (as per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors):		
4.6 Members of the parent entity	-	-
4.7 Minority interest	-	-

**Consolidated statement of cash flows**

(See note 6)

(as per AASB 107: Cash Flow Statements)

	Current period –A\$	Previous corresponding period – A\$
<b>Cash flows related to operating activities</b>		
5.1 Receipts from customers	N/A	N/A
5.2 Payments to suppliers and employees	N/A	N/A
5.3 Interest and other costs of finance paid	N/A	N/A
5.4 Income taxes paid	N/A	N/A
5.5 Other (provide details if material)	N/A	N/A
5.6 <b>Net cash used in operating activities</b>	(68,775)	5,001
<b>Cash flows related to investing activities</b>		
5.7 Payments for purchases of property, plant and equipment	(4,919)	(196)
5.8 Proceeds from sale of property, plant and equipment	-	-
5.9 Payment for purchases of equity investments	-	-
5.10 Proceeds from sale of equity investments	-	-
5.11 Loans to other entities	-	-
5.12 Loans repaid by other entities	-	-
5.13 Interest and other items of similar nature received	-	-
5.14 Dividends received	-	-
5.15 Other (provide details if material) <i>Intangible assets</i>	-	-
5.16 <b>Net cash used in investing activities</b>	(4,919)	(196)
<b>Cash flows related to financing activities</b>		
5.17 Proceeds from issues of securities (shares, options, etc.)	-	-
5.18 Proceeds from borrowings	-	-
5.19 Repayment of borrowings	(4,772)	(4,881)
5.20 Dividends paid	-	-
5.21 Other (provide details if material)	-	-
5.22 <b>Net cash used in financing activities</b>	(4,772)	(4,881)
<b>Net increase (decrease) in cash and cash equivalents</b>		
5.23 Cash at beginning of period (see <i>Reconciliations of cash</i> )	82,575	23,743
5.24 Exchange rate adjustments to item 5.23	1,062	8,689
5.25 <b>Cash at end of period</b> (see <i>Reconciliation of cash</i> )	5,171	32,356

## Reconciliation of cash provided by operating activities to profit or loss

(as per paragraph Aus20.1 of AASB 107: Cash Flow Statements)

	Current period A\$	Previous corresponding period A\$
6.1 <b>Profit/(Loss)</b> (item 1.9)	(58,337)	(20,616)
Adjustments for:		
6.2 Interest expense		
6.3 Depreciation	9,679	8,457
6.4 Amortisation of intangible asset	15,524	14,688
6.5 Government grant recognized	(82,404)	6,994
6.6 Increase/decrease in inventories	14,342	(1,527)
6.7 Increase/decrease in receivables	(10,538)	(76,072)
6.8 Increase/decrease in payables	42,959	73,077
6.9 Increase/decrease in	-	-
6.10 <b>Net cash from operating activities</b> (item 5.6)	(68,775)	5,001

## Notes to the financial statements

### Details of revenues and expenses

(see note 16)

(Where items of income and expense are material, disclose nature and amount below in accordance with paragraphs 86-87 of AASB 101: Presentation of Financial Statements)

	Current period – A\$	Previous corresponding period – A\$
Revenue	358,080	441,500
7.1 Total Revenue	358,080	441,500
Expenses		
Direct expenses	(105,502)	(145,649)
Administrative expenses	(187,356)	(170,681)
Other operating expenses	(123,559)	(145,786)
7.2 Total Expenses	(416,417)	(462,116)
Profit (loss) before tax	(58,337)	(20,616)

### Ratios

	Current period	Previous corresponding period
<b>Profit before tax / revenue</b>		
8.1 Consolidated profit (loss) before tax ( <i>item 1.5</i> ) as a percentage of revenue ( <i>item 1.1</i> )	-16.29%	-4.7%
<b>Profit after tax / equity interests</b>		
8.2 Consolidated profit (loss) after tax attributable to members ( <i>item 1.11</i> ) as a percentage of equity (similarly attributable) at the end of the period ( <i>item 3.37</i> )	-19.13%	-4.7%

### Earnings per Security

- 9.1 Provide details of basic and fully diluted EPS in accordance with paragraph 70 and Aus 70.1 of AASB 133: Earnings per Share below:

Basic EPS – A\$ (58,337) / 106,823,000 = (0.05 cents)  
Diluted EPS – A\$ (58,337) / 106,823,000 = (0.05 cents)

### Dividends

- 10.1 Date the dividend is payable

N/A

- 10.2 Record date to determine entitlements to the dividend (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer)

N/A

- 10.3 If it is a final dividend, has it been declared?

*(Preliminary final report only)*

- 10.4 The *dividend or distribution plans* shown below are in operation.

N/A

- The last date(s) for receipt of election notices to the *dividend or distribution plans*

N/A

- 10.5 Any other disclosures in relation to *dividends or distributions*

N/A



## Dividends paid or provided for on all securities

(as per paragraph Aus126.4 AASB 101: Presentation of Financial Statements)

	Current period - A\$	Previous corresponding period – A\$	Franking rate applicable
<b>Dividends paid or provided for during the reporting period</b>	N/A	N/A	N/A
10.6 Current year interim	N/A	N/A	N/A
10.7 Franked dividends			
10.8 Previous year final	N/A	N/A	N/A
10.9 Franked dividends			
<b>Dividends proposed and not recognised as a liability</b>	N/A	N/A	N/A
10.10 Franked dividends	N/A	N/A	N/A

## Dividends per security

(as per paragraph Aus126.4 of AASB 101: Presentation of Financial Statements)

	Current year	Previous year	Franking rate applicable
<b>Dividends paid or provided for during the reporting period</b>	N/A	N/A	N/A
10.11 Current year interim	N/A	N/A	N/A
10.12 Franked dividends – cents per share			
10.13 Previous year final	N/A	N/A	N/A
10.14 Franked dividends – cents per share			
<b>Dividends proposed and not recognised as a liability</b>	N/A	N/A	N/A
10.15 Franked dividends – cents per share	N/A	N/A	N/A

### Exploration and evaluation expenditure capitalised

To be completed only by issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit

	Current period A\$	Previous corresponding period A\$
11.1 Opening balance	N/A	N/A
11.2 Expenditure incurred during current period	N/A	N/A
11.3 Expenditure written off during current period	N/A	N/A
11.4 Acquisitions, disposals, revaluation increments, etc.	N/A	N/A
11.5 Expenditure transferred to Development Properties	N/A	N/A
11.6 <b>Closing balance as shown in the consolidated balance sheet (item 3.10)</b>	N/A	N/A

### Development properties

(To be completed only by issuers with mining interests if amounts are material)

	Current period A\$	Previous corresponding period A\$
12.1 Opening balance	N/A	N/A
12.2 Expenditure incurred during current period	N/A	N/A
12.3 Expenditure transferred from exploration and evaluation	N/A	N/A
12.4 Expenditure written off during current period	N/A	N/A
12.5 Acquisitions, disposals, revaluation increments, etc.	N/A	N/A
12.6 Expenditure transferred to mine properties	N/A	N/A
12.7 <b>Closing balance as shown in the consolidated balance sheet (item 3.11)</b>	N/A	N/A

### Discontinued Operations

(see note 18)

(as per paragraph 33 of AASB 5: Non-current Assets Held for Sale and Discontinued Operations)

	Current period – A\$	Previous corresponding period – A\$
13.1 Revenue	N/A	N/A
13.2 Expense	N/A	N/A
13.3 <b>Profit (loss) from discontinued operations before income tax</b>	N/A	N/A
13.4 Income tax expense (as per para 81 (h) of AASB 112)	N/A	N/A
13.5 <b>Gain (loss) on sale/disposal of discontinued operations</b>	N/A	N/A
13.6 Income tax expense (as per paragraph 81(h) of AASB 112)	N/A	N/A

## Movements in Equity

(as per paragraph 97 of AASB 101: Financial Statement Presentation)

		Number issued	Number listed	Paid-up value (cents)	Current period – A\$	Previous corresponding period – A\$
14.1	<b>Preference securities</b> <i>(description)</i>					
14.2	Balance at start of period	N/A	N/A	N/A	N/A	N/A
14.3	a) Increases through issues	N/A	N/A	N/A	N/A	N/A
14.4	a) Decreases through returns of capital, buybacks etc.	N/A	N/A	N/A	N/A	N/A
14.5	Balance at end of period	N/A	N/A	N/A	N/A	N/A
14.6	<b>Ordinary securities</b> <i>(description)</i>					
14.7	Balance at start of period	106,823,000	106,823,000	0.65	691,390	-
14.8	a) Increases through issues					691,390
14.9	b) Decreases through returns of capital, buybacks etc.					N/A
14.10	Balance at end of period	106,823,000	106,823,000	0.65	691,390	691,390
14.11	<b>Convertible Debt Securities</b> <i>(description &amp; conversion factor)</i>	N/A	N/A	N/A	N/A	N/A
14.12	Balance at start of period	N/A	N/A	N/A	N/A	N/A
14.13	a) Increases through issues	N/A	N/A	N/A	N/A	N/A
14.14	b) Decreases through maturity, converted.	N/A	N/A	N/A	N/A	N/A
14.15	Balance at end of period	N/A	N/A	N/A	N/A	N/A

		<b>Number issued</b>	<b>Number listed</b>	<b>Paid-up value (cents)</b>	<b>Current period – A\$</b>	<b>Previous corresponding period – A\$</b>
14.16	<b>Options</b> <i>(description &amp; conversion factor)</i>	N/A	N/A	N/A	N/A	N/A
14.17	Balance at start of period	N/A	N/A	N/A	N/A	N/A
14.18	Issued during period	N/A	N/A	N/A	N/A	N/A
14.19	Exercised during period	N/A	N/A	N/A	N/A	N/A
14.20	Expired during period	N/A	N/A	N/A	N/A	N/A
14.21	Balance at end of period	N/A	N/A	N/A	N/A	N/A
14.22	<b>Debentures</b> <i>(description)</i>	N/A	N/A	N/A	N/A	N/A
14.23	Balance at start of period	N/A	N/A	N/A	N/A	N/A
14.24	a) Increases through issues	N/A	N/A	N/A	N/A	N/A
14.25	b) Decreases through maturity, converted	N/A	N/A	N/A	N/A	N/A
14.26	Balance at end of period	N/A	N/A	N/A	N/A	N/A
14.27	<b>Unsecured Notes</b> <i>(description)</i>	N/A	N/A	N/A	N/A	N/A
14.28	Balance at start of period	N/A	N/A	N/A	N/A	N/A
14.29	a) Increases through issues	N/A	N/A	N/A	N/A	N/A
14.30	b) Decreases through maturity, converted	N/A	N/A	N/A	N/A	N/A
14.31	Balance at end of period	N/A	N/A	N/A	N/A	N/A
14.32	<b>Total Securities</b>	N/A	N/A	N/A	N/A	N/A

		Current period – A\$	Previous corresponding period – A\$
<b>Reserves</b>			
14.33	Balance at start of period	-	-
14.34	Transfers to/from reserves	-	-
14.35	Total for the period	-	-
14.36	Balance at end of period	-	-
14.37	<b>Total reserves</b>	-	-
<b>Retained earnings</b>			
14.38	<b>Balance at start of period</b>	(374,793)	(244,688)
14.39	Changes in accounting policy	-	-
14.40	Restated balance	-	-
14.41	Profit for the balance	-	-
14.42	Total for the period	(58,337)	(20,616)
14.43	Dividends	-	-
14.44	<b>Balance at end of period</b>	(433,130)	(265,304)

## Details of aggregate share of profits (losses) of associates and joint venture entities

(equity method)

(as per paragraph Aus 37.1 of AASB 128: Investments in Associates and paragraph Aus 57.3 of AASB 131: Interests in Joint Ventures)

Name of associate or joint venture entity N/A

Reporting entities percentage holding N/A

		Current period – A\$	Previous corresponding period – A\$
15.1	Profit (loss) before income tax	N/A	N/A
15.2	Income tax		
15.3	<b>Profit (loss) after tax</b>	N/A	N/A
15.4	Impairment losses	N/A	N/A
15.5	Reversals of impairment losses	N/A	N/A
15.6	Share of non-capital expenditure contracted for (excluding the supply of inventories)	N/A	N/A
15.7	<b>Share of net profit (loss) of associates and joint venture entities</b>	N/A	N/A

## Control gained over entities having material effect

(See note 8)

16.1 Name of issuer (or group) VGX LIMITED

	A\$
16.2 Consolidated profit (loss) after tax of the issuer (or group) since the date in the current period on which control was acquired	(58,337)
16.3 Date from which profit (loss) in item 16.2 has been calculated	1 <sup>ST</sup> JULY 2018 TO 31 <sup>ST</sup> DECEMBER 2018
16.4 Profit (loss) after tax of the issuer (or group) for the whole of the previous corresponding period	(20,616)

**Loss of control of entities having material effect**

(See note 8)

17.1	Name of issuer (or group)	N/A
17.2	Consolidated profit (loss) after tax of the entity (or group) for the current period to the date of loss of control	A\$ N/A
17.3	Date from which the profit (loss) in item 17.2 has been calculated	N/A
17.4	Consolidated profit (loss) after tax of the entity (or group) while controlled during the whole of the previous corresponding period	N/A
17.5	Contribution to consolidated profit (loss) from sale of interest leading to loss of control	N/A

**Material interests in entities which are not controlled entities**

The economic entity has an interest (that is material to it) in the following entities.

		Percentage of ownership interest (ordinary securities, units etc) held at end of period or date of disposal		Contribution to profit (loss) (item 1.9)	
		Current period	Previous corresponding period	Current period A\$	Previous corresponding period A\$
18.1	<b>Equity accounted associated entities</b>			<i>Equity accounted</i>	
18.2	<b>Total</b>	N/A	N/A	N/A	N/A
18.3	<b>Other material interests</b>			<i>Non equity accounted (i.e. part of item 1.9)</i>	
18.4	<b>Total</b>	N/A	N/A	N/A	N/A

## Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 114: Segment Reporting. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this statement. However, the following is the personation adopted in the Appendices to AASB 114 and indicates which amount should agree with items included elsewhere in this statement.

	Current period – A\$	Previous corresponding period – A\$
<b>Segments - Industry</b>		
Revenue:		
19.1	External sales	
19.2	Inter-segment sales	
19.3	<b>Total</b> (consolidated total equal to <i>item 1.1</i> )	358,080
19.4	Segment result	
19.5	Unallocated expenses	
19.6	<b>Operating profit</b> (equal to <i>item 1.5</i> )	(58,337)
19.7	Interest expense	
19.8	Interest income	
19.9	Share of profits of associates	
19.10	Income tax expense	
19.11	<b>Net profit</b> (consolidated total equal to <i>item 1.9</i> )	(58,337)
<b>Other information</b>		
19.12	Segment assets	
19.13	Investments in equity method associates	
19.14	Unallocated assets	
19.15	<b>Total assets</b> (equal to <i>item 3.18</i> )	783,689
19.16	Segment liabilities	
19.17	Unallocated liabilities	
19.18	<b>Total liabilities</b> (equal to <i>item 3.32</i> )	456,596
19.19	Capital expenditure	4,919
19.20	Depreciation	9,679
19.21	Other non-cash expenses	15,524
		196
		8,457
		14,688



**NTA Backing**

(see note 7)

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	0.02 cents	0.15 cents

**Non-cash financing and investing activities**

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

21.1	N/A

**International Financial Reporting Standards**

Under paragraph 39 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, an entity's first Australian-equivalents-to-IFRS's financial report shall include reconciliations of its equity and profit or loss under previous GAAP to its equity and profit or loss under Australian equivalents to IFRS's. See IG63 in the appendix to AASB 1 for guidance.

22.1	N/A

Under paragraph 4.2 of AASB 1047: Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards, an entity must disclose any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRSs or if the aforementioned impacts are not known or reliably estimable, a statement to that effect.

22.2	N/A

**Comments by directors**

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) but may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

**Basis of accounts preparation**

If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 134: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. This report does not include all notes of the type normally included in an annual financial report [Delete if inapplicable.]

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible). In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations (as per paragraphs 16(b), 16(b) and Aus 16.1 of AASB 134: Interim Financial Reporting)

There were no contingent liabilities as at the date of this Statement of Financial Position Date which would affect the half year report.

There were no capital commitments as at the date of this Statement of Financial Position.

Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified.

The decrease in revenue for the period were due to the following:-

- 1) Bad weather conditions
- 2) Low crude palm oil prices
- 3) Customers adopted a wait and see approach due to the new government in Malaysia

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

N/A

Changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

*(Disclose changes in the half yearly statement in accordance with paragraph 16(a) of AASB 134: Interim Financial Reporting. Disclose changes in the preliminary final statement in accordance with paragraphs 28-29 of 108: Accounting Policies, Changes in Accounting Estimates and Errors.)*

N/A

An issuer shall explain how the transition from previous GAAP to Australian equivalents to IFRS' affected its reported financial position, financial performance and cash flows. (as per paragraph 38 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards)

N/A

Revisions in estimates of amounts reported in previous periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year (as per paragraph 16(d) of AASB 134: Interim Financial Reporting)

N/A

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report (as per paragraph 16(j) of AASB 134: Interim Financial Reporting)

N/A

The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence (as per paragraph 16(c) of AASB 134: Interim Financial Reporting)

None

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations (as per paragraph 16(i) of AASB 134: Interim Financial Reporting)

N/A

**Annual meeting**

*(Preliminary final statement only)*

The annual meeting will be held as follows:

Place	N/A
Date	N/A
Time	N/A
Approximate date the annual report will be available	N/A

**Compliance statement**

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

International Financial Reporting Standards

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.

3. This statement does/~~does not~~\* (*delete one*) give a true and fair view of the matters disclosed (see note 2).

4. This statement is based on financial statements to which one of the following applies:

The financial statements have been audited.

The financial statements have been subject to review by a registered auditor (or overseas equivalent).

The financial statements are in the process of being audited or subject to review.

The financial statements have *not* yet been audited or reviewed.

5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/~~will follow immediately they are available~~\* (*delete one*). (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.*)

6. The issuer ~~has~~/~~does not have~~\* (*delete one*) a formally constituted audit committee.

Sign here:   
(Director/Company secretary)

Date: 11 March 2019

Print name: Eric Chi Kong CHUNG

## Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show the amount of the change up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. *Issuers* are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.
2. **True and fair view** If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the *issuer* must attach a note providing additional information and explanations to give a true and fair view.
3. **Consolidated statement of financial performance**
  - Item 1.1 The definition of "revenue" is set out in *AASB 118: Revenue*
  - Item 1.6 This item refers to the total tax attributable to the amount shown in *item 1.5*. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg. fringe benefits tax).
4. **Income tax** If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the issuer must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franking rate applicable" for items in *section 9*.
5. **Consolidated statement of financial position**

**Format** The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 134: Interim Financial Reporting*, and *AASB 101: Presentation of Financial Statements*. Banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

**Basis of revaluation** If there has been a material revaluation of non-current assets (including investments) since the last annual report, the *issuer* must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 116: Property, Plant and Equipment*. If the *issuer* has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.
6. **Consolidated statement of cash flows** For definitions of "cash" and other terms used in this statement see *AASB 107: Cash Flow Statements*. *Issuers* should follow the form as closely as possible, but variations are permitted if the *directors* (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 107*.
7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary *securities* (i.e. all liabilities, preference shares, outside equity interests, etc). Mining *issuers* are *not* required to state a net tangible asset backing per ordinary *security*.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the consolidated financial statements. Details must include the contribution for each gain or loss that increased or decreased the *issuer's* consolidated operating profit

(loss) after tax by more than 5% compared to the previous corresponding period.

9. **Equity accounting** If an *issuer* adopts equity accounting, no comparative equity accounting figures are required in the first period following its adoption.
10. **Rounding of figures** This statement anticipates that the information required is given to the nearest \$1,000. However, an *issuer* may report exact figures, if the \$A'000 headings are amended. If an *issuer* qualifies under ASIC Class Order 98/0100 dated 15 July 2004, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A'000 headings are amended.
11. **Comparative figures** Comparative figures are to be presented in accordance with AASB 101: *Presentation of Financial Statements* or AASB 134: *Interim Financial Reporting* as appropriate and are the unadjusted figures from the last annual or half year report as appropriate. However, if the previously reported figures are adjusted to achieve greater comparability, in accordance with an accounting standard or other reason, a note explaining the adjustment must be included with this statement. If no adjustment is made despite a lack of comparability, a note explaining the position should be attached.
12. **Additional information** An *issuer* may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement. The requirement under the listing rules for an *issuer* to complete this statement does not prevent the *issuer* issuing statements more frequently. Additional material lodged with the ASIC under the *Corporations Act* must also be given to the *Exchange*. For example, a *directors'* report and declaration, if lodged with the ASIC, must be given to the *Exchange*.
13. **Accounting Standards** the *Exchange* will accept, for example, the use of International Accounting Standards for *foreign issuers*. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.
14. **Borrowing corporations** This statement may be able to be used by an *issuer* required to comply with the *Corporations Act* as part of its half yearly financial statements if prepared in accordance with Australian Accounting Standards.
15. **Details of expenses** AASB 101: *Presentation of Financial Statements* requires disclosure of expenses according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by the *Exchange*. *Issuers* must disclose details of expenses using the layout (by nature or function) employed in their accounts.

The information in *items 7.1 - 7.2* may be provided in an attachment to Appendix 3

**Relevant items** AASB 101: *Presentation of Financial Statements* requires the separate disclosure of specific revenues and expenses which are of a size, nature or incidence that disclosure is *relevant*, as defined in AASB 101, in explaining the financial performance of the *issuer*. There is an equivalent requirement in AASB 134: *Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by the *Exchange*.

16. **Dollars** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to "000" must be changed to the reporting value.
17. **Discontinuing operations**

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by *paragraph 7.5 (g) of AASB 134: Interim*

*Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their accounts in accordance with *AASB 5: Non-current Assets for Sale and Discontinued Operations*

In any case, the information may be provided as an attachment to this Appendix 3