

VGX LIMITED
(Incorporated in British Virgin Islands)
(Company reg no: ARBN 612 834 572)

INTERIM FINANCIAL STATEMENTS

31 DECEMBER 2022

VGX LIMITED
(Incorporated in British Virgin Islands)
(Company reg no: ARBN 612 834 572)

**INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2022**

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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 2022 TO 31 DECEMBER 2022**

The Directors are pleased to present their report and the interim financial statements of VGX Limited and its controlled entities ("the Group") for the six months ended 31 December 2022.

DIRECTORS

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

Teddy Chua (Appointed on 19.10.2022)
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 entities are 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 2022.

The Company and its controlled entities for the six months ended 31 December 2022 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

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 2022 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

**INDEPENDENT AUDITORS' REPORT ON
REVIEW OF
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
TO THE MEMBERS OF VGX LIMITED**
(Company Regn. No. ARBN 612 834 572)

Introduction

We have reviewed the accompanying interim consolidated statement of financial position as at 31 December 2022 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 ENTITIES ("the Group"). Directors are responsible for the preparation and presentation of these interim consolidated financial statements in accordance with IAS 34 Interim Financial Reporting. 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 statements 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.

Emphasis of Matter

We draw attention to Note 3 of the financial statements, which highlights that the Group incurred a net loss of A\$69,954 during the interim period ended 31 December 2022 and as of that date, the Group has accumulated a capital deficiency of A\$232,058 as a result of losses sustained over the years. This indicates that a material uncertainty exist that may cast doubt on the Company's ability to continue as a going concern.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements as at and for the six months ended 31 December 2022 are not prepared, in all material aspects, in accordance with IAS 34 Interim Financial Reporting.



HML PLT
201504000748 (LLP0004524-LCA) & AF 002152
Chartered Accountants
Kuala Lumpur, Malaysia

VGX LIMITED
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		Group	
		31.12.2022	30.6.2022
	Note	A\$	A\$
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,578	1,576
Intangible asset	6	140,082	153,160
Goodwill	7	72,302	71,147
		<u>213,962</u>	<u>225,883</u>
CURRENT ASSETS			
Inventories	8	8,029	14,267
Trade receivables		22,130	18,694
Other receivables, deposits and prepayments	9	393,796	384,007
Cash and bank balances		4,825	34,749
		<u>428,780</u>	<u>451,717</u>
TOTAL ASSETS		<u><u>642,742</u></u>	<u><u>677,600</u></u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	10	338,781	338,781
Accumulated losses		(600,230)	(530,276)
Foreign currency translation reserve		(9,778)	(6,184)
		<u>(271,227)</u>	<u>(197,679)</u>
Minority interest		39,169	67,200
CAPITAL DEFICIENCY		<u>(232,058)</u>	<u>(130,479)</u>
NON-CURRENT LIABILITIES			
Amount owing to Directors	11	734,292	669,455
Finance lease payables	12	2,021	4,948
		<u>736,313</u>	<u>674,403</u>
CURRENT LIABILITIES			
Trade payables		25,763	22,721
Other payables and accruals	13	106,778	105,239
Finance lease payables	12	5,946	5,716
		<u>138,487</u>	<u>133,676</u>
TOTAL LIABILITIES		<u>874,800</u>	<u>808,079</u>
TOTAL EQUITY AND LIABILITIES		<u><u>642,742</u></u>	<u><u>677,600</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 2022 TO 31 DECEMBER 2022

	Group	
	Six Months Ended 31.12.2022 A\$	Six Months Ended 31.12.2021 A\$
Revenue	76,649	151,216
Cost of sales	(30,153)	(62,548)
Gross profit	<u>46,496</u>	<u>88,668</u>
Other operating income	-	18,831
Administration expenses	(103,287)	(92,958)
Distribution expenses	(19,326)	(33,419)
Research and development expenses	(5,677)	(6,029)
Other operating expenses	<u>(15,972)</u>	<u>(17,054)</u>
Loss from operations	(97,766)	(41,961)
Finance costs	<u>(219)</u>	<u>(350)</u>
Loss before tax	(97,985)	(42,311)
Income tax expense	<u>-</u>	<u>-</u>
Loss and total comprehensive loss for the period	(97,985)	(42,311)
Minority interest	<u>28,031</u>	<u>1,094</u>
Loss and total comprehensive loss for the period	<u>(69,954)</u>	<u>(41,217)</u>
Other comprehensive income:		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences	<u>(3,594)</u>	<u>(347)</u>
Loss and total comprehensive loss for the period	<u>(73,548)</u>	<u>(41,564)</u>
Loss per share:		
Basic - cents per share	<u>(0.14)</u>	<u>(0.08)</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 2022 TO 31 DECEMBER 2022

	Share capital A\$	Accumulated losses A\$	Foreign currency translation reserve A\$	Non- controlling interest A\$	Total A\$
As at 1 July 2022	338,781	(530,276)	(6,184)	67,200	(130,479)
Loss and total comprehensive loss for the period	-	(69,954)	(3,594)	(28,031)	(101,579)
As at 31 December 2022	<u>338,781</u>	<u>(600,230)</u>	<u>(9,778)</u>	<u>39,169</u>	<u>(232,058)</u>

	Share capital A\$	Accumulated losses A\$	Foreign currency translation reserve A\$	Non- controlling interest A\$	Total A\$
As at 1 July 2021	338,781	(419,593)	(4,874)	91,095	5,409
Loss and total comprehensive loss for the period	-	(41,217)	(347)	(1,094)	(42,658)
As at 31 December 2021	<u>338,781</u>	<u>(460,810)</u>	<u>(5,221)</u>	<u>90,001</u>	<u>(37,249)</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 2021 TO 31 DECEMBER 2022

	Group	
	Six Months	Six Months
	Ended	Ended
	31.12.2022	31.12.2021
	A\$	A\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(97,985)	(42,311)
Adjustments for:		
Amortisation of intangible asset	15,333	15,352
Depreciation of property, plant and equipment	648	1,910
Gain on disposal of property, plant and equipment	-	(17,498)
Interest expenses	219	350
Operating loss before working capital changes	(81,785)	(42,197)
Decrease in inventories	6,238	794
Increase in trade receivables	(3,436)	(6,120)
Increase in other receivables, deposits and prepayment	(9,789)	(6,913)
Increase/(Decrease) in trade payables	3,042	(2,893)
(Decrease)/Increase in other payables and accruals	1,539	1,409
Cash (used in)/from operations	(84,191)	(55,920)
Interest paid	(219)	(350)
Net cash used in operating activities	(84,410)	(56,270)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	17,498
Purchase of property, plant and equipment	(625)	-
Net cash (used in)/from investing activities	(625)	17,498
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from Directors	64,837	165,627
Repayment of finance lease payables	(2,697)	(2,199)
Net cash from financing activities	62,140	163,428
Net (decrease)/increase in cash and cash equivalents	(22,895)	124,656
Currency translation	(7,029)	(8,369)
Cash and cash equivalents at beginning of the period	34,749	7,354
Cash and cash equivalents at end of the period	4,825	123,641
Cash and cash equivalents comprise:		
Cash and bank balances	4,825	123,641

The accompanying notes form an integral part of the financial statements

VGX LIMITED

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022

1 GENERAL CORPORATE INFORMATION AND NATURE OF OPERATIONS

The interim consolidated financial statements are for the six months ended 31 December 2022 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 49% 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.

The Company’s subsidiary, Virgin Greens X Sdn. Bhd., holds 100% of the issued share capital of MG AgriWorks Sdn. Bhd., a Malaysian company which engage in application of biotechnology in agriculture and distribution of sustainable products for plant nutrition, growth and protection.

There have been no significant changes in the nature of these activities during the six months ended 31 December 2022.

2 BASIS OF PREPARATION

BASIS OF PRESENTATION CURRENCY AND COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

These interim consolidated financial statements (“interim financial statements”) as at and for the six months ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as “the Group”) 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”).

These interim financial statements are intended to provide users with an update on the annual financial statements of VGX LIMITED. As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report to be read in conjunction with the last annual financial statements of the Group as at and for the year ended 30 June 2022.

3 GOING CONCERN BASIS

The Group incurred a net loss of A\$69,954 during the interim period ended 31 December 2022, and as of that date, the Group has accumulated a capital deficiency of A\$232,058 as a result of losses sustained over the years. Accordingly, the ability of the Group to meet its obligations is therefore dependent on the continuous financial support from Directors, adjustments may have to be made to reflect the situation that assets may need to be realised other than the amounts at which they are currently recorded in the financial position. In addition, the Group may have to provide for further liabilities that might arise. The financial statements do not included such adjustment, as the Directors are optimistic that the Group will operate in a profitable manner in the foreseeable future, and accordingly they believe that it is appropriate for the financial statements of the Group to be prepared on the going concern basis.

4 SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared in accordance with the accounting policies adopted on the last annual financial statements for the year ended 30 June 2022.

5 PROPERTY, PLANT AND EQUIPMENT

	As at 1 July 2022 A\$	Additions A\$	Disposals A\$	Exchange difference A\$	As at 31 December 2022 A\$
<u>Cost</u>					
Computer	5,411	-	-	87	5,498
Lab equipment	15,454	-	-	251	15,705
Motor vehicle	38,756	-	-	629	39,385
Office equipment	1,907	625	-	31	2,563
	61,528	625	-	998	63,151

	As at 1 July 2022 A\$	Charges for the year A\$	Disposals A\$	Exchange difference A\$	As at 31 December 2022 A\$
<u>Accumulated Depreciation</u>					
Computer	4,890	132	-	79	5,101
Lab equipment	14,536	466	-	236	15,238
Motor vehicle	38,755	-	-	629	39,384
Office equipment	1,771	50	-	29	1,850
	59,952	648	-	973	61,573

	31.12.2022	30.06.2022
	A\$	A\$
<u>Carrying Amounts</u>		
Computer	397	521
Lab equipment	467	918
Motor vehicle	1	1
Office equipment	713	136
	<u>1,578</u>	<u>1,576</u>

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

	31.12.2022	30.6.2022
	A\$	A\$
Motor vehicle	<u>1</u>	<u>1</u>

6 INTANGIBLE ASSET

GROUP	Intellectual property rights A\$	Total A\$
Cost		
At beginning of the period/year	306,317	371,399
Exchange difference	4,971	(5,798)
At end of the period/year	<u>311,288</u>	<u>365,601</u>
Accumulated amortisation		
At beginning of the period/year	153,157	213,652
Exchange difference	2,716	-
Amortisation charges for the period	15,333	21,152
At end of the period/year	<u>171,206</u>	<u>234,804</u>
Carrying amounts		
As at 31 December 2022	<u>140,082</u>	<u>140,082</u>
As at 30 June 2022	<u>153,160</u>	<u>153,160</u>

7 GOODWILL

	31.12.2022	30.6.2022
	A\$	A\$
At beginning of the period/year	71,147	69,119
Exchange difference	<u>1,155</u>	<u>2,028</u>
At end of the period/year	<u><u>72,302</u></u>	<u><u>71,147</u></u>

8 INVENTORIES

	31.12.2022	30.6.2022
	A\$	A\$
At cost:		
Biotech products (finished goods)	761	5,493
Packaging material	<u>7,268</u>	<u>8,774</u>
	<u><u>8,029</u></u>	<u><u>14,267</u></u>

9 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

	Group	
	31.12.2022	30.6.2022
	A\$	A\$
Other receivables	390,306	381,087
Deposits	2,092	774
Prepayment	<u>1,399</u>	<u>2,146</u>
	<u><u>393,796</u></u>	<u><u>384,007</u></u>

Included in other receivables is an amount of A\$390,269 (30.6.2022: A\$381,050) owing by a company controlled by two Directors of the Company.

10 CAPITAL AND RESERVES

11.1 SHARE CAPITAL

	Group	
	31.12.2022	30.6.2022
Number of shares (units)		
At beginning/end of the period/year	<u>52,343,270</u>	<u>52,343,270</u>
Issued and Paid-up (A\$)		
At beginning/end of the period/year	<u>338,781</u>	<u>338,781</u>

11.2 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.

11 AMOUNT OWING TO DIRECTORS

The amount is unsecured, interest free and no fixed term of repayment.

12 FINANCE LEASE PAYABLE

	Group	
	31.12.2022	30.6.2022
	A\$	A\$
Finance lease payable	8,226	11,138
Less: Interest in suspense	<u>(259)</u>	<u>(474)</u>
	<u>7,967</u>	<u>10,664</u>
 Total principal sums payable		
- within 1 year	5,946	5,716
- more than 1 year but not later than 5 years	<u>2,021</u>	<u>4,948</u>
	<u>7,967</u>	<u>10,664</u>

The Group obtains finance lease facilities to finance certain of its motor vehicle. The average remaining lease term is 2 years as at 31 December 2022. Implicit interest rates of the finance lease range from 2.64% - 2.66% (30.6.2022: 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.

13 OTHER PAYABLES AND ACCRUALS

	Group	
	31.12.2022	30.6.2022
	A\$	A\$
Other payables	99,950	93,139
Accruals	6,828	5,270
Advance received	-	6,830
	<u>106,778</u>	<u>105,239</u>

Included in other payables is an amount of A\$5,186 (30.6.2022: A\$1,798) owing to a company controlled by two Directors of the Company.

14 NEGATIVE NET TANGIBLE ASSET BACKING PER SHARE

	31.12.2022	30.6.2022
	A\$	A\$
Negative net tangible assets	<u>(444,442)</u>	<u>(354,786)</u>
Number of issued shares	<u>52,343,270</u>	<u>52,343,270</u>
Negative net tangible asset backing per share	<u>0.85 cents</u>	<u>0.68 cents</u>

15 RELATED PARTY TRANSACTIONS

15.1 SIGNIFICANT RELATED PARTY TRANSACTION

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed in Notes 11 and 13, the significant related party transactions of the Group and of the Company are as follows:

	Group	
	31.12.2022	30.6.2022
	A\$	A\$
Net advances from Directors	64,837	165,627
Net repayment from a company controlled by two Directors of the Company	<u>(5,831)</u>	<u>(6,978)</u>

15.2 COMPENSATION OF KEY MANAGEMENT PERSONNEL

	Group	
	1.7.2022 to 31.12.2022 A\$	1.7.2021 to 31.12.2021 A\$
Short term benefits	<u>41,123</u>	<u>35,097</u>

Key management personnel comprise Directors of the Group and other persons in the Group, having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

16 SEASONAL/CYCLICAL FACTORS

The operations of the Company were not significantly affected by seasonality and cyclical factors.

17 MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in the prior financial year that have a material effect in the six months ended 31 December 2021.

18 DEBT AND EQUITY SECURITIES

There were no issuance, repurchase and repayments of debt and equity securities during the six months ended 31 December 2022.

19 DIVIDEND PAID

No dividend paid during the reporting period.

20 SEGMENT INFORMATION

No segmental reporting is presented as the Group is primarily engaged in research, development and commercialisation of food and agriculture related technologies.

21 SUBSEQUENT EVENT AFTER THE BALANCE SHEET DATE

On 6 January 2023, the Selling Shareholders terminated the Share Sale agreement entered on 31 December 2021 as a result of the Purchaser's failure to complete the first tranche of 11,908,330 Sale Shares by 30 December 2022.