FORM: Half yearly/preliminary final report

Name of *issuer*

VGX LIMITED

ACN or ARBN	Half yearly (tick)	Preliminary final (tick)	Half year/financial year ended ('Current period')
612 834 572	✓		31ST DECEMBER 2019

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

					A$
Revenue *(item 1.1)*	~~up~~/down	25.96%	358,080	to	265,116
Profit (loss) for the period *(item 1.9)*	~~up~~/down	43.89%	(58,337)	to	(83,940)
Profit (loss) for the period attributable to members of the parent *(item 1.11)*	~~up~~/down	43.89%	(58,337)	to	(83,940)

Dividends Franking rate applicable:	Current period	Previous corresponding period
Final dividend *(preliminary final report only)(item 10.13-10.14)* Amount per *security* Franked amount per *security*	N/A	N/A
Interim dividend *(Half yearly report only) (item 10.11 – 10.12)* Amount per *security* Franked amount per *security*	N/A	N/A

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 *(item 7.1)*	265,116	358,080
1.2	Expenses, excluding finance costs *(item 7.2)*	(348,339)	(415,631)
1.3	Finance costs	(717)	(786)
1.4	Share of net profits (losses) of associates and joint ventures *(item 15.7)*	-	-
1.5	**Profit (loss) before income tax**	(83,940)	(58,337)
1.6	Income tax expense *(see note 4)*	-	-
1.7	Profit (loss) from continuing operations	(83,940)	(58,337)
1.8	Profit (loss) from discontinued operations *(item 13.3)*	-	-
1.9	**Profit (loss) for the period**	(83,940)	(58,337)
1.10	Profit (loss) attributable to minority interests	-	-
1.11	**Profit (loss) attributable to members of the parent**	(83,940)	(58,337)
1.12	Basic earnings per *security (item 9.1)*	(0.0008)	(0.0005)
1.13	Diluted earnings per *security (item 9.1)*	(0.0008)	(0.0005)
1.14	Dividends per *security (item 9.1)*	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 *(item 1.11* in the half yearly statement)	(83,940)	(58,337)
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)

		Current period –A$	Previous corresponding period – A$
	Current assets		
3.1	Cash and cash equivalents	12,015	5,171
3.2	Trade and other receivables	471,252	447,109
3.3	Inventories	16,170	13,740
3.4	Other current assets (provide details if material)	-	-
3.5	**Total current assets**	499,437	466,020
	Non-current assets		
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)	20,881	37,170
3.13	Investment properties	-	-
3.14	Goodwill	10,235	10,036
3.15	Other intangible assets	243,374	270,463
3.16	Other (provide details if material)	-	-
3.17	**Total non-current assets**	274,490	317,669
3.18	**Total assets**	773,927	783,689
	Current liabilities		
3.19	Trade and other payables	656,267	446,661
3.20	Short term borrowings	-	-
3.21	Current tax payable	-	-
3.22	Short term provisions	-	-
3.23	Current portion of long term borrowings	5,484	9,935
3.24	Other current liabilities (provide details if material)	-	-
		661,751	456,596
3.25	Liabilities directly associated with non-current assets classified as held for sale *(para 38 of AASB 5)*	-	-
3.26	**Total current liabilities**	661,751	456,596
	Non-current liabilities	-	-

		Current period – A$	Previous corresponding period – A$
3.27	Long-term borrowings	17,067	22,185
3.28	Deferred tax liabilities	-	-
3.29	Long term provisions	-	-
3.30	Other (provide details if material)	-	-
3.31	**Total non-current liabilities**	17,067	22,185
3.32	**Total liabilities**	678,818	478,781
3.33	**Net assets**	95,109	304,908
	Equity		
3.34	Share capital	691,390	691,390
3.35	Other reserves	50,159	46,648
3.36	Retained earnings	(646,440)	(433,130)
	Amounts recognised directly in equity relating to non-current assets classified as held for sale		
3.37	**Parent interest**	95,109	304,908
3.38	**Minority interest**		
3.39	**Total equity**	95,109	304,908

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:	-	-
4.1	**Net income recognised directly in equity**	-	-
4.2	**Profit/(Loss) for the period**	(83,940)	(58,337)
4.3	**Total recognised income and expense for the period**	(83,940)	(58,337)
	Attributable to:		
4.4	Members of the parent	(83,940)	(58,337)
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$
	Cash flows related to operating activities		
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	**Net cash used in operating activities**	15,754	(68,775)
	Cash flows related to investing activities		
5.7	Payments for purchases of property, plant and equipment	-	(4,919)
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) *Intangible assets*	-	-
5.16	**Net cash used in investing activities**	-	(4,919)
	Cash flows related to financing activities		
5.17	Proceeds from issues of securities (shares, options, etc.)	-	-
5.18	Proceeds from borrowings	-	-
5.19	Repayment of borrowings	(3,952)	(4,772)
5.20	Dividends paid	-	-
5.21	Other (provide details if material)	-	-
5.22	**Net cash used in financing activities**	(3,952)	(4,772)
	Net increase (decrease) in cash and cash equivalents	11,802	(78,466)
5.23	Cash at beginning of period (*see Reconciliations of cash*)	1,385	82,575
5.24	Exchange rate adjustments to item 5.23	(1,172)	1,062
5.25	**Cash at end of period** (*see* Reconciliation of cash)	12,015	5,171

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	**Profit/(Loss)** *(item 1.9)*	(83,940)	(58,337)
	Adjustments for:		
6.2	Interest expense		
6.3	Depreciation	7,757	9,679
6.4	Amortisation of intangible asset	16,309	15,524
6.5	Government grant recognized	-	(82,404)
6.6	Increase/decrease in inventories	4,655	14,342
6.7	Increase/decrease in receivables	(38,671)	(10,538)
6.8	Increase/decrease in payables	109,644	42,959
6.9	Increase/decrease in	-	-
6.10	**Net cash from operating activities** *(item 5.6)*	15,754	(68,775)

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	265,116	358,080
7.1	Total Revenue	265,116	358,080
	Expenses		
	Direct expenses	(97,860)	(105,502)
	Administrative expenses	(169,324)	(187,356)
	Other operating expenses	(81,872)	(123,559)
7.2	Total Expenses	(349,056)	(416,417)
	Profit (loss) before tax	(83,940)	(58,337)

Ratios		**Current period**	**Previous corresponding period**
	Profit before tax / revenue		
8.1	Consolidated profit (loss) before tax *(item 1.5)* as a percentage of revenue *(item 1.1)*	-31.66%	-16.29%
	Profit after tax / equity interests		
8.2	Consolidated profit (loss) after tax attributable to members *(item 1.11)* as a percentage of equity (similarly attributable) at the end of the period *(item 3.37)*	-88.26%	-19.13%

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$ (83,940) / 106,823,000 = (0.08 cents)

Diluted EPS – A$ (83,940) / 106,823,000 = (0.08 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 plan*s shown below are in operation.

N/A

The last date(s) for receipt of election notices to the *dividend or distribution plan*s	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
	Dividends paid or provided for during the reporting period	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			
	Dividends proposed and not recognised as a liability	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
	Dividends paid or provided for during the reporting period	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			
	Dividends proposed and not recognised as a liability	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 be 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	**Closing balance as shown in the consolidated balance sheet** (item 3.10)	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	**Closing balance as shown in the consolidated balance sheet** (item 3.11)	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	**Profit (loss) from discontinued operations before income tax**	N/A	N/A
13.4	Income tax expense *(as per para 81 (h) of AASB 112)*	N/A	N/A
13.5	**Gain (loss) on sale/disposal of discontinued operations**	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	**Preference securities** *(description)*					
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	**Ordinary securities***(description)*					
14.7	Balance at start of period	106,823,000	106,823,000	0.65	691,390	691,390
14.8	a) Increases through issues					-
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	**Convertible Debt Securities** *(description & conversion factor)*	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

		Number issued	Number listed	Paid-up value (cents)	Current period – A$	Previous corresponding period – A$
14.16	**Options** *(description & conversion factor)*	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	**Debentures** *(description)*	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	**Unsecured Notes** *(description)*	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	**Total *Securities***	N/A	N/A	N/A	N/A	N/A

		Current period – A$	Previous corresponding period – A$
	Reserves		
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	**Total reserves**	-	-
	Retained earnings		
14.38	**Balance at start of period**	(562,500)	(374,793)
14.39	Changes in accounting policy	-	-
14.40	Restated balance	-	-
14.41	Profit for the balance	-	-
14.42	Total for the period	(83,940)	(58,337)
14.43	Dividends	-	-
14.44	**Balance at end of period**	(646,440)	(433,130)

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	**Profit (loss) after tax**	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	**Share of net profit (loss) of associates and joint venture entities**	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	(83,940)
16.3	Date from which profit (loss) in *item 16.2* has been calculated	1st JULY 2019 TO 31ST DECEMBER 2019
16.4	Profit (loss) after tax of the *issuer* (or *group*) for the whole of the previous corresponding period	(58,337)

Loss of control of entities having material effect
(See note 8)

17.1	Name of *issuer* (or *group*)	N/A

		A$
17.2	Consolidated profit (loss) after tax of the entity (or *group*) for the current period to the date of loss of control	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)*	
18.1	**Equity accounted associated entities**	Current period	Previous corresponding period	Current period A$	Previous corresponding period A$
				Equity accounted	
18.2	**Total**	N/A	N/A	N/A	N/A
18.3	**Other material interests**			Non equity accounted (i.e. part of *item 1.9*)	
18.4	**Total**	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$
	Segments - Industry		
	Revenue:		
19.1	External sales		
19.2	Inter-segment sales		
19.3	**Total** (consolidated total equal to *item 1.1*)	265,116	358,080
19.4	Segment result		
19.5	Unallocated expenses		
19.6	**Operating profit** (equal to *item 1.5*)	(83,940)	(58,337)
19.7	Interest expense		
19.8	Interest income		
19.9	Share of profits of associates		
19.10	Income tax expense		
19.11	**Net profit** (consolidated total equal to *item 1.9*)	(83,940)	(58,337)
	Other information		
19.12	Segment assets		
19.13	Investments in equity method associates		
19.14	Unallocated assets		
19.15	**Total assets** (equal to *item 3.18*)	773,927	783,689
19.16	Segment liabilities		
19.17	Unallocated liabilities		
19.18	**Total liabilities** (equal to *item 3.32*)	678,818	456,596
19.19	Capital expenditure	-	4,919
19.20	Depreciation	7,757	9,679
19.21	Other non-cash expenses	16,309	15,524

NTA Backing

(see note 7)

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary *security*	(0.15) cents	0.02 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) Low crude palm oil prices which affected the demand for the Company's products by oil palm plantations
2) Government grant was fully recognised in the previous corresponding period

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 paragraph16(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 assts 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: .... Date: 12 March 2020
(*Director*/~~*Company secretary*~~)

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

VGX LIMITED

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

INTERIM FINANCIAL STATEMENTS

31 DECEMBER 2019

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

INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

INDEX

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 2019 TO 31 DECEMBER 2019

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 2019.

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 2019.

The Company and its controlled entity for the six months ended 31 December 2019 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
5 March 2020

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 2019 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
5 March 2020

HML & CO.
CHARTERED ACCOUNTANTS AF 1325
1-23B Jalan Desa 1/3
Desa Aman Puri
52100 Kuala Lumpur,
Malaysia.
Tel 603 – 6273 4543
Fax 603 – 6273 4542
Email audit@hml.com.my

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 2019 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 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.

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 2019 are not prepared, in all material aspects, in accordance with IAS 34 Interim Financial Reporting.

HML & CO.
AF: 1325
Chartered Accountants
Kuala Lumpur, Malaysia
5 March 2020

VGX LIMITED
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	Group 31.12.2019 A$	Group 30.6.2019 A$
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	20,881	28,274
Intangible asset	4	243,374	256,299
Goodwill	5	10,235	10,105
		274,490	294,678
CURRENT ASSETS			
Inventories	6	16,170	20,825
Trade receivables		67,414	48,622
Other receivables, deposits and prepayment	7	403,838	383,959
Cash and bank balances		12,015	1,385
		499,437	454,791
TOTAL ASSETS		773,927	749,469
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	8	691,390	691,390
Accumulated losses		(646,440)	(562,500)
Foreign currency translation reserve		50,159	47,453
SHAREHOLDERS' EQUITY		95,109	176,343
NON-CURRENT LIABILITIES			
Amount owing to Directors	9	508,838	405,647
Finance lease payables	10	17,067	19,592
		525,905	425,239
CURRENT LIABILITIES			
Trade payables		53,286	56,200
Other payables and accruals	11	94,143	84,776
Finance lease payables	10	5,484	6,911
		152,913	147,887
TOTAL LIABILITIES		678,818	573,126
TOTAL EQUITY AND LIABILITIES		773,927	749,469

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 2019 TO 31 DECEMBER 2019

	Group	
	Six Months Ended 31.12.2019 A$	**Six Months Ended 31.12.2018 A$**
Revenue	264,962	277,511
Cost of sales	(97,860)	(105,502)
Gross profit	167,102	172,009
Other operating income	154	80,569
Administration expenses	(141,768)	(187,356)
Distribution expenses	(53,477)	(75,646)
Research and development expenses	(31,127)	(22,158)
Other operating expenses	(24,107)	(24,969)
Loss from operations	(83,223)	(57,551)
Finance costs	(717)	(786)
Loss before tax	(83,940)	(58,337)
Income tax expense	-	-
Loss for the year	(83,940)	(58,337)
Other comprehensive income:		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences	2,706	5,673
Loss for the year	(81,234)	(52,664)
Loss per share:		
Basic - cents per share	(0.08)	(0.06)

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 2019 TO 31 DECEMBER 2019

	Share capital	Accumulated losses	Foreign currency translation reserve	Total
	A$	A$	A$	A$
As at 1 July 2019	691,390	(562,500)	47,453	176,343
Loss and total comprehensive loss for the period	-	(83,940)	2,706	(81,234)
As at 31 December 2019	691,390	(646,440)	50,159	95,109

	Share capital	Accumulated losses	Foreign currency translation reserve	Total
	A$	A$	A$	A$
As at 1 July 2018	691,390	(374,793)	40,975	357,572
Loss and total comprehensive loss for the period	-	(58,337)	5,673	(52,664)
As at 31 December 2018	691,390	(433,130)	46,648	304,908

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 2019 TO 31 DECEMBER 2019

	Group	
	Six Months Ended 31.12.2019 A$	**Six Months Ended 31.12.2018 A$**
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(83,940)	(58,337)
Adjustments for:		
Amortisation of intangible asset	16,309	15,524
Depreciation of property, plant and equipment	7,757	9,679
Government grant recognised	-	(82,404)
Interest expenses	717	786
Interest income	-	(148)
Operating loss before working capital changes	(59,157)	(114,900)
Decrease in inventories	4,655	14,342
(Increase)/Decrease in trade receivables	(18,792)	28,650
Increase in other receivables, deposits and prepayment	(19,879)	(39,188)
Decrease in trade payables	(2,914)	(16,994)
Increase in other payables and accruals	9,367	1,057
Cash used in operations	(86,720)	(127,033)
Interest paid	(717)	(786)
Interest received	-	148
Net cash used in operating activities	(87,437)	(127,671)
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property, plant and equipment	-	(4,919)
Net cash used in investing activity	-	(4,919)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from Directors	103,191	58,896
Repayment of finance lease payables	(3,952)	(4,772)
Net cash from financing activities	99,239	54,124
Net increase/(decrease) in cash and cash equivalents	11,802	(78,466)
Currency translation	(1,172)	1,062
Cash and cash equivalents at beginning of the period	1,385	82,575
Cash and cash equivalents at end of the period	12,015	5,171
Cash and cash equivalents comprise:		
Cash and bank balances	12,015	5,171

The accompanying notes form an integral part of the financial statements

1 GENERAL CORPORATE INFORMATION AND NATURE OF OPREATIONS

The interim consolidated financial statements are for the six months ended 31 December 2019 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 2019.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF ACCOUNTING

These interim consolidated financial statements ("interim financial statements") as at and for the six months ended 31 December 2019 comprise the Company and its subsidiary (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 2019.

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.

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 2019 .

IFRSs, IFRICs and amendments to IFRSs effective for annual periods beginning on or after 1 January 2020:

- Amendments to IFRS 3, Definition of a Business
- Amendments to IAS 1 and IAS 8, Definition of Material

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 Directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2.2 PROPERTY, PLANT AND EQUIPMENT

i) Recognition And Measurement

Property, plant and equipment are measured at costs less any accumulated depreciation and any accumulated impairment losses.

Costs include expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The costs of self–constructed assets also include the costs of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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:

	Rate
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 of 10 years. 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 entirely 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.

3 ESTIMATES

When preparing these interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in these interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2019. The only exceptions are the estimate of income tax liabilities which is determined in these interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

3 PROPERTY, PLANT AND EQUIPMENT

	As at 1 July 2019 A$	Additions A$	Exchange difference A$	As at 31 December 2019 A$
Cost				
Computer	4,846	-	62	4,908
Lab equipment	16,163	-	209	16,372
Motor vehicles	72,921	-	939	73,860
Office equipment	1,995	-	26	2,021
	95,925	-	1,236	97,161

	As at 1 July 2019 A$	Charges for the period A$	Exchange difference A$	As at 31 December 2019 A$
Accumulated Depreciation				
Computer	4,305	331	56	4,692
Lab equipment	8,415	1,637	110	10,162
Motor vehicles	53,530	5,607	688	59,825
Office equipment	1,401	182	18	1,601
	67,651	7,757	872	76,280

	31.12.2019 A$	30.6.2019 A$
Carrying Amounts		
Computer	216	541
Lab equipment	6,210	7,748
Motor vehicles	14,035	19,391
Office equipment	420	594
	20,881	28,274

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

	31.12.2019 A$	30.6.2019 A$
Motor vehicles	14,035	19,391

4 INTANGIBLE ASSET

GROUP	Intellectual property rights A$	Total A$
Cost		
At beginning of the period	317,244	317,244
Exchange difference	3,384	3,384
At end of the period	320,628	320,628
Accumulated amortisation		
At beginning of the period	60,945	60,945
Amortisation charges for the period	16,309	16,309
At end of the period	77,254	77,254
Carrying amounts		
As at 31 December 2019	243,374	243,374
As at 30 June 2019	256,299	256,299

5 GOODWILL

	31.12.2019 A$	30.6.2019 A$
At beginning of the period	10,105	9,840
Exchange difference	130	265
At end of the period	10,235	10,105

6 INVENTORIES

	31.12.2019 A$	30.6.2019 A$
At cost:		
Biotech products (finished goods)	3,709	7,076
Packaging material	12,461	13,749
	16,170	20,825

7 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

	Group	
	31.12.2019	30.6.2019
	A$	A$
Other receivables	402,208	381,049
Deposits	366	362
Prepayment	1,264	2,548
	403,838	383,959

Other receivable of A$402,142 (30.6.2019: A$380,059) is owing by a company controlled by two Directors of the Company.

8 CAPITAL AND RESERVES

8.1 SHARE CAPITAL

	Group	
	31.12.2019	30.6.2019
Number of shares (units)	106,823,000	106,823,000
Issued and Paid-up (A$)		
At beginning/end of the period	691,390	691,390

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 AMOUNT OWING TO DIRECTORS

The amount is unsecured, interest free and not repayable on demand.

11 FINANCE LEASE PAYABLES

	Group	
	31.12.2019	30.6.2019
	A$	A$
Finance lease payables	24,695	29,214
Less: Interest in suspense	(2,144)	(2,711)
	22,551	26,503
Total principal sums payable		
- within 1 year	5,484	6,911
- more than 1 year but not later than 5 years	17,067	19,592
	22,551	26,503

The Group obtains finance lease facilities to finance certain of its motor vehicles. The average remaining lease term is 2 years as at 31 December 2019. Implicit interest rates of the finance lease range from 2.64% - 2.66% (30.6.2019: 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.

12 OTHER PAYABLES AND ACCRUALS

	Group	
	31.12.2019	30.6.2019
	A$	A$
Other payables	91,985	83,243
Accruals	2,158	1,533
	94,143	84,776

13 NEGATIVE NET TANGIBLE ASSET BACKING PER SHARE

	31.12.2019	30.6.2019
	A$	A$
Negative net tangible assets	158,500	90,061
Number of issued shares	106,823,000	106,823,000
Negative net tangible asset backing per share	0.15 cents	0.08 cents

13 RELATED PARTY TRANSACTIONS

13.1 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 7 and 9, the significant related party transactions of the Group and of the Company are as follows:

	Group	
	31.12.2019	**30.6.2019**
	A$	**A$**
Net advances from Directors	103,191	185,739
Net advances to a company controlled by two Directors of the Company	22,083	65,146

13.2 COMPENSATION OF KEY MANAGEMENT PERSONNEL

	Group	
	1.7.2019 to 31.12.2019	**1.7.2018 to 31.12.2018**
	A$	**A$**
Short term benefits	66,826	63,109

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.

14 SHARE OPTIONS

There were no share options granted during the period.

15 EVENT AFTER THE REPORTING DATE

On 3 March 2020, the Company has entered into a Capital Reduction Agreement ("the Agreement") with Metsys Sdn. Bhd., Eric Chung Chi Kong and Yap Poh Yee (collectively, the "Relevant Shareholders").

Under the terms of the Agreement and subject to the conditions precedent contained in the Agreement being fulfilled:

a) the Company will transfer an aggregate 5,100,000 ordinary shares in and representing 51% of the issued and paid up share capital of its wholly owned subsidiary, Virgin Greens X Sdn. Bhd. ("VGXM"), to Metsys Sdn. Bhd. and Yap Poh Yee (collectively, the "Transferees"); and

b) the Relevant Shareholders will consent to the Company's cancellation of an aggregate 54,479,730 ordinary shares (the "Relevant Shares") in and representing 51% of the Company's issued and paid up share capital,

together, the Proposed Transaction.

On and as a condition for completion of the Proposed Transaction, the Transferees will enter into a Block Voting Agreement with the Company, under which the Transferees:

a) will exercise their voting rights in VGXM in accordance with the directions of the Company; and

b) grants the Company the right of first refusal and last look in the event they wish to dispose of their shares (or any part thereof) in VGXM.

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 2018 to 31 December 2018.