

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

INTERIM FINANCIAL STATEMENTS

31 DECEMBER 2023

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

**INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2023**

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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 2023 TO 31 DECEMBER 2023**

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 2023.

DIRECTORS

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

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

REVIEW OF OPERATIONS

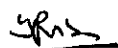
The principal activity of the Company is an investment holding company. The principal activities of its controlled entities are to carry on business of research, development and commercialisation of food and agriculture related technologies. There have been no significant changes in the nature of these activities during the six months ended 31 December 2023.

The Company and its controlled entities for the six months ended 31 December 2023 produced a loss, which comprise mainly administrative, distribution and other operating expenses incurred from the Group.

On behalf of the Board of Directors



ERIC CHUNG CHI KONG
Director



YAP POH YEE
Director

Kuala Lumpur
11 March 2024

VGX LIMITED
STATEMENT BY DIRECTORS

In the opinion of the Directors, the accompanying condensed consolidated statement of financial position, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed 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 VGX Limited and its controlled entities as at 31 December 2023 and of the results of the business, changes in equity and cash flows of VGX Limited and its controlled entities for the six months ended on that date and as at the date of this statement there are reasonable grounds to believe that VGX Limited and its controlled entities 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
11 March 2024

**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 condensed consolidated statement of financial position as at 31 December 2023 and the condensed 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 condensed consolidated financial statements in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on these condensed 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\$263,843 during the interim period ended 31 December 2023 and as of that date, the Group has a capital deficiency of A\$587,167 as a result of losses sustained over the years. This indicates that a material uncertainty exists 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 condensed consolidated financial statements as at and for the six months ended 31 December 2023 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
11 March 2024

VGX LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

		Group	
	Note	31.12.2023	30.6.2023
		A\$	A\$
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	728	780
Intangible asset	7	-	120,505
Goodwill	8	-	69,972
		<u>728</u>	<u>191,257</u>
CURRENT ASSETS			
Inventories	9	3,519	4,839
Trade receivables	10	3,740	43,326
Other receivables, deposits and prepayments	11	379,798	385,915
Cash and bank balances		<u>33,061</u>	<u>5,461</u>
		<u>420,118</u>	<u>439,541</u>
TOTAL ASSETS		<u><u>420,846</u></u>	<u><u>630,798</u></u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	12	338,781	338,781
Accumulated losses		(914,044)	(650,201)
Foreign currency translation reserve		<u>11,984</u>	<u>(584)</u>
		<u>(563,279)</u>	<u>(312,004)</u>
Minority interest		<u>(23,888)</u>	<u>18,084</u>
CAPITAL DEFICIENCY		<u>(587,167)</u>	<u>(293,920)</u>
NON-CURRENT LIABILITY			
Amount owing to Directors	13	<u>883,558</u>	<u>789,708</u>
CURRENT LIABILITIES			
Trade payables		22,664	24,732
Other payables and accruals	14	100,347	105,412
Finance lease payables	15	<u>1,444</u>	<u>4,866</u>
		<u>124,455</u>	<u>135,010</u>
TOTAL LIABILITIES		<u>1,008,013</u>	<u>924,718</u>
TOTAL EQUITY AND LIABILITIES		<u><u>420,846</u></u>	<u><u>630,798</u></u>

The accompanying notes form an integral part of the financial statements

VGX LIMITED
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

		Group	
		Six Months Ended 31.12.2023 A\$	Six Months Ended 31.12.2022 A\$
Revenue		56,930	76,649
Cost of sales		(15,989)	(30,153)
Gross profit		<u>40,941</u>	<u>46,496</u>
Other operating income		213	-
Administration expenses		(109,738)	(103,287)
Distribution expenses		(21,788)	(19,326)
Research and development expenses		(5,059)	(5,677)
Other operating expenses	16	<u>(210,293)</u>	<u>(15,972)</u>
Loss from operations		(305,724)	(97,766)
Finance costs		<u>(91)</u>	<u>(219)</u>
Loss before tax		(305,815)	(97,985)
Income tax expense		<u>-</u>	<u>-</u>
Loss and total comprehensive loss for the period		(305,815)	(97,985)
Minority interest		<u>41,972</u>	<u>28,031</u>
Loss and total comprehensive loss for the period		<u>(263,843)</u>	<u>(69,954)</u>
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		<u>12,568</u>	<u>(3,594)</u>
Loss and total comprehensive loss for the period		<u>(251,275)</u>	<u>(73,548)</u>
Loss per share:			
Basic - cents per share		<u>(0.48)</u>	<u>(0.14)</u>

The accompanying notes form an integral part of the financial statements

VGX LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

	Share capital A\$	Accumulated losses A\$	Foreign currency translation reserve A\$	Non- controlling interest A\$	Total A\$
As at 1 July 2023	338,781	(650,201)	(584)	18,084	(293,920)
Loss and total comprehensive loss for the period	<u>-</u>	<u>(263,843)</u>	<u>12,568</u>	<u>(41,972)</u>	<u>(293,247)</u>
As at 31 December 2023	<u>338,781</u>	<u>(914,044)</u>	<u>11,984</u>	<u>(23,888)</u>	<u>(587,167)</u>

	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	<u>-</u>	<u>(69,954)</u>	<u>(3,594)</u>	<u>(28,031)</u>	<u>(101,579)</u>
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>

The accompanying notes form an integral part of the financial statements

VGX LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

	Group	
	Six Months	Six Months
	Ended	Ended
	31.12.2023	31.12.2022
	A\$	A\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(305,815)	(97,985)
Adjustments for:		
Amortisation of intangible asset	-	15,333
Depreciation of property, plant and equipment	42	648
Impairment loss on goodwill	70,946	-
Impairment loss on intangible asset	122,183	-
Interest expenses	91	219
Provision for doubtful debts	17,122	-
Operating loss before working capital changes	(95,431)	(81,785)
Decrease in inventories	1,320	6,238
Decrease/(Increase) in trade receivables	22,464	(3,436)
Decrease/(Increase) in other receivables, deposits and prepayment	6,117	(9,789)
(Decrease) /Increase in trade payables	(2,068)	3,042
(Decrease)/Increase in other payables and accruals	(5,065)	1,539
Cash used in operations	(72,663)	(84,191)
Interest paid	(91)	(219)
Net cash used in operating activities	(72,754)	(84,410)
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property, plant and equipment	-	(625)
Net cash used in investing activity	-	(625)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from Directors	93,850	64,837
Repayment of finance lease payables	(3,422)	(2,697)
Net cash from financing activities	90,428	62,140
Net increase/(decrease) in cash and cash equivalents	17,674	(22,895)
Currency translation	9,926	(7,029)
Cash and cash equivalents at beginning of the period	5,461	34,749
Cash and cash equivalents at end of the period	33,061	4,825
Cash and cash equivalents comprise:		
Cash and bank balances	33,061	4,825

The accompanying notes form an integral part of the financial statements

VGX LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023

1 GENERAL CORPORATE INFORMATION AND NATURE OF OPERATIONS

The condensed consolidated financial statements are for the six months ended 31 December 2023 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 2023.

2 BASIS OF PREPARATION

BASIS OF PRESENTATION CURRENCY AND COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

These condensed consolidated financial statements (“interim financial statements”) as at and for the six months ended 31 December 2023 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 2023.

3 GOING CONCERN BASIS

The Group incurred a net loss of A\$263,843 during the interim period ended 31 December 2023, and as of that date, the Group has a capital deficiency of A\$587,167 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 include 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 2023.

5 SIGNIFICANT CHANGE IN THE CURRENT REPORTING PERIOD

A significant increase in the other operating expenses from AUD15,972 to AUD210,293 was due to the impairment losses recognised on the intangible assets and goodwill of the Group.

6 PROPERTY, PLANT AND EQUIPMENT

	As at 1 July 2023 A\$	Additions A\$	Disposals A\$	Exchange difference A\$	As at 31 December 2023 A\$
<u>Cost</u>					
Computer	5,321	-	-	(75)	5,246
Lab equipment	15,199	-	-	(214)	14,985
Motor vehicle	38,115	-	-	(535)	37,580
Office equipment	2,480	-	-	(35)	2,445
	61,115	-	-	(859)	60,256

	As at 1 July 2023 A\$	Charges for the year A\$	Disposals A\$	Exchange difference A\$	As at 31 December 2023 A\$
<u>Accumulated Depreciation</u>					
Computer	5,064	-	-	(71)	4,993
Lab equipment	15,198	-	-	(214)	14,984
Motor vehicle	38,114	-	-	(535)	37,579
Office equipment	1,959	42	-	(29)	1,972
	60,335	42	-	(849)	59,528

	31.12.2023 A\$	30.06.2023 A\$
<u>Carrying Amounts</u>		
Computer	253	257
Lab equipment	1	1
Motor vehicle	1	1
Office equipment	473	521
	<u>728</u>	<u>780</u>

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

	31.12.2023 A\$	30.6.2023 A\$
Motor vehicle	<u>1</u>	<u>1</u>

7 INTANGIBLE ASSET

GROUP	Intellectual property rights A\$	Total A\$
<u>Cost</u>		
At beginning of the period/year	301,257	301,257
Impairment in value	(305,453)	(305,453)
Exchange difference	4,196	4,196
At end of the period/year	<u>-</u>	<u>-</u>
<u>Accumulated amortisation</u>		
At beginning of the period/year	180,752	180,752
Impairment in value	(183,270)	(183,270)
Exchange difference	2,518	2,518
At end of the period/year	<u>-</u>	<u>-</u>
<u>Carrying amounts</u>		
As at 31 December 2023	<u>-</u>	<u>-</u>
As at 30 June 2023	<u>120,505</u>	<u>120,505</u>

8 GOODWILL

	31.12.2023 A\$	30.6.2023 A\$
At beginning of the period/year	69,972	71,147
Impairment in value	(70,946)	-
Exchange difference	974	(1,175)
At end of the period/year	<u>-</u>	<u>69,972</u>

Based on the impairment review, the goodwill of the Group has been fully impaired as the carrying amount of the cash-generating unit exceeded its recoverable amount.

9 INVENTORIES

	31.12.2023 A\$	30.6.2023 A\$
At cost:		
Biotech products (finished goods)	1,364	820
Packaging material	2,155	4,019
	<u>3,519</u>	<u>4,839</u>
Inventories recognised as cost of sales in statement of comprehensive income	<u>15,989</u>	<u>51,874</u>

10 TRADE RECEIVABLES

	31.12.2023 A\$	30.6.2023 A\$
Trade receivables	20,390	43,326
Less: Allowance for doubtful debts	(17,122)	-
Exchange differences	472	-
	<u>3,740</u>	<u>43,326</u>

11 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

	Group 31.12.2023 A\$	Group 30.6.2023 A\$
Other receivables	376,047	381,635
Deposits	1,996	2,025
Prepayment	1,755	2,255
	<u>379,798</u>	<u>385,915</u>

Included in other receivables is an amount of A\$376,013 (30.6.2023: A\$381,600) owing by a company controlled by two Directors of the Company. This amount is unsecured, interest-free and repayable on demand.

12 CAPITAL AND RESERVES

12.1 SHARE CAPITAL

	Group	
	31.12.2023	30.6.2023
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>

12.2 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.

13 AMOUNT OWING TO DIRECTORS

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

14 OTHER PAYABLES AND ACCRUALS

	Group	
	31.12.2023	30.6.2023
	A\$	A\$
Other payables	91,794	100,430
Accruals	<u>8,553</u>	<u>4,982</u>
	<u>100,347</u>	<u>105,412</u>

Included in other payables is an amount of A\$1,503 (30.6.2023: A\$5,003) owing to a company controlled by two Directors of the Company. This amount is unsecured, interest-free and repayable on demand.

15 FINANCE LEASE PAYABLE

	Group	
	31.12.2023	30.6.2023
	A\$	A\$
Finance lease payable	1,455	4,967
Less: Interest in suspense	<u>(11)</u>	<u>(101)</u>
	<u>1,444</u>	<u>4,866</u>
 Total principal sums payable		
- within 1 year	<u>1,444</u>	<u>4,866</u>

The Group obtains finance lease facility to finance its motor vehicle. The average remaining lease term is 1 year as at 31 December 2023. Implicit interest rate of the finance lease 2.66% (30.6.2023: 2.66%) is 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.

16 OTHER OPERATING EXPENSES

The following items has been charged in arriving at other operating expenses:

	Group	
	31.12.2023	30.6.2023
	A\$	A\$
Allowance for doubtful debts	17,122	-
Depreciation of property plant and equipment	42	640
Impairment of goodwill	70,946	-
Impairment of intangible assets	<u>122,183</u>	<u>-</u>

17 NEGATIVE NET TANGIBLE ASSET BACKING PER SHARE

	31.12.2023	30.6.2023
	A\$	A\$
Negative net tangible assets	<u>587,167</u>	<u>484,397</u>
Number of issued shares	<u>52,343,270</u>	<u>52,343,270</u>
Negative net tangible asset backing per share	<u>1.12 cents</u>	<u>0.93 cents</u>

18 RELATED PARTY TRANSACTIONS

18.1 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, 13 and 14, the significant related party transactions of the Group are as follows:

	Group	
	31.12.2023	30.6.2023
	A\$	A\$
Net advances from Directors	93,850	120,253
Net advance from a company controlled by two Directors of the Company	<u>2,087</u>	<u>2,903</u>

18.2 COMPENSATION OF KEY MANAGEMENT PERSONNEL

	Group	
	1.7.2023 to 31.12.2023 A\$	1.7.2022 to 31.12.2022 A\$
Short term benefits	<u>38,604</u>	<u>41,123</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.

19 SEASONAL/CYCLICAL FACTORS

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

20 ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENCE

There was no material item of an unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows during the financial period ended 31 December 2023.

21 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 2023.

22 DEBT AND EQUITY SECURITIES

There were no issuance, repurchase and repayments of debt and equity securities during the six months ended 31 December 2023.

23 DIVIDEND PAID

No dividend paid during the reporting period.

24 SEGMENT INFORMATION

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

25 SUBSEQUENT EVENT AFTER THE BALANCE SHEET DATE

On 5 January 2024, the Selling Shareholders had unconditionally withdrawn the notice to terminate the Share Sale Agreement which they had served on the Purchaser on 6 January 2023. The purchaser has completed the purchase of first tranche 11,908,330 Sale Shares on 31 January 2024.

The purchaser will complete the purchase of tranche two of the remaining 14,553,000 Sales Shares by 29 March 2024.