

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

**INTERIM FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2017**

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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 2017 TO 31 DECEMBER 2017**

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 2017.

**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**

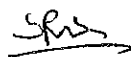
The principal activity of the Company is an investment holding company. The principal activity of its controlled entity is to carry on business of research, development and commercialisation of food and agriculture related technologies. The Company has not actively carried on business since its incorporation.

The Company and its controlled entity for the six months ended 31 December 2017 produced a loss, which comprise mainly administrative and distribution expenses incurred from the Group.

On behalf of the Board of Directors



ERIC CHUNG CHI KONG  
Director



YAP POH YEE  
Director

Kuala Lumpur  
28 February 2018

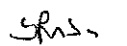
**VGX LIMITED**  
**STATEMENT BY DIRECTORS**

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 state of affairs of the Group as at 31 December 2017 and of the results of the business, changes in equity and cash flows of the Group for the six months ended on that date and as at the date of this statement there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors



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



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

Kuala Lumpur  
28 February 2018

**REVIEW REPORT**  
**TO THE MEMBERS OF VGX LIMITED**  
(Company Regn. No. ARBN 612834572)

**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

**Introduction**

We have reviewed the accompanying interim consolidated statement of financial position as at 31 December 2017 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”). Management is responsible for the preparation and presentation of these interim consolidated financial statements in accordance with the provisions of the International Financial Reporting Standards. Our responsibility is to express a conclusion on this interim consolidated financial statements based on our review.

**Scope of Review**

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements does not present fairly, in all material respects, the financial position of the Group as at 31 December 2017, and of the Group’s financial performance and its cash flows for the six months then ended in accordance with the International Financial Reporting Standards.



HML & CO.  
AF 1325  
Chartered Accountants  
Kuala Lumpur  
28 February 2018

**VGX LIMITED**  
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

		<b>Group</b>	
	<b>Note</b>	<b>31.12.2017</b>	<b>30.6.2017</b>
		<b>A\$</b>	<b>A\$</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	46,848	52,767
Intangible asset	4	279,070	281,276
Goodwill	5	9,266	8,872
		<u>335,184</u>	<u>342,915</u>
<b>CURRENT ASSETS</b>			
Inventories	6	34,447	32,920
Trade receivables		153,656	139,590
Other receivables, deposits and prepayment	7	258,125	196,119
Fixed deposit with licensed bank		-	6,049
Cash and bank balances		32,356	17,694
		<u>478,584</u>	<u>392,372</u>
<b>TOTAL ASSETS</b>		<u>813,768</u>	<u>735,287</u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Share capital	8	691,390	691,390
Accumulated losses		(265,304)	(244,688)
Foreign currency translation reserve		19,075	-
<b>SHAREHOLDERS' EQUITY</b>		<u>445,161</u>	<u>446,702</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred income		76,076	66,147
Finance lease payables	9	29,587	33,261
		<u>105,663</u>	<u>99,408</u>
<b>CURRENT LIABILITIES</b>			
Trade payables		120,677	85,532
Other payables and accruals	10	73,575	67,115
Amount due to Directors	11	58,525	27,053
Finance lease payables	9	10,167	9,477
		<u>262,944</u>	<u>189,177</u>
<b>TOTAL LIABILITIES</b>		<u>368,607</u>	<u>288,585</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>813,768</u>	<u>735,287</u>

The accompanying notes form an integral part of the financial statements

**VGX LIMITED**  
**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD FROM 1 JULY 2017 TO 31 DECEMBER 2017**

	<b>Six Months Ended 31.12.2017 A\$</b>	<b>Group 13.6.2016 to 31.12.2016 A\$</b>
Revenue	434,679	316,214
Cost of sales	(145,649)	(109,945)
Gross profit	289,030	206,269
Other operating income	6,821	32,405
Administration expenses	(170,681)	(296,072)
Distribution expenses	(93,729)	(60,737)
Research and development expenses	(28,603)	(26,767)
Other operating expenses	(22,636)	(24,465)
Loss from operations	(19,798)	(169,367)
Finance costs	(818)	(592)
Loss before tax	(20,616)	(169,959)
Income tax expense	-	-
Loss for the year	(20,616)	(169,959)

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 2017 TO 31 DECEMBER 2017**

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

	<b>Share capital A\$</b>	<b>Accumulated losses A\$</b>	<b>Foreign currency translation reserve A\$</b>	<b>Total A\$</b>
As at incorporation	691,390	-	-	691,390
Loss for the period	-	(169,959)	-	(169,959)
As at 31 December 2016	<u>691,390</u>	<u>(169,959)</u>	<u>-</u>	<u>521,431</u>

The accompanying notes form an integral part of the financial statements

**VGX LIMITED**  
**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD FROM 1 JULY 2017 TO 31 DECEMBER 2017**

		Group
	Six Months Ended 31.12.2017	13.6.2016 to 31.12.2016
Note	A\$	A\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(20,616)	(169,959)
Adjustments for:		
Amortisation of intangible asset	14,688	20,039
Depreciation of property, plant and equipment	8,457	5,621
Government grant recognised	(6,994)	(18,920)
Interest expenses	1,077	592
Interest income	(300)	-
Currency translation	8,689	11,046
Operating profit/(loss) before working capital changes	5,001	(151,581)
Increase in inventories	(1,527)	(3,717)
Increase in trade receivables	(14,066)	(44,894)
Increase in other receivables, deposits and prepayment	(62,006)	(100,541)
Increase/(Decrease) in trade payables	35,145	(12,134)
Increase in other payables and accruals	6,460	-
Increase/(Decrease) in amount due to Directors	31,472	(67,508)
Cash from/(used in) operations	479	(380,375)
Interest paid	(1,077)	(592)
Interest received	300	-
Government grant received	13,987	37,840
Net cash from/(used in) operating activities	13,690	(343,127)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(196)	(3,987)
Cash used in acquisition of subsidiary	-	(300,338)
Net cash used in investing activities	(196)	(304,325)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	-	691,390
Repayment of finance lease payables	(4,881)	(3,176)
Net cash (used in)/from financing activities	(4,881)	688,214

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 2017 TO 31 DECEMBER 2017**

	<b>Group</b>	
	<b>Six Months</b>	<b>13.6.2016</b>
	<b>Ended</b>	<b>to</b>
	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>A\$</b>	<b>A\$</b>
Net increase in cash and cash equivalents	8,613	40,762
Cash and cash equivalents at beginning of the period/incorporation	<u>23,743</u>	<u>-</u>
Cash and cash equivalents at end of the period	<u><u>32,356</u></u>	<u><u>40,762</u></u>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	<u><u>32,356</u></u>	<u><u>40,762</u></u>

The accompanying notes form an integral part of the financial statements

**VGX LIMITED**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENT**  
**FOR THE FINANCIAL PERIOD FROM 1 JULY 2017 TO 31 DECEMBER 2017**

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

The interim consolidated financial statements are for the six months ended 31 December 2017 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 IFRS, and were authorised for issue in accordance with the resolution of the Directors on the date of this statement.

VGX Limited is the ultimate holding company and a public company limited by shares incorporated 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.

The Company has not actively carried on business since it was registered on 13 June 2016 to the date of this report.

**2 SIGNIFICANT ACCOUNTING POLICIES**

**2.1 BASIS OF ACCOUNTING**

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

**2.1.1 Adoption of New and Amended IFRSs**

For the current period ended 31 December 2017, the Company has adopted all of the new and revised IFRSs that are effective on 1 January 2017. The new and revised IFRSs that are applicable and relevant to the Group on 1 January 2017 are as follows:

- (a) Disclosure Initiative (Amendments to IAS 7).
- (b) Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12).
- (c) Amendments to IFRS 12 *Disclosure of Interests in Other Entities*.

**(a) Disclosure Initiative (Amendments to IAS 7)**

The Amendments to IAS 7 require entities to provide disclosures that would enable investors to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. The Amendments require an entity to disclose a reconciliation of the amounts in the opening and closing statements of financial position for each item for which cash flows have been, or would be, classified as financing activities in the statement of cash flows, excluding equity items.

## **(b) Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)**

The issue addressed in these Amendments is whether a deferred tax asset shall be recognised on an unrealised fair value loss recognised in profit or loss or in other comprehensive income, if the recovery of the unrealised loss is uncertain. The Amendments clarify that certain assets may be carried at fair value, or may be revalued, without an equivalent adjustment being made for tax purposes. A deductible temporary difference arises if the tax base of the asset exceeds its carrying amount.

The adoption of these Amendments has no effect on the financial position or performance of the Group for the current year ended 31 December 2017.

## **(c) Amendments to MFRS 12 *Disclosure of Interest in Other Entities***

The Amendments clarify the applicability of this Standard to an entity's interest in other entities which are classified as held for sale or discontinued operations. When an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) is classified (or included in a disposal group that is classified) as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, the entity is not required to disclose summarised financial information for that subsidiary, joint venture or associate.

The adoption of these Amendments has no effect on the financial position and performance of the Group for the current year ended 31 December 2017.

### **2.1.2 New and Revised IFRSs issued but are not yet effective**

The IASB has issued a number of new and revised IASs and IFRSs which are relevant to the Group. The Group did not early adopt the following IASs and IFRSs that have been issued but are not yet effective.

IASs and IFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- (a) Amendments to IFRS 2, *Classification and Measurement of Share-based Payment Transactions*
- (b) IFRS 15 *Revenue from Contracts with Customers*
- (c) Classifications to IFRS 15 *Revenue from Contracts with Customers*
- (d) IFRS 9 *Financial instruments*
- (e) IFRIC 22 *Foreign Currency Transactions and Advance Consideration*

IASs and IFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- (a) IFRS 16 *Leases*
- (b) IFRS 17 *Insurance Contracts*

The Group will adopt the above standards when they become effective in the future periods. The Management of the Group expects 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

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are stated at cost or valuation less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on a straight-line method so as to write off the cost of the assets over their estimated useful lives, as follows:

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

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income in the year the asset is derecognised.

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

At each reporting date, the Group and the Company 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 and the Company 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 statement, 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 the statements of comprehensive income, 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 accounted for using the cost model with the exception of goodwill. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing.

Intangible assets are written off where, in the opinion of the Directors, no further economic benefits are expected to arise.

## **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 first-in first-out 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**

### **(a) 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.

#### **(b) Derecognition of Financial Instruments**

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

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

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

#### **(c) 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 financial assets in the loans and receivables category as at amortised cost using the effective interest method; and

The Group's financial liabilities comprise borrowings, trade and other payables and advances from related parties. After initial recognition, the Company measures all financial liabilities at amortised cost using the effective interest method.

#### **(d) 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.

#### **(e) 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: (i) significant difficulty of the issuer or obligor; (ii) a breach of contract, such as a default or delinquency in interest or principal payment; (iii) granting exceptional concession to a customer, (iv) it is probable that a customer will enter bankruptcy or other financial reorganisation, (v) the disappearance of an active market for that financial asset because of financial difficulties; or (vi) 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 bank balances comprise cash in hand and at bank that are subject to an insignificant risk of changes in value.

## **2.8 LEASES**

Finance leases, which transfer to the Group and the Company 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 and the Company 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 TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currencies are translated and recorded at the rates of exchange prevailing at the respective dates of transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the period (i.e. the closing rates). Non-monetary items carried at fair values or at revalued amounts that are denominated in foreign currencies are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items that are measured at their historical cost amounts continue to be translated at their historical rates and are not retranslated.

All exchange differences arising on settled transactions and on unsettled monetary items are recognised in profit or loss in the period.

The closing rates of exchange of the foreign currencies used as at the end of the financial period are as follow:

	31.12.2017 A\$	31.12.2016 A\$
1 Malaysian Ringgit	0.3159	0.3083

## 2.10 PROVISIONS

Provisions are recognised when the Group and the Company has a present obligation (legal or constructive) where as a result of a past event, and it is probable that the Group and the Company 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 risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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



## **2.11 GOVERNMENT GRANTS**

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

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

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

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

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

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

50% of the grants received during the financial year is recognised as income immediately whereas the other 50% of the grants is treated as a deferred income pending the Company achieving certain set of financial targets or conditions within the funding period of 4 years. Upon that happening, the 50% grant treated as deferred income will become payable and recognised as liability.

### 3 PROPERTY, PLANT AND EQUIPMENT

	As at 1 July 2017 A\$	Additions A\$	Exchange difference A\$	As at 31 December 2017 A\$
<b><u>Cost</u></b>				
Computer	3,736	196	166	4,098
Lab equipment	9,978	-	443	10,421
Motor vehicles	64,022	-	2,840	66,862
Office equipment	1,299	-	58	1,357
	<u>79,035</u>	<u>196</u>	<u>3,507</u>	<u>82,738</u>

	As at 1 July 2017 A\$	Charges for the period A\$	Exchange difference A\$	As at 31 December 2017 A\$
<b><u>Accumulated Depreciation</u></b>				
Computer	2,023	501	90	2,614
Lab equipment	2,556	1,042	113	3,711
Motor vehicles	21,035	6,778	934	28,747
Office equipment	654	136	28	818
	<u>26,268</u>	<u>8,457</u>	<u>1,165</u>	<u>35,890</u>

	31.12.2017 A\$	30.6.2017 A\$
<b><u>Carrying Amounts</u></b>		
Computer	1,484	1,713
Lab equipment	6,710	7,422
Motor vehicles	38,115	42,987
Office equipment	539	645
	<u>46,848</u>	<u>52,767</u>

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

	31.12.2017 A\$	30.6.2017 A\$
Motor vehicles	<u>38,115</u>	<u>42,987</u>

#### 4 INTANGIBLE ASSET

GROUP	Intellectual property rights A\$	Total A\$
Cost		
At beginning of the period	281,276	281,276
Exchange difference	12,482	12,482
At end of the period	<u>293,758</u>	<u>293,758</u>
Accumulated amortisation		
At beginning of the period	-	-
Amortisation charges for the period	14,688	14,688
At end of the period	<u>14,688</u>	<u>14,688</u>
Carrying amounts		
As at 31 December 2017	<u>279,070</u>	<u>279,070</u>
As at 30 June 2017	<u>281,276</u>	<u>281,276</u>

#### 5 GOODWILL

	31.12.2017 A\$	30.6.2017 A\$
At beginning of the period/at acquisition date	8,872	8,872
Exchange difference	394	-
At end of the period	<u>9,266</u>	<u>8,872</u>

#### 6 INVENTORIES

	31.12.2017 A\$	30.6.2017 A\$
Biotech products (finished goods)	11,683	16,310
Packaging material	22,764	16,610
	<u>34,447</u>	<u>32,920</u>

## 7 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

	Group	
	31.12.2017	30.6.2017
	A\$	A\$
Other receivables	255,649	192,877
Deposits	1,406	1,346
Prepayment	1,070	1,896
	<u>258,125</u>	<u>196,119</u>

Included in other receivables is an amount of A\$255,536 (30.6.2017: A\$192,877) which is owing by company in which two of the Directors of the Group has financial interest.

## 8 SHARE CAPITAL

	Group	
	31.12.2017	30.6.2017
Number of shares (units)	<u>106,823,000</u>	<u>106,823,000</u>
Issued and Paid-up (A\$)		
At beginning/end of the period	<u>691,390</u>	<u>691,390</u>

## 9 FINANCE LEASE PAYABLES

	Group	
	31.12.2017	30.6.2017
	A\$	A\$
Finance lease payables	44,663	48,470
Less: Interest in suspense	<u>(4,909)</u>	<u>(5,732)</u>
	<u>39,754</u>	<u>42,738</u>
Total principal sums payable		
- within 1 year	10,167	9,477
- more than 1 year but not later than 5 years	<u>29,587</u>	<u>33,261</u>
	<u>39,754</u>	<u>42,738</u>

The Group obtains finance lease facilities to finance certain of its motor vehicles. The average remaining lease term is 5 years as at 31 December 2017. Implicit interest rates of the finance lease range from 2.64%-2.66% (30.6.2017: 2.64% - 2.66%) are fixed at the date of the agreements, and the amount of lease payments are fixed throughout the lease period. The Group has the option to purchase the assets at the end of the agreement with minimum purchase considerations. There is no significant restriction clauses imposed on the hire purchase arrangements.

## 10 OTHER PAYABLES AND ACCRUALS

	Group	
	31.12.2017	30.6.2017
	A\$	A\$
Other payables	72,912	65,724
Accruals	663	1,391
	<u>73,575</u>	<u>67,115</u>

## 11 AMOUNT DUE TO DIRECTORS

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

## 12 PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Six Months Ended 31.12.2017 A\$	13.6.2016 to 31.12.2016 A\$
Purchase of property, plant and equipment	196	40,263
Less: Purchase made directly by finance lease	-	(36,276)
Net cash flow	<u>196</u>	<u>3,987</u>

## 13 NET TANGIBLE ASSET BACKING PER SHARE

	31.12.2017 A\$	30.6.2017 A\$
Net tangible assets	<u>156,825</u>	<u>156,554</u>
Number of issued shares	<u>106,823,000</u>	<u>106,823,000</u>
Net tangible asset backing per share	<u>0.15 cents</u>	<u>0.15 cents</u>

## 14 RELATED PARTY TRANSACTIONS

There were no related party transactions.

## 15 SHARE OPTIONS

There were no share options granted during the period.

**16 EVENT AFTER THE REPORTING DATE**

There were no event incurred after the reporting date.

**17 CONTINGENT LIABILITIES**

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

**18 COMPARATIVE FIGURES**

The comparative figures of statement of comprehensive income and statement of cash flows are for the period from 13 June 2016 to 31 December 2016.

# FORM: Half yearly/preliminary final report

Name of issuer

VGX LIMITED

ACN or ARBN

612 834 572

Half yearly

(tick)

✓

Preliminary

final (tick)

Half year/financial year ended

('Current period')

31<sup>ST</sup> DECEMBER 2017

## For announcement to the market

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

Extracts from this statement for announcement to the market (see note 17).

				A\$
Revenue (item 1.1)	up/down	26.6%	to	441,500
Profit (loss) for the period (item 1.9)	up/down	87.9%	to	(20,616)
Profit (loss) for the period attributable to members of the parent (item 1.11)	up/down	87.9%	to	(20,616)
<b>Dividends</b>				
Franking rate applicable:				
<b>Final dividend</b> (preliminary final report only)(item 10.13-10.14)		N/A		N/A
Amount per security				
Franked amount per security				
<b>Interim dividend</b> (Half yearly report only) (item 10.11 – 10.12)		N/A		N/A
Amount per security				
Franked amount per security				
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
N/A				

**Consolidated income statement** *(The figures are not equity accounted)**(see note 3)**(as per paragraphs 81-85 and 88-94 of AASB 101: Presentation of Financial Statements)*

	Current period – A\$	Previous corresponding period – A\$
1.1 Revenues <i>(item 7.1)</i>	441,500	348,619
1.2 Expenses, excluding finance costs <i>(item 7.2)</i>	(461,298)	(517,897)
1.3 Finance costs	(818)	(592)
1.4 Share of net profits (losses) of associates and joint ventures <i>(item 15.7)</i>	-	-
1.5 <b>Profit (loss) before income tax</b>	(20,616)	(169,959)
1.6 Income tax expense <i>(see note 4)</i>	-	-
1.7 Profit (loss) from continuing operations	(20,616)	(169,959)
1.8 Profit (loss) from discontinued operations <i>(item 13.3)</i>	-	-
1.9 <b>Profit (loss) for the period</b>	(20,616)	(169,959)
1.10 Profit (loss) attributable to minority interests	-	-
1.11 <b>Profit (loss) attributable to members of the parent</b>	(20,616)	(169,959)
1.12 Basic earnings per security <i>(item 9.1)</i>	(0.0002)	(0.0016)
1.13 Diluted earnings per security <i>(item 9.1)</i>	(0.0002)	(0.0016)
1.14 Dividends per security <i>(item 9.1)</i>	N/A	N/A

**Comparison of half-year profits***(Preliminary final statement only)*

	Current period – A\$	Previous corresponding period – A\$
2.1 Consolidated profit (loss) after tax attributable to members reported for the 1st half year <i>(item 1.11 in the half yearly statement)</i>	(20,616)	(169,959)
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 assets		Current period –A\$	Previous corresponding period – A\$
3.1	Cash and cash equivalents	32,356	40,762
3.2	Trade and other receivables	411,781	355,105
3.3	Inventories	34,447	21,873
3.4	Other current assets (provide details if material)	-	-
3.5	<b>Total current assets</b>	<b>478,584</b>	<b>417,740</b>
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)	46,848	62,307
3.13	Investment properties	-	-
3.14	Goodwill	9,266	9,044
3.15	Other intangible assets	279,070	296,481
3.16	Other (provide details if material)	-	-
3.17	<b>Total non-current assets</b>	<b>335,184</b>	<b>367,832</b>
3.18	<b>Total assets</b>	<b>813,768</b>	<b>785,572</b>
Current liabilities			
3.19	Trade and other payables	252,777	159,907
3.20	Short term borrowings	-	-
3.21	Current tax payable	-	-
3.22	Short term provisions	-	-
3.23	Current portion of long term borrowings	10,167	9,399
3.24	Other current liabilities (provide details if material)	-	-
		<b>262,944</b>	<b>169,306</b>
3.25	Liabilities directly associated with non-current assets classified as held for sale (para 38 of AASB 5)	-	-
3.26	<b>Total current liabilities</b>	<b>262,944</b>	<b>169,306</b>
Non-current liabilities		-	-

	Current period – A\$	Previous corresponding period – A\$
3.27 Long-term borrowings	29,587	41,507
3.28 Deferred tax liabilities	-	-
3.29 Long term provisions	-	-
3.30 Other (provide details if material)	76,076	39,942
3.31 <b>Total non-current liabilities</b>	105,663	81,449
3.32 <b>Total liabilities</b>	368,607	250,755
3.33 <b>Net assets</b>	445,161	534,817
<b>Equity</b>		
3.34 Share capital	691,390	691,390
3.35 Other reserves	19,075	13,386
3.36 Retained earnings	(265,304)	(169,959)
Amounts recognised directly in equity relating to non-current assets classified as held for sale		
3.37 <b>Parent interest</b>	445,161	534,817
3.38 <b>Minority interest</b>		
3.39 <b>Total equity</b>	445,161	534,817

## 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	(20,616)	(169,959)
4.3 Total recognised income and expense for the period	(20,616)	(169,959)
Attributable to:		
4.4 Members of the parent	(20,616)	(169,959)
4.5 Minority interest	-	-
Effect of changes in accounting policy (as per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors):		
4.6 Members of the parent entity	-	-
4.7 Minority interest	-	-

# **Consolidated statement of cash flows**

(See note 6)

(as per AASB 107: Cash Flow Statements)

	Current period –A\$	Previous corresponding period – A\$
<b>Cash flows related to operating activities</b>		
5.1 Receipts from customers	N/A	N/A
5.2 Payments to suppliers and employees	N/A	N/A
5.3 Interest and other costs of finance paid	N/A	N/A
5.4 Income taxes paid	N/A	N/A
5.5 Other (provide details if material)	N/A	N/A
5.6 <b>Net cash used in operating activities</b>	5,001	(354,173)
<b>Cash flows related to investing activities</b>		
5.7 Payments for purchases of property, plant and equipment	(196)	(3,987)
5.8 Proceeds from sale of property, plant and equipment	-	-
5.9 Payment for purchases of equity investments	-	(302,678)
5.10 Proceeds from sale of equity investments	-	-
5.11 Loans to other entities	-	-
5.12 Loans repaid by other entities	-	-
5.13 Interest and other items of similar nature received	-	-
5.14 Dividends received	-	-
5.15 Other (provide details if material) <i>Intangible assets</i>	-	-
5.16 <b>Net cash used in investing activities</b>	(196)	(306,665)
<b>Cash flows related to financing activities</b>		
5.17 Proceeds from issues of securities (shares, options, etc.)	-	691,390
5.18 Proceeds from borrowings	-	-
5.19 Repayment of borrowings	(4,881)	(3,176)
5.20 Dividends paid	-	-
5.21 Other (provide details if material)	-	-
5.22 <b>Net cash used in financing activities</b>	(4,881)	688,214
<b>Net increase (decrease) in cash and cash equivalents</b>	(76)	27,376
5.23 Cash at beginning of period (see <i>Reconciliations of cash</i> )	23,743	-
5.24 Exchange rate adjustments to item 5.23	8,689	13,386
5.25 <b>Cash at end of period</b> (see <i>Reconciliation of cash</i> )	32,356	40,762

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

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

		Current period A\$	Previous corresponding period A\$
6.1	<b>Profit/(Loss)</b> (item 1.9)	(20,616)	(169,959)
	Adjustments for:		
6.2	Interest expense		
6.3	Depreciation	8,457	5,621
6.4	Amortisation of intangible asset	14,688	20,039
6.5	Government grant recognized	6,994	18,920
6.6	Increase/decrease in inventories	(1,527)	(3,717)
6.7	Increase/decrease in receivables	(76,072)	(145,435)
6.8	Increase/decrease in payables	73,077	(79,642)
6.9	Increase/decrease in	-	-
6.10	<b>Net cash from operating activities</b> (item 5.6)	5,001	(354,173)

## **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	441,500	348,619
7.1 Total Revenue	441,500	348,619
Expenses		
Direct expenses	(145,649)	(109,945)
Administrative expenses	(170,681)	(296,072)
Other operating expenses	(145,786)	(112,561)
7.2 Total Expenses	(462,116)	(518,578)
Profit (loss) before tax	(20,616)	(169,959)

### **Ratios**

	Current period	Previous corresponding period
<b>Profit before tax / revenue</b>		
8.1 Consolidated profit (loss) before tax (item 1.5) as a percentage of revenue (item 1.1)	-4.7%	-48.7%
<b>Profit after tax / equity interests</b>		
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)	-4.7%	-31.7%

## Earnings per Security

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

Basic EPS – A\$ (20,616) / 106,823,000 = (0.02 cents)

Diluted EPS – A\$ (20,616) / 106,823,000 = (0.02 cents)

## Dividends

- 10.1 Date the dividend is payable

N/A

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

N/A

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

*(Preliminary final report only)*

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

N/A

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

N/A

- 10.5 Any other disclosures in relation to dividends or distributions

N/A

**Dividends paid or provided for on all securities***(as per paragraph Aus126.4 AASB 101: Presentation of Financial Statements)*

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

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

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



**Exploration and evaluation expenditure capitalised**

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

	Current period A\$	Previous corresponding period A\$
11.1 Opening balance	N/A	N/A
11.2 Expenditure incurred during current period	N/A	N/A
11.3 Expenditure written off during current period	N/A	N/A
11.4 Acquisitions, disposals, revaluation increments, etc.	N/A	N/A
11.5 Expenditure transferred to Development Properties	N/A	N/A
11.6 <b>Closing balance as shown in the consolidated balance sheet</b> (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 <b>Closing balance as shown in the consolidated balance sheet</b> (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 <b>Profit (loss) from discontinued operations before income tax</b>	N/A	N/A
13.4 Income tax expense <i>(as per para 81 (h) of AASB 112)</i>	N/A	N/A
13.5 <b>Gain (loss) on sale/disposal of discontinued operations</b>	N/A	N/A
13.6 Income tax expense <i>(as per paragraph 81(h) of AASB 112)</i>	N/A	N/A

## Movements in Equity

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

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

		Number issued	Number listed	Paid-up value (cents)	Current period – A\$	Previous corresponding period – A\$
14.16	<b>Options</b>  (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	<b>Debentures</b>  (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	<b>Unsecured Notes</b>  (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	<b>Total Securities</b>	N/A	N/A	N/A	N/A	N/A

		Current period – A\$	Previous corresponding period – A\$
<b>Reserves</b>			
14.33	Balance at start of period	-	-
14.34	Transfers to/from reserves	-	-
14.35	Total for the period	-	-
14.36	Balance at end of period	-	-
14.37	<b>Total reserves</b>	-	-
<b>Retained earnings</b>			
14.38	<b>Balance at start of period</b>	(244,688)	-
14.39	Changes in accounting policy	-	-
14.40	Restated balance	-	-
14.41	Profit for the balance	-	-
14.42	Total for the period	(20,616)	(169,959)
14.43	Dividends	-	-
14.44	<b>Balance at end of period</b>	(265,304)	(169,959)

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

(equity method)

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

Name of associate or joint venture entity	N/A
---	-----

Reporting entities percentage holding	N/A
---------------------------------------	-----

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

## Control gained over entities having material effect

(See note 8)

16.1	Name of <i>issuer</i> (or <i>group</i> )	VGX LIMITED
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		A\$
16.2	Consolidated profit (loss) after tax of the <i>issuer</i> (or <i>group</i> ) since the date in the current period on which control was acquired	(20,616)
16.3	Date from which profit (loss) in <i>item</i> 16.2 has been calculated	1 <sup>ST</sup> JULY 2017 TO 31 <sup>ST</sup> DECEMBER 2017
16.4	Profit (loss) after tax of the <i>issuer</i> (or <i>group</i> ) for the whole of the previous corresponding period	(169,959)

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

(See note 8)

17.1	Name of <i>issuer</i> (or <i>group</i> )	N/A
17.2	Consolidated profit (loss) after tax of the entity (or <i>group</i> ) for the current period to the date of loss of control	A\$ N/A
17.3	Date from which the profit (loss) in <i>item</i> 17.2 has been calculated	N/A
17.4	Consolidated profit (loss) after tax of the entity (or <i>group</i> ) 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) ( <i>item</i> 1.9)	
18.1	<b>Equity accounted associated entities</b>	Current period	Previous corresponding period	Current period A\$	Previous corresponding period A\$
				<i>Equity accounted</i>	
18.2	<b>Total</b>	N/A	N/A	N/A	N/A
18.3	<b>Other material interests</b>			Non equity accounted (i.e. part of <i>item</i> 1.9)	
18.4	<b>Total</b>	N/A	N/A	N/A	N/A

## Reports for industry and geographical segments

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

	Current period – A\$	Previous corresponding period – A\$
<b>Segments - <u>Industry</u></b>		
Revenue:		
19.1 External sales		
19.2 Inter-segment sales		
19.3 <b>Total</b> (consolidated total equal to item 1.1)	441,500	348,619
19.4 Segment result		
19.5 Unallocated expenses		
19.6 <b>Operating profit</b> (equal to item 1.5)	(20,616)	(169,959)
19.7 Interest expense		
19.8 Interest income		
19.9 Share of profits of associates		
19.10 Income tax expense		
19.11 <b>Net profit</b> (consolidated total equal to item 1.9)	(20,616)	(169,959)
<b>Other information</b>		
19.12 Segment assets		
19.13 Investments in equity method associates		
19.14 Unallocated assets		
19.15 <b>Total assets</b> (equal to item 3.18)	813,768	785,572
19.16 Segment liabilities		
19.17 Unallocated liabilities		
19.18 <b>Total liabilities</b> (equal to item 3.32)	368,607	250,755
19.19 Capital expenditure	196	62,307
19.20 Depreciation	8,457	5,621
19.21 Other non-cash expenses	14,688	20,039

## NTA Backing

(see note 7)

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	0.15 cents	0.21cents

## 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
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## 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
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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
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**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.

None

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

N/A

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

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

N/A

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

N/A

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

N/A

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

N/A

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

None

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

N/A

**Annual meeting***(Preliminary final statement only)*

The annual meeting will be held as follows:

Place

N/A

Date

N/A

Time

N/A

Approximate date the annual report will be available

N/A

**Compliance statement**

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

Identify other standards used

International Financial Reporting Standards

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does/does not\* (*delete one*) give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:
- ☐ The financial statements have been audited.
- ☒ The financial statements have been subject to review by a registered auditor (or overseas equivalent).
- ☐ The financial statements are in the process of being audited or subject to review.
- ☐ The financial statements have *not* yet been audited or reviewed.
5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/will follow immediately they are available\* (*delete one*). (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.*)
6. The *issuer* has/does not have\* (*delete one*) a formally constituted audit committee.

Sign here: SPS  
(Director/Company secretary)

Date: 7 March 2018

Print name: Poh See YAP

## 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