



VDM GROUP LIMITED

and its Controlled Entities

ABN 95 109 829 334

**INTERIM FINANCIAL REPORT
HALF YEAR ENDED 31 DECEMBER 2023**

For personal use only

VDM GROUP LIMITED

CORPORATE INFORMATION

DIRECTORS

Mr Luk Hiuming
Mr Michael Fry
Mr Paul Hardie

Non-executive Chairman
Executive Director
Non-executive Director

COMPANY SECRETARY

Mr Michael Fry

REGISTERED AND PRINCIPAL OFFICE

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Subiaco WA 6008
Telephone (08) 9265 1100
Website <http://www.vdmgroup.com.au>

POSTAL ADDRESS

PO Box 3347
East Perth WA 6892

AUDITORS

Hall Chadwick Audit (WA) Pty Ltd
283 Rokeby Road
Subiaco WA 6008

SHARE REGISTER

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne, VIC 3001
Telephone 1300 850 505
(outside Australia) +61 3 9415 4000

VDM Group Limited shares are listed on the Australian Securities Exchange (ASX)

ASX Code	VMG
ACN	109 829 334
ABN	95 109 829 334

In this report, the following definitions apply:

“**Board**” means the Board of Directors of VDM Group Limited

“**Company**” means VDM Group Limited ABN 95 109 829 334

“**VDM**” or “**Group**” means VDM Group Limited and its controlled entities

VDM GROUP LIMITED
CONTENTS

DIRECTOR'S REPORT.....	3
AUDITOR'S INDEPENDENCE DECLARATION	5
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	6
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	7
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	8
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	10
DIRECTORS' DECLARATION	20
INDEPENDENT AUDITOR'S REVIEW REPORT.....	21

VDM GROUP LIMITED

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

Your directors submit their report of VDM Group Limited ("the Company") and of the Consolidated Entity, being the Company and its controlled entities ("VDM" or "the Group") for the half year ended 31 December 2023.

1. BOARD COMPOSITION

The names and details of the directors of VDM Group Limited in office during the half year and until the date of this report are set out below. Each director was in office for this entire period unless stated otherwise.

Mr Luk Hiuming

Non-executive Chairman

Appointed as a Director on 21 March 2014, appointed Chairman on 29 January 2015

Member of the Audit & Risk Committee

Mr Michael Fry

Non-executive Director

Appointed as a Director on 3 June 2011

Chairman of the Audit & Risk Committee

Mr Paul Hardie

Non-executive Director

Appointed as a Director on 15 July 2023

Member of the Audit & Risk Committee

Mr Colin Noid

Non-executive Director

Appointed as a Director on 1 April 2021

Resigned as a Director on 31 August 2023

COMPANY SECRETARY:

Mr Michael Fry

Appointed 9 February 2018

2. NATURE AND PRINCIPAL ACTIVITIES

VDM is a mineral exploration company.

VDM has an interest in joint ventures that relate to:

- the Cachoeiras do Binga copper project located in the Republic of Angola (**Cachoeiras do Binga**); and
- the Cage Bengo Project located in the Republic of Angola (**Cage Bengo**).

VDM is currently in dispute with its joint venture partner Pebric Mining and Consulting LDA (Pebric), the designated holder of the exploration licences for the Cachoeiras do Binga and Cage Bengo Projects for and on behalf of the Cachoeiras do Binga Joint Venture and the Cage Bengo Joint Venture.

The dispute arose as a result of Pebric informing VDM that VDM would need to increase its exploration funding of the projects for a reduced ownership interest, such percentage not specified, in contravention of the respective joint venture agreements.

VDM has advised Pebric that it reserves its rights.

As a consequence of the dispute, no work has been undertaken on either project by VDM since the dispute first arose.

VDM has confirmed that the tenure of the Angolan project mining licences current and that the licences continue to be held by Pebric and has engaged legal representation in Angola to determine the current status of its interest in each of the Angolan projects, and VDM's rights and claims under Angolan law.

VDM is currently considering a range of new project opportunities and a recapitalisation of the Company.

VDM GROUP LIMITED
DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

3. OPERATING AND FINANCIAL REVIEW

VDM's securities are currently suspended from quotation on the Australian Securities Exchange (ASX) under Listing Rule 17.3.

ASX has determined that VDM's operations are not adequate to warrant the continued quotation of its securities and therefore is in breach of Listing Rule 12.1. The suspension will continue until VDM is able to demonstrate compliance with Listing Rule 12.1 of the Listing Rules.

VDM's Board and management are currently considering a range of new project opportunities and a recapitalisation of the Company as a pathway to re-compliance and recommencement of trading of its securities.

Exploration Activity

No exploration work was performed on either of the Cachoeiras do Binga and Cage Bengo Projects during the half year.

Other

VDM has owned an apartment in The Palladio Apartments complex in Mandurah, Western Australia for a number of years, which it has rented out. Following the apartment and complex undergoing renovation, the apartment was placed on the market for sale and is recognised at 31 December 2023 as an asset held for resale.

4. SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years, other than the following.

Mandurah Apartment

The Company has owned an apartment in The Palladio Apartments complex in Mandurah, Western Australia for a number of years which it has rented out. Post the end of the half year, the apartment was sold for \$1.178m net of costs.

5. AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is set out on page 5 and forms part of the Directors' Report for the half year ended 31 December 2023.

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Instrument 2016/191. The Company is an entity to which the Instrument applies.

Signed in accordance with a resolution of the directors.



Michael Fry
Director
Perth, Western Australia
7 March 2025

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Director for the review of the financial statements of VDM Group Limited and the entities it controlled for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,



HALL CHADWICK WA AUDIT PTY LTD



MICHAEL HILLGROVE FCA
Director

Dated this 7th day of March 2025
Perth, Western Australia

VDM GROUP LIMITED
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Notes	31 Dec 2023 \$000	31 Dec 2022 \$000
Continuing operations			
Revenue and other income	4	146	1
Expenses			
Employee benefits expense	5a	(55)	(69)
Occupancy related expenses		-	(6)
Legal expenses		(31)	(4)
Finance costs	5b	(232)	(289)
Other expenses	5c	(184)	(178)
Total expenses		(502)	(546)
Loss from continuing operations before income tax		(356)	(545)
Income tax expense	7	-	-
Loss from continuing operations after income tax		(356)	(545)
Discontinued operations			
(Loss) profit from discontinued operations after income tax	6	(37)	(256)
Loss for the period		(393)	(801)
Other comprehensive income		-	-
Total comprehensive loss for the period		(393)	(801)
Total comprehensive loss for the period is attributed to:			
Owners of the parent		(393)	(801)
		(393)	(801)
Loss per share			
Basic loss per share (cents per share)		(0.006)	(0.012)
Loss per share from continuing operations			
Basic loss per share (cents per share)		(0.005)	(0.008)
Profit per share from discontinued operations			
Basic profit per share (cents per share)		(0.001)	(0.004)

The accompanying notes form part of these financial statements.

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

		31 Dec 2023	30 Jun 2023
	Notes	\$000	\$000
ASSETS			
Current assets			
Cash and cash equivalents	8	1,179	1,390
Security deposits	9	20	20
Trade and other receivables		43	24
Assets held for sale	10	1,178	1,215
Total current assets		2,420	2,649
Non-current assets			
Property, plant and equipment	11	3	3
Total non-current assets		3	3
Total assets		2,423	2,652
LIABILITIES			
Current liabilities			
Trade and other payables	12	5,255	5,180
Interest-bearing loans and borrowings	13	12,037	11,950
Provisions	14	227	225
Total current liabilities		17,519	17,355
Total liabilities		17,519	17,355
Net liabilities		(15,096)	(14,703)
Equity			
Contributed equity	15	297,360	297,360
Share options reserve		35	35
Equity reserve		457	457
Retained losses		(312,948)	(312,555)
Total deficit		(15,096)	(14,703)

The accompanying notes form part of these financial statements.

VDM GROUP LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Notes	31 Dec 2023 \$000	31 Dec 2022 \$000
Cash flows from operating activities			
Payments to suppliers and employees		(212)	(342)
Interest received		1	1
GST refunded		-	20
Net cash flows used in operating activities		(211)	(321)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	740
Net cash flows (used in)/from investing activities		-	740
Cash flows from financing activities			
Repayment of borrowings		-	-
Proceeds from issue of shares		-	-
Net cash flows from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(211)	419
Cash and cash equivalents at beginning of period		1,390	1,127
Cash and cash equivalents at end of period	8	1,179	1,546

The accompanying notes form part of these financial statements.

VDM GROUP LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Issued Capital Ordinary \$000	Accumulated Losses \$000	Equity Reserve \$000	Share Options Reserve \$000	Total \$000
Balance at 1 July 2023	297,360	(312,555)	457	35	(14,703)
Comprehensive loss for the period	-	(393)	-	-	(393)
Total comprehensive loss for the period	-	(393)	-	-	(393)
Transactions with owners in their capacity as owners					
Share Issue	-	-	-	-	-
Balance at 31 December 2023	297,360	(312,948)	457	35	(15,096)
Balance at 1 July 2022	297,360	(311,129)	457	35	(13,277)
Comprehensive loss for the period	-	(801)	-	-	(801)
Total comprehensive loss for the period	-	(801)	-	-	(801)
Transactions with owners in their capacity as owners					
Share Issue	-	-	-	-	-
Balance at 31 December 2022	297,360	(311,930)	457	35	(14,078)

The accompanying notes form part of these financial statements.

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

CONTENTS

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES	11
2. CHANGE OF ACCOUNTING POLICY – PRIOR PERIOD	12
3. SEGMENT INFORMATION	13
4. REVENUE AND OTHER INCOME	14
5. EXPENSES.....	15
6. DISCONTINUED OPERATIONS.....	15
7. INCOME TAX	16
8. CASH AND CASH EQUIVALENTS	16
9. SECURITY DEPOSITS	17
10. ASSETS HELD FOR SALE	17
11. PROPERTY, PLANT AND EQUIPMENT	17
12. TRADE AND OTHER PAYABLES	17
13. INTEREST-BEARING LOANS AND OTHER BORROWINGS.....	18
14. PROVISIONS	18
15. CONTRIBUTED EQUITY	18
16. RELATED PARTY DISCLOSURES	19
17. COMMITMENTS AND CONTINGENCIES	19
18. SIGNIFICANT EVENTS AFTER THE BALANCE DATE.....	19
19. FAIR VALUE.....	19

VDM GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Corporate information

The interim consolidated financial statements of VDM Group Limited (the "Company") and its controlled entities ("VDM" or the "Group") for the half year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 7 March 2025.

VDM Group Limited is a for-profit entity limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange ("ASX").

(b) Basis of preparation

The interim consolidated financial statements for the half year ended 31 December 2023, represent a general purpose financial report prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual consolidated financial statements as at 30 June 2023 and any public announcements made by VDM during the interim reporting period in accordance with the continuous disclosure requirements of the ASX listing rules.

(c) New and amended accounting standards and interpretations

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2023.

The Group has adopted all Australian Accounting Standards and Interpretations effective from 1 July 2023. The adoption of new and amended standards and interpretations had no impact on the financial position or performance of the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(d) Going Concern

VDM incurred a net loss after tax from continuing operations for the half year ended 31 December 2023 of \$356,000 (31 December 2022: \$545,000). Net cash outflows in operating activities were \$211,000 (31 December 2022: \$321,000 Outflow). At 31 December 2023, VDM had net current liabilities of \$15,099,000 (30 June 2023: \$14,706,000). The cash balance of VDM at 31 December 2023 was \$1,179,000 (30 June 2023: \$1,390,000) with a further \$20,000 of security deposits (30 June 2023: \$20,000).

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

VDM will require further capital funding:

- to pursue new business growth opportunities;
- to settle shareholder loans; and
- for general working capital including payment of trade and other payables, and provisions that become due.

In forming this view, the directors have taken into consideration that the Group expects:

- to undertake future successful capital raisings sufficient to meet the above noted funding requirements; and
- VDM's largest shareholder, Australia Kengkong Investments Co Pty Ltd, will not demand repayment of amounts due under the Framework Loan Agreement until VDM completes sufficient capital raising.

Should VDM not achieve the matters set out above, there is material uncertainty as to whether VDM will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustment relating to the recoverability or classification of

VDM GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

recorded asset amounts or to the amounts or classifications of liabilities that may be necessary should VDM not be able to continue as a going concern.

(e) Significant Accounting Judgements, Estimates and Assumptions

Preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has not identified any critical accounting policies for which judgement, estimates and assumptions are made, which are in addition to the significant judgements, estimates and assumptions identified in the preparation of the Group's half year consolidated financial statements for the period ended 31 December 2023.

2. CHANGE OF ACCOUNTING POLICY – PRIOR PERIOD

The financial report has been prepared on the basis of a retrospective application of a voluntary change in accounting policy relating to exploration and evaluation expenditure in accordance with standard AASB 6: Exploration for and Evaluation of Mineral Resources.

Previously, the Group capitalised, accumulated exploration and evaluation expenditure and carried forward to the extent that they were expected to be recouped through the successful development of the area where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. Going forward the Group will expense exploration and evaluation costs as they are incurred as an operating cost of the Group.

The Board determined at 30 June 2023 that the change in accounting policy would result in more relevant and no less reliable information as the policy is more transparent and less subjective. Recognition criteria of exploration and evaluation assets are inherently uncertain and expensing as incurred results in a more transparent Consolidated Statement of Financial Position and Consolidated Statement of Profit or Loss and Other Comprehensive Income. Furthermore, the change in policy aids in accountability of expenditures and is consistent with industry practice.

The effects on the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income on implementation of the new accounting policy, were as follows:

	Impairment \$000	Loss for the period \$000
Balance for the half year ended 31 December 2022	(650)	(1,451)
Impact of the change in accounting policy re impairment of exploration and evaluation expenditure	650	650
Restated balance for the half year ended 31 December 2022	-	(801)

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

3. SEGMENT INFORMATION

VDM is arranged under three operating divisions: i) construction, ii) trading and iii) mining. The accounting policies adopted for the reported segments are consistent with those followed in the preparation of the Group's financial statements for the year ended 30 June 2023.

The following table presents the revenue, profit and selected balance sheet information for the Group's reportable segments for the half year ended 31 December 2023.

	Construction	Mining	Discontinued Operations	Unallocated	Total
31 December 2023	\$000	\$000	\$000	\$000	\$000
Revenue and other income					
External revenue and other revenue	-	-	-	146	146
Total segment revenue and other income	-	-		146	146
Expenses					
Employee benefits expense	-	-	-	55	55
Legal expenses	-	-	-	31	31
Finance costs	-	-	-	232	232
Other	-	-	-	184	184
Loss from discontinued operations	-	-	-	37	37
Total expenses				(539)	(539)
Total segment profit and result				(393)	(393)
Reconciliation of segment results before tax to net loss after tax					
Segment results before tax					(393)
Net loss after tax from continuing operations per the statement of comprehensive income					(393)
Total assets – 31 December 2023	41	-	1,178	1,204	2,423
Total liabilities – 31 December 2023	113	4,958	-	12,448	17,519

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

The following table presents the revenue, profit, and selected expenditure information for the half year ended 31 December 2022 and selected balance sheet information as at 30 June 2023 for the Group's reportable segments.

	Construction	Mining	Discontinued Operations	Unallocated	Total
31 December 2022	\$000	\$000	\$000	\$000	\$000
Revenue and other income					
External revenue and other revenue	-	-	-	1	1
Total segment revenue and other income	-	-	-	1	1
Expenses					
Employee benefits expense	-	-	-	69	69
Occupancy expenses	-	-	-	6	6
Legal expenses	-	-	-	4	4
Finance costs	-	-	-	289	289
Other	-	-	-	178	178
Loss from discontinued operations	-	-	-	256	256
Total expenses				(802)	(802)
Total segment profit and result				(801)	(801)
Reconciliation of segment results before tax to net loss after tax					
Segment results before tax					(801)
Net loss after tax from continuing operations per the statement of comprehensive income					(801)
Total assets – 30 June 2023	41	-	1,215	1,396	2,652
Total liabilities – 30 June 2023	113	4,679	-	12,563	17,355

	31 Dec 2023	31 Dec 2022
	\$000	\$000
4. REVENUE AND OTHER INCOME		
Sales revenue		
Revenue from operating activities	-	-
Total sales revenue	-	-
Other income		
Interest	1	1
Gain on foreign currency exchange	145	
Total other income	146	1
Total revenue and other income	146	1

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	31 Dec 2023 \$000	31 Dec 2022 \$000
5. EXPENSES		
a) Employee benefits expense		
Wages and salaries	50	62
Superannuation expense	5	7
Other employee benefits expense	-	-
Total employee benefits expense	55	69
b) Finance costs		
Bank fees and other finance charges	-	-
Interest	232	289
Total finance costs	232	289
c) Other expenses		
Insurances	28	28
Telecommunications	1	1
Computer costs	14	13
Foreign exchange losses	-	56
Other	141	80
Total other expenses	184	178

6. DISCONTINUED OPERATIONS

	31 Dec 2023 \$000	31 Dec 2022 \$000
<i>Financial performance of discontinued operations</i>		
Revenue	-	-
Expenses	-	-
Operating profit	-	-
Loss on sale of development properties	-	(256)
Impairment of assets held for sale	(37)	-
Profit from discontinued operations before income tax	(37)	(256)
Income tax expense	-	-
Profit from discontinued operations after income tax	(37)	(256)
<i>Assets and liabilities of the discontinued operations</i>		
Total Assets	1,178	1,215
Total Liabilities	-	-
Net assets attributable to discontinued operations	1,178	1,215
<i>Net cash flows attributable to discontinued operations</i>		
Operating	-	-
Investing	-	740
Financing	-	-
Net cash (outflow) / inflow	-	740

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	31 Dec 2023 \$000	31 Dec 2022 \$000
7. INCOME TAX		
a) Numerical reconciliation between aggregate tax expense recognised in the income statement and the tax expense calculated in the statutory income tax return		
Accounting loss before tax	(356)	(545)
Total accounting loss before tax	(356)	(545)
Prima facie income tax expense @ 25.0%	(89)	(136)
Prior year tax over provision	-	-
Tax adjustment for non-deductible expenses	-	-
Temporary differences and unrecognised tax losses	89	136
Aggregate income tax expense	-	-

b) Tax losses

VDM Group has recognised a deferred tax asset of nil (31 December 2022: nil) for Australian income tax purposes on the basis that it is not 'probable' that the carried forward revenue loss will be utilised against future assessable taxable profits.

Utilisation of the carried forward tax losses by the company is subject to satisfaction of the Continuity of Ownership Test ("COT") or, failing that, the Same Business Test ("SBT"). It is likely that VDM has failed COT during the 2015 financial year, therefore in order to be able to utilise the pre-2016 losses in the future, VDM may be required to satisfy the SBT. Where VDM derives assessable income in a future income year, an assessment of whether the same business has been carried on between just before the COT failure and the intervening period will determine whether the losses are available for utilisation.

c) Tax consolidation

Members of the tax consolidation group and the tax sharing arrangement

VDM Group Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 July 2004. VDM Group Limited is the head entity of the tax-consolidated group. Members of Group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

	31 Dec 2023 \$000	30 Jun 2023 \$000
8. CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	1,179	1,390
Cash and cash equivalents	1,179	1,390

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	31 Dec 2023 \$000	30 Jun 2023 \$000
9. SECURITY DEPOSITS		
Security Deposits	20	20
Current	20	20
Non-current	-	-
Total security deposits	20	20

Security deposits are recorded at cost and will be returned to the Group upon the satisfaction of contract and associated retention periods. No provision has been recorded against these amounts for contract claims.

10. ASSETS HELD FOR SALE		
Assets held for sale	1,178	1,215
Total assets held for sale	1,178	1,215

11. PROPERTY, PLANT AND EQUIPMENT		
Leasehold improvements at cost	14	14
Accumulated depreciation	(11)	(11)
Total leasehold improvements	3	3
Plant & equipment at cost	29	29
Accumulated depreciation	(29)	(29)
Total plant & equipment	-	-
Total property, plant and equipment	3	3

12. TRADE AND OTHER PAYABLES		
Trade payables and accruals	568	496
Employee related payables	8	5
Other payables	4,679	4,679
Total trade and other payables	5,255	5,180

VDM GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	31 Dec 2023 \$000	30 Jun 2023 \$000
13. INTEREST-BEARING LOANS AND OTHER BORROWINGS		
Shareholder loan (AUD denominated)	5,964	5,828
Shareholder loan (USD denominated)	6,073	6,122
Total interest bearing loans and other borrowings	12,037	11,950

14. PROVISIONS

Current		
Employee entitlements	103	101
Construction warranties	11	11
Other construction contract obligations	74	74
Other provisions	39	39
Total current provisions	227	225
Total provisions	227	225

15. CONTRIBUTED EQUITY

a) Ordinary shares		
Issued and fully paid	297,360	297,360
	Number of Shares	\$000
Balance at 1 July 2022	6,927,660,952	297,360
Share Issues	-	-
Balance at 1 July 2023	6,927,660,952	297,360
Share Issues	-	-
Capital raising costs	-	-
Balance at 31 December 2023	6,927,660,952	297,360

VDM GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

16. RELATED PARTY DISCLOSURES

Transactions with key management personnel

Luk Hiuming

As at 31 December 2023, VDM owed \$98,000 to Mr Luk related to directors fees that have not been paid on his instruction (30 June 2023: \$98,000). No interest accrues and the outstanding amount is due when demanded by Mr Luk. The amount due to Mr Luk is included in trade and other payables (note 12).

Kengkong

On 27 January 2016, VDM entered into a Framework Loan Agreement ("FLA") with its largest shareholder, Australia Kengkong Investments Co Pty Ltd ("Kengkong"). VDM's Non-executive Chairman Mr Luk controls Kengkong. The FLA contemplates the parties entering into a secured one-year 6% loan facility that will incorporate the FLA liabilities. Until that occurs, the FLA advances plus interest accrued at 6% per annum are immediately repayable in the denominated currency when demanded by Kengkong. There were no drawings under the FLA during the reporting period. The amounts due under the FLA are included in interest-bearing loans and other borrowings (note 13).

17. COMMITMENTS AND CONTINGENCIES

There are no commitments and contingencies to disclose for the half year ended 31 December 2023.

18. SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years, other than the following.

Mandurah Apartment

The Company has owned an apartment in The Palladio Apartments complex in Mandurah, Western Australia for a number of years which it has rented out. Post the end of the half year, the apartment was sold for \$1.178m net of costs.

19. FAIR VALUE

At 31 December 2023 there are no financial assets or financial liabilities which are accounted for at fair value. Carrying amounts approximate the fair value of financial assets and financial liabilities presented in the Consolidated Statement of Financial Position.

Assets held for resale – Mandurah Apartment

Included in the Consolidated Statement of Financial Position at fair value is the Company's Mandurah apartment which is valued at the expected sale price based upon real estate agents' advice and recent comparative sales less costs to undertake minor repairs, market and sell.

		31 Dec 2023
Mandurah Apartment	Notes	\$000
Fair value – estimated selling price		1,200
Costs to sell		(22)
Net assets attributable to discontinued operations	10	1,178

**VDM GROUP LIMITED
DIRECTORS' DECLARATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

In accordance with a resolution of the directors of VDM Group Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023, and of its performance for the half year ended on that date; and
 - (ii) complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) Subject to the satisfactory achievement of the matters described in note 1(d), there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Michael Fry
Director
Perth, Western Australia
7 March 2025

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF VDM GROUP LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of VDM Group Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of VDM Group Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$356k during the half year ended 31 December 2023. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, 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 Australian Auditing Standards 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.



HALL CHADWICK WA AUDIT PTY LTD



MICHAEL HILLGROVE FCA
Director

Dated this 7th day of March 2025
Perth, Western Australia