

29 February 2016

Australian Securities Exchange  
Level 40, Central Park  
152-158 St George's Terrace  
Perth WA 6000

**APPENDIX 4D AND HALF-YEAR REPORT FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

Please find attached Appendix 4D – Half-Year Report and the Company's Half-Year Financial Report for the period ended 31 December 2015.

The half-year financial report does not include all the notes of the type normally included in an annual financial report and accordingly the financial report should be read in conjunction with the annual financial report for the year ended 30 June 2015.

The financial report for the half year ended 31 December 2015 incorporates a review of operations during the period.

**By Order of the Board**

For further information contact:

Loren Jones  
**Company Secretary**

Wangle Technologies Limited  
Tel: (+61 8) 6489 1600  
[info@wan.gl](mailto:info@wan.gl)

## APPENDIX 4D

for the half-year ended 31 December 2015

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### RESULTS FOR ANNOUNCEMENT TO THE MARKET

<b>Revenue from Ordinary Activities:</b>	31,254
<b>Previous Corresponding Period:</b>	2,908
<b>Percentage Change:</b>	Up 975%

<b>Net Loss Attributed to Members:</b>	(647,910)
<b>Previous Corresponding Period:</b>	224,070)
<b>Percentage Change:</b>	Up 189%

<b>Net Comprehensive Loss Attributed to Members:</b>	(647,910)
<b>Previous Corresponding Period:</b>	(224,070)
<b>Percentage Change:</b>	Up 189%

There is no proposal to pay a dividend.

<b>Net Tangible Assets Per Security:</b>	0.0102*
<b>Previous Corresponding Period:</b>	0.0035*

*\*on a post-consolidation basis*

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# Wangle Technologies™

(formerly VTX Holdings Limited)

ACN 096 870 978

## **FINANCIAL REPORT** **FOR THE HALF-YEAR ENDED** **31 DECEMBER 2015**

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This 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 the annual report for the year ended 30 June 2015 and any public announcements made by Wangle Technologies Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

### Directors

Andrew Haythorpe (Chairman)  
Jason Gitmans (Managing Director)  
Keaton Wallace (Non-executive Director)

### Company Secretary

Loren Jones

### Registered Office

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### Website

[www.wangletechnologies.com](http://www.wangletechnologies.com)

### Auditors

Pitcher Partners Corporate & Audit (WA) Pty Ltd  
Level 1, 914 Hay Street  
Perth, WA 6000

### Share Registry

Security Transfer Registrars Pty Ltd  
Alexandra House  
Suite 1, 770 Canning Highway  
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Tel: (08) 9315 2333  
Fax: (08) 9315 2233

### Patent Attorney

Griffith Hack  
Level 19, 109 St Georges Terrace  
Perth, WA 6000

### Banker

National Australia Bank  
Level 1, 1238 Hay Street  
West Perth, WA 6005

### Home Stock Exchange

Australian Securities Exchange Limited  
Level 40, Central Park,  
152-158 St Georges Terrace  
Perth WA 6000

**ASX Code:** WGL

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The Directors present their report Wangle Technologies Limited (formerly VTX Holdings Limited) (**WGL**, or the **Company**) and its controlled entity (together referred to as "the Group"), for the half-year ended 31 December 2015 and the auditor's review report thereon. This report has been prepared in accordance with AASB 134 Interim Financial Reporting.

### Directors

The Directors of the Company during the half-year and up to the date of this report are:

Andrew Haythorpe (Chairman, Non-Executive Director)  
Jason Gitmans (Managing Director, appointed 19 February 2016)  
Keaton Wallace (Non-Executive Director, appointed 19 February 2016)  
James Robinson (Non-Executive Director, resigned 19 February 2016)  
Harry Karelis (Non-Executive Director, resigned 19 February 2016)

### Results

The loss for the consolidated entity for the half-year was \$647,910 (31 December 2014: loss \$224,070).

### Review of Operations

#### Nature of Operations

As a result of the acquisition the Company's nature of activities have subsequently changed. The Company's operations now comprise of the ongoing product development of its revolutionary web optimisation technology. The Company continues to focus on the commercialisation of both its consumer and enterprise offering and has made significant progress towards this.

#### Technology Development

The Company has developed leading technology, which possesses the ability to significantly optimise data usage on popular web platforms, delivering data savings and enhanced speed to the end user on any mobile or desktop device, and has the capability to enhance privacy and security.

During the period, the technology has undergone a rigorous testing regime with Simplisite Business Solutions, to deliver material data savings. Simplisite were appointed to fast track the development of the technology and its path to market.

The Company has successfully lodged two key patents in the US relating to its Wangle technology platform. These patents seek to protect the technology that underpins the Wangle product and provide further protection to its Intellectual Property.

#### Consumer Operations

Following the development of the technology the Company developed its consumer offering, its mobile application Wangle.

The Company commenced the soft launch of Wangle on iOS and Android in Australia and New Zealand in late 2015, following the successful completion of the Alpha testing phase of the platform. The application will be rolled-out in three key phases, targeting 150,000 paying subscribers by June 2017.

Following completion of the soft launch, Phase One is expected to commence in April 2016, followed by the Second Phase, which will include an official global launch in June 2016.

Degordian, one of the world's leading full service digital and social media marketing agencies have been appointed to implement a highly cost effective marketing strategy to promote the Wangle brand and monetise the user base.

The Company is working towards further commercialisation opportunities as part of its strategy and will begin implementing add-ons and subscriptions, adding the first revenue stream to the business model.

### Enterprise Operations

During the period the Company made significant progress towards its enterprise strategy. In December 2015 it entered into an exclusive partnership agreement with Spinova Pty Limited, to facilitate the Company's entry in to the African telecoms market.

Spinova is a global business innovator that specialises in facilitating the entry of technology companies into emerging markets and will work with Wangle Technologies to promote its technology and facilitate opportunities for commercial growth in the region.

The partnership is to commence with a four stage-testing roll out program, beginning with a proof of concept phase at Stellenbosch University Data Centre in Cape Town. This will progress to testing of the technology over university local area networks before being implemented over long distances countrywide and exploration for Wangle's potential use across the continent.

This represents the first initial step in the Company's enterprise strategy, which it is focused on expanding in 2016 as it further develops its technology and implements a number of strategic partnerships in its pipeline.

### Singaporean Subsidiary

On the 8th of October 2015, the Company incorporated a subsidiary, VTX Holdings (Singapore) Pte. Ltd, under the *Singapore Companies Act, Cap. 50* (Company Registration No. 201537020R) (**Subsidiary**).

The Subsidiary was formed with the express function of housing the Company's intellectual property (**IP**).

The Company agreed to acquire, all current and future rights, title and interest in the NexGen Networks Limited (**NexGen**) software and hardware and all IP rights in NexGen (including all future intellectual property rights arising in relation to or out of 'Wangle').

The Company has successfully lodged two key patents in the US to protect the optimisation technology underpinning the Wangle platform and that additional IP protection strategies were in development with leading IP & Patenting specialist firm Griffith Hack. Accordingly, the patent applications have been applied for in the name of the Subsidiary.

### **Changes in State of Affairs**

There were no significant changes in the state of affairs of the Group other than as referred to elsewhere in this consolidated half-year report and in the accounts and notes attached thereto.

### **Subsequent Events**

#### Completion of Acquisition

On 22 February 2016, the acquisition of 100% of the A Class Shares in NexGen Networks Limited was completed by VTX Holdings Limited. Subsequently, the Company is to be renamed Wangle Technologies Limited, following receiving shareholder approval at the General Meeting held on 23 December 2015.

Accordingly, on Friday the 19th of February 2016, the Company has issued the following securities in connection with the acquisition:

Pursuant to the prospectus dated 22 December 2015:

- 200,000 fully paid ordinary shares.

Issued in consideration for the acquisition of 100% of the A Class Shares in NexGen Networks Limited;

- 182,700,000 fully paid ordinary shares;
- 26,100,000 Class A Performance Shares<sup>1</sup>;
- 26,100,000 Class B Performance Shares<sup>2</sup>; and
- 26,100,000 Class C Performance Shares<sup>3</sup>.

Unquoted options issued in consideration for corporate advisory and investor relations services.

- 5,000,000 unquoted options exercisable at \$0.075 each on or before 31 August 2018;
- 5,000,000 unquoted options exercisable at \$0.10 each on or before 31 August 2018; and
- 5,000,000 unquoted options exercisable at \$0.15 each at any time on and from the date on which the Optionholder has introduced institutional investors that together hold not less than 5% of the issued Shares of the Company within 18 month of the date of issue of the Options until 31 August 2018.

Performance Shares issued in consideration for technology development services.

- 5,000,000 Class A Performance Shares<sup>1</sup>;
- 5,000,000 Class B Performance Shares<sup>2</sup>;
- 5,000,000 Class C Performance Shares<sup>3</sup>; and
- 5,000,000 Class D Performance Shares<sup>4</sup>.

### Notes:

<sup>1</sup> Each Class A Performance Share converts into one Fully Paid Ordinary Share upon the Company (or an entity controlled by the Company) having a consumer based android app based on use of the Group's Technology publicly available in the Google Play store within 3 years from the date of settlement of the Acquisition (being 19 February 2016).

<sup>2</sup> Each Class B Performance Share converts into one Fully Paid Ordinary Share upon the Company (or an entity controlled by the Company) having a consumer based iOS app based on use of the Group's Technology publicly available in the Apple App Store within 3 years from the date of settlement of the Acquisition.

<sup>3</sup> Each Class C Performance Share converts into one Fully Paid Ordinary Share upon the Company (or an entity controlled by the Company) receiving \$1,000,000 in cumulative revenue, as confirmed by the Company's auditor or another suitably qualified independent third party mutually agreed by the Company and NexGen Networks Limited, pursuant to an agreement to license the Group's Technology within 3 years from the date of settlement of the Acquisition.

<sup>4</sup> Each Class D B Performance Share converts into one Fully Paid Ordinary Share upon the Company (or an entity controlled by the Company) having 1,000,000 paying users of the Group's Technology publicly available in the Google Play or Apple App store within 3 years from the date of settlement of the Acquisition.

### Board changes

In accordance with the terms of the acquisition of NexGen, the following Board changes became effective on the 19 February 2016:

- Jason Gitmans and Keaton Wallace have been appointed as Directors of the Company; and
- James Robinson and Harry Karelis have resigned as Directors of the Company.

### **Jason Gitmans**

Chief Executive Officer and Executive Director

Jason has founded and started many small to medium size enterprises over his career. These include wholesale, import export and retail. His last endeavour saw him build a retail chain in over 19 European countries with 450 retail locations with over 2,000 staff in a little less than two years. His roles include top level company and entrepreneurial management.

He has built global networks across all continents. Jason currently sits on various company boards and has substantial input into their strategic development and has a huge passion for IT. Jason will oversee business development across both consumer and enterprise channels and implement key monetisation strategies to provide immediate revenue streams to the company.

**Keaton Wallace**

Non-Executive Director

Keaton Wallace is a Founder and executive director of ZipTel Limited, which successfully listed on the ASX in July 2014. Keaton has overseen the business operations of ZipTel's two core products - AussieSim and the ZipT mobile based application. ZipT is a mobile based application utilising proprietary compression technology to allow VOIP calls to be carried at less than 8Kbps.

The company has experience substantial share price appreciation in the past 12 months with gains of over 400%. Keaton as a seed shareholder in Wangle has also played a key role in the listing process of the company on the ASX.

**Auditor's Independence Declaration**

A copy of the auditors' independence declaration as required under Section 307C of the *Corporations Act 2001* in relation to the review for the Half Year is set out on page 6 of this report.

This report is presented in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Andrew Haythorpe  
**Chairman**

Perth  
29 February 2016

**AUDITOR'S INDEPENDENCE DECLARATION**

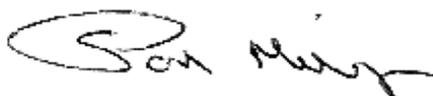
**TO THE DIRECTORS OF WANGLE TECHNOLOGIES LIMITED (FORMERLY KNOWN AS VTX HOLDINGS LIMITED) AND ITS CONTROLLED ENTITY**

In relation to the independent review for the half-year ended 31 December 2015, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of any applicable code of professional conduct.

*Pitcher Partners Corporate & Audit (WA) Pty Ltd*

PITCHER PARTNERS CORPORATE & AUDIT (WA) PTY LTD



PAUL MULLIGAN  
Executive Director  
Perth, WA  
29 February 2016

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**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF WANGLE TECHNOLOGIES LIMITED (FORMERLY KNOWN AS VTX HOLDINGS  
LIMITED) AND ITS CONTROLLED ENTITY**

We have reviewed the accompanying half-year financial report of Wangle Technologies Limited (formerly known as VTX Holdings Limited) (the "Company") and its controlled entity (together the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2015, the condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Company and the entity it controlled at the period's end or from time to time during the half year.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the Group 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 internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have not become aware of any matter that makes us believe that the 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 2015 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*. As the auditor of Wangle Technologies Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

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*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

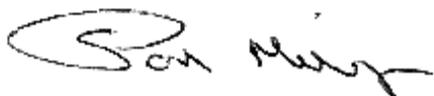
*Conclusion*

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 Wangle Technologies Limited (formerly known as VTX Holdings Limited) (the "Company") and its controlled entity is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 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*.

*Pitcher Partners Corporate & Audit (WA) Pty Ltd*

PITCHER PARTNERS CORPORATE & AUDIT PTY LTD



PAUL MULLIGAN  
Executive Director  
Perth, WA  
29 February 2016

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## DIRECTORS' DECLARATION

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The Directors of Wangle Technologies Limited declare that:

1. the financial statements and accompanying notes, as set out on pages 10 to 17 are in accordance with the *Corporations Act 2001*, and:
  - (a) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* and other mandatory professional reporting requirements; and
  - (b) give a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the half-year ended on that date;
2. in the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for on behalf of the Directors by:



Andrew Haythorpe  
**Chairman**

Perth  
29 February 2016

**WANGLE TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITY**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**for the half-year ended 31 December 2015**

	Half-year ended 31 Dec 2015	Half-year ended 31 Dec 2014
	\$	\$
<b>CONTINUING OPERATIONS</b>		
Interest income	31,254	2,908
<b>TOTAL CONTINUING OPERATIONS</b>	<b>31,254</b>	<b>2,908</b>
<b>EXPENSES</b>		
Research and development costs, materials and consultants	(172,490)	-
Directors' fees, salaries, superannuation and consulting costs	(90,000)	(80,306)
Depreciation expense	(1,943)	(2,733)
Public company costs, fees, share registry, shareholder costs	(159,188)	(47,288)
Occupancy costs	-	(1,246)
Legal fees	(166,880)	(13,315)
Audit fees	(10,646)	(9,946)
Insurances	(3,833)	(5,067)
Interest expense	(544)	-
Other expenses	(31,599)	(20,077)
Corporate fees	(42,041)	(47,000)
<b>TOTAL EXPENSES</b>	<b>(679,164)</b>	<b>(226,978)</b>
Loss before income tax	(647,910)	(224,070)
Income tax benefit	-	-
<b>Net loss for the period</b>	<b>(647,910)</b>	<b>(224,070)</b>
Other comprehensive income	-	-
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>(647,910)</b>	<b>(224,070)</b>
<b>Loss attributable to members of Wangle Technologies Limited</b>	<b>(647,910)</b>	<b>(224,070)</b>
Basic and diluted (cents per share)	(0.002)*	(0.001)*
<i>*on a post-consolidation basis</i>		

The financial statements should be read in conjunction with the accompanying notes.

**WANGLE TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITY**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**as at 31 December 2015**

		Half-year ended 31 Dec 2015	Full-year ended 30 June 2015
	Notes	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		4,494,227	937,776
Trade and other receivables		63,727	20,687
Acquisition of NGN	3	610,000	100,000
<b>Total Current Assets</b>		<b>5,167,954</b>	<b>1,058,462</b>
<b>Non-Current Assets</b>			
Plant and equipment	5	17,334	19,277
Intercompany Loan (NGN)	4	380,000	-
Intangible Assets / Development Costs		10,932	-
<b>Total Non-Current Assets</b>		<b>408,266</b>	<b>19,277</b>
<b>TOTAL ASSETS</b>		<b>5,576,220</b>	<b>1,077,739</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		103,690	93,040
<b>TOTAL LIABILITIES</b>		<b>103,690</b>	<b>93,040</b>
<b>NET ASSETS</b>		<b>5,472,530</b>	<b>984,699</b>
<b>EQUITY</b>			
Issued capital	6	16,551,554	11,415,813
Option reserve	6	660,074	660,074
Accumulated losses		(11,739,098)	(11,091,188)
<b>TOTAL EQUITY</b>		<b>5,472,530</b>	<b>984,699</b>

The financial statements should be read in conjunction with the accompanying notes.

**WANGLE TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITY**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the half-year ended 31 December 2015**

	Share Capital	Option Premium Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2014</b>	9,811,391	657,097	(10,700,486)	(231,998)
<b>Comprehensive expense for the period</b>				
Loss for the period	-	-	(224,070)	(224,070)
<b>Total comprehensive loss for the period</b>	-	-	<b>(224,070)</b>	<b>(224,070)</b>
<i>Transactions with owners in their capacity as owners</i>				
Shares issued	1,679,013	-	-	1,679,013
Share issue costs	(74,591)	-	-	(74,591)
<b>Balance at 31 December 2014</b>	<b>11,415,813</b>	<b>657,097</b>	<b>(10,924,556)</b>	<b>1,148,354</b>
<b>Balance at 1 July 2015</b>				
<b>Comprehensive expense for the period</b>	<b>11,415,813</b>	<b>660,074</b>	<b>(11,091,188)</b>	<b>984,699</b>
Loss for the period	-	-	(647,910)	(647,910)
<b>Total comprehensive loss for the period</b>	-	-	<b>(647,910)</b>	<b>(647,910)</b>
<i>Transactions with owners in their capacity as owners</i>				
Shares issued	5,246,104	-	-	5,246,104
Share issue costs	(110,363)	-	-	(110,363)
<b>Balance at 31 December 2015</b>	<b>16,551,554</b>	<b>660,074</b>	<b>(11,739,098)</b>	<b>5,472,530</b>

The financial statements should be read in conjunction with the accompanying notes.

**WANGLE TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITY**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the half-year ended 31 December 2015**

		Half-year ended 31 Dec 2015	Half-year ended 31 Dec 2014
		\$	\$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(691,884)	(416,927)
Interest received		14,070	2,908
Interest paid		(544)	-
<b>Net cash used in operating activities</b>		<b>(678,358)</b>	<b>(414,019)</b>
<b>Cash flows from investing activities</b>			
Acquisition of NGN	3	(510,000)	-
Intercompany Loan (NGN)	4	(380,000)	-
NGN expenses - development costs		(10,932)	-
<b>Net cash used in investing activities</b>		<b>(900,932)</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds from issues of shares		5,246,104	1,679,013
Payment for share issue costs		(110,363)	(74,591)
<b>Net cash provided by financing activities</b>		<b>5,135,741</b>	<b>1,604,422</b>
Net increase in cash held		3,556,451	1,190,403
Cash at the beginning of the period		937,776	27,479
<b>Cash at the end of the period</b>		<b>4,494,227</b>	<b>1,217,882</b>

The financial statements should be read in conjunction with the accompanying notes.

**WANGLE TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the half-year ended 31 December 2015**

**1. Reporting Entity**

Wangle Technologies Limited (formerly VTX Holdings Limited (**Company**)) is a company domiciled in Australia. The consolidated interim financial report as at and for the six months ended 31 December 2015 covers the consolidated group of Wangle Technologies Limited and its controlled entity (together referred to as the "consolidated entity" or "Group").

**2. Basis of preparation of half-year report**

**a) Statement of compliance**

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Standards IAS 34 *Interim Financial Reporting*. The consolidated interim financial report has been prepared on the accruals basis and on an historical cost basis.

This interim financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, this financial report is to be read in conjunction with the annual financial statements for the year ended 30 June 2015 and any public announcements made by Wangle Technologies Limited (formerly known as VTX Holdings Limited) during the interim reporting period in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX listing rules.

The same accounting policies and methods of computation have generally been applied in these half-year financial statements as compared with the most recent annual financial statements.

**b) Significant accounting judgments and key estimates**

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2015.

**c) Accounting standards issued but not yet effective**

The AASB has issued new standards, amendments and interpretations to existing standards which have been published but are not yet effective, and have not yet been adopted early by the Group. The new standards, amendments and interpretations that may be relevant to the Group's financial statements are provided below.

<b>Standard / Interpretation</b>	<b>Effective for annual reporting periods beginning on or after</b>
AASB 9 <i>Financial Instruments</i> and AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>	1 January 2018
AASB 15 <i>Revenue from contracts with customers</i> AASB 15 <i>Revenue from Contracts with Customers</i>	1 January 2018

**d) Going concern**

The consolidated financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group has incurred a net loss after tax for the half-year ended 31 December 2015 of \$647,910 (31 December 2014: loss of \$224,070), and a net cash outflow from operations of \$678,358 (31 December 2014: outflow of \$414,019). At 31 December 2015, the Group has net current assets of \$5,064,264 (30 June 2015: \$965,422 net current assets) and net equity of \$5,472,530 (30 June 2015: \$984,699 net equity).

The Directors have reviewed the business outlook and cash flow forecasts and are of the opinion that the use of the going concern basis of accounting is appropriate as the Directors believe the Group will be able to pay its debts as and when they fall due.

The financial statements are normally prepared on the assumption that the Group is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that the Group has neither the intention nor the need to liquidate or curtail materially the scale of its operations; if such an intention or need exists, the financial statements may have to be prepared on a different basis and, if so, the basis used is disclosed.

### **3. Acquisition of NGN**

#### **IP Option**

Subject to Settlement of the Acquisition, NexGen has granted the Company (or its nominee) an exclusive irrevocable option to acquire 100% of the intellectual property in which NexGen has, or will acquire, an interest (**IP Option**).

The IP Option shall commence on the date that is 12 months from the date of execution of the Agreement (**Commencement Date**) and end (unless exercised prior) on the date that is 12 months from the Commencement Date (**Option Period**).

In consideration for the IP Option, the parties have acknowledged and agreed that the Company has paid a non-refundable IP Option fee totalling \$100,000 to NexGen.

The Company may exercise the IP Option at any time during the Option Period by delivering to NexGen a written notice stating that the Company wishes to exercise the IP Option (**IP Option Exercise Notice**). The IP Option will lapse if an IP Option Exercise Notice is not provided to NexGen prior to the expiry of the Option Period (or such other date as agreed by VTX and NexGen in writing).

Upon exercise of the IP Option:

- (a) NexGen will be deemed to have entered into an agreement to sell 100% of the intellectual property in which it has, or will acquire, an interest to the Company (or its nominee); and
- (b) in consideration of the acquisition of the intellectual property, the Company agrees that the Loan will be deemed to have been repaid.

Settlement of the acquisition of the intellectual property will occur on the date stipulated by the Company in the IP Option Exercise Notice.

#### **Loan**

As at the date of this Notice of Meeting, the Company has advanced to NexGen a loan totalling \$510,000 (**Loan**). The Loan is unsecured and interest free.

Upon Exercise of the IP Option, as consideration for the acquisition of the intellectual property of NexGen by the Company, the Loan will be deemed to have been repaid by the Company.

In the event that the Agreement is terminated prior to Settlement of the Acquisition arising out of a material breach of the Agreement by the Vendors, the Loan will be fully repayable within 60 days of written notice from the Company, subject to NexGen having financial capacity to repay the Loan and otherwise at such later date as NexGen has financial capacity to repay the Loan.

In the event that Settlement of the Acquisition occurs, but the Company does not exercise the IP Option, the Loan will become an inter-company loan due and owing by NexGen.

### **4. Intercompany Loan (NGN)**

On 5 November 2015, the Company entered into a loan deed with NexGen pursuant to which the Company has made available \$500,000 (**Advance**) to NexGen to be applied towards the working capital of NexGen (**Loan Deed**). As at the date of this report, \$500,000 of the Advance has been drawn down by NexGen.

NexGen must repay the Advance plus, any additional moneys loans or advanced, any financial accommodation provided by the Company to NexGen, any expenses or costs paid for by the Company on behalf of NexGen and any monetary liability and costs incurred by the Company on behalf of NexGen (together the Principal Sum):

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- (a) in the event that the Agreement is terminated prior to settlement of the transaction contemplated by its terms arising out of a material breach by the Vendors, within 60 days of written notice by the Company, subject to NexGen having financial capacity to repay the Advance and otherwise at such later date as NexGen has financial capacity to repay the Advance; and
- (b) otherwise, 31 December 2016 or such other date as is agreed between the parties,  
**(Repayment Date).**

NexGen may, without penalty, at any time prior to the Repayment Date repay to the Company any portion of the Principal Sum.

Interest shall accrue at the rate of 15% per annum (**Interest Rate**) on each advance of the Principal Sum from the date upon which it was advanced by the Company to NexGen. All interest which accumulates up to and including the Repayment Date shall be payable on the Repayment Date. Where any sum payable by NexGen under the Loan Deed is not paid on or before its due date for payment, default interest will accrue on the outstanding amount. Default interest will be calculated at the rate of the Interest Rate plus 5% for the period for which the outstanding amount is overdue.

If any of the following events occur and the Company has by notice in writing advised NexGen of the default, and NexGen has failed to remedy the default within ten (10) business days, the total outstanding amount of the Principal Sum, together with all interest accrued thereon and not then paid and all other amounts payable under the Loan Deed and unpaid shall, at the option of the Company, become due and payable upon demand by the Company:

- (a) (**payment default**): if NexGen fails to repay the Principal Sum or any interest payable on the Repayment Date or fails to pay any other money payable under the Loan Deed on the due date for payment of that money;
- (b) (**other default**): if NexGen fails to perform or observe any of the covenants or provisions of the Loan Deed on the part of NexGen to be performed or observed (other than a failure of the type contemplated by paragraph (a) above) and (if capable of remedy) such default continues for more than ten (10) business days (or such longer period as the Company in its absolute discretion permits) after notice from the Company requiring NexGen to remedy the default, unless the non-performance or non-observance has been waived or excused by the Company in writing;
- (c) (**winding up**): if an application for the winding up or bankruptcy of NexGen is presented and NexGen cannot within ten (10) business days reasonably demonstrate to the Company that the application is frivolous or vexatious or an order is made for the winding up or bankruptcy, or any resolution is passed for the winding up, of NexGen, except that it will not be an event of default where the winding up of NexGen is for the purpose of reconstruction or amalgamation and has the Company's prior written consent (which consent will not be unreasonably withheld);
- (d) (**receiver, etc**): if a receiver or receiver and manager or provisional liquidator of the assets and undertaking or any part of the assets and undertaking of NexGen or any related body corporate is appointed;
- (e) (**warranty**): a breach by NexGen of a warranty;
- (f) (**insolvency schemes**): if without the Company's prior written consent NexGen or any related body corporate enters into any arrangement, reconstruction or composition with its creditors or any of them; or
- (g) (**administrator or inspector**): if NexGen, any related body corporate, or any other person appoints an administrator to the Borrower or takes steps to do so.

**5. Plant and equipment**

Carrying amount at beginning of the period  
 Depreciation expenses  
**Carrying amount at reporting date**

	31 Dec 2015	30 June 2015
	\$	\$
	19,277	24,133
	(1,943)	(4,856)
	<b>17,334</b>	<b>19,277</b>

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**6. Issued Capital and Reserves**

**Capital – Ordinary Shares (WGL)**

*Movement in number of shares*

	31-Dec-15		30-Jun-15	
	No.	\$	No.	\$
Opening balance	325,000,000	11,415,813	3,141,972,236	9,811,391
Shares issued at \$0.0005 per share	-	-	1,385,000,000	692,500
Consolidation on 1:20 basis	-	-	(4,300,623,565)	-
SPP Placement at \$0.01 per share	-	-	98,651,329	-
Shares issued through option exercises	209,844,168	5,246,104	-	986,513
Transaction costs arising from issue of shares	-	(110,363)	-	74,591
<b>Closing balance</b>	<b>534,844,168</b>	<b>16,551,554</b>	<b>325,000,000</b>	<b>11,415,813</b>

**Reserves – Quoted Options**

*Movement in number of quoted options*

Opening balance	175,980,266	657,097	3,125,000,000	657,097
Consolidation on 1:20 basis	-	-	(2,968,750,000)	-
Quoted Options Issued	-	-	19,730,266	-
Quoted Options Exercised	(172,859,301)	-	-	-
Options Lapsed	(3,120,965)	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>657,097</b>	<b>175,980,266</b>	<b>657,097</b>

**Reserves – Unquoted Options**

*Movement in number of unquoted options*

Opening balance	99,019,734	2,977	-	-
Unquoted Options Issued	-	-	1,385,000,000	-
Consolidation on 1:20 basis	-	-	(1,315,750,000)	-
Unquoted Options Issued	-	-	29,769,734	2,977
Unquoted Options Exercised	(36,984,867)	-	-	-
<b>Closing balance</b>	<b>62,034,867</b>	<b>2,977</b>	<b>99,019,734</b>	<b>2,977</b>

**7. Events occurring after reporting date**

Completion of Acquisition

On 22 February 2016, the acquisition of NexGen was completed by VTX Holdings Limited. Subsequently, the Company is to be renamed Wangle Technologies Limited, following receiving shareholder approval at the General Meeting held on 23 December 2015.

200,000 fully paid ordinary shares in the capital of the Company (Shares) pursuant to the prospectus dated 22 December 2015 have now been issued and the Company re-commenced trading on 26 February 2016 under the ASX ticker code "WGL".

Board changes

In accordance with the terms of the acquisition of NexGen, the following Board changes became effective on the 19 February 2016:

- Jason Gitmans and Keaton Wallace have been appointed as Directors of the Company; and
- James Robinson and Harry Karelis have resigned as Directors of the Company.

**8. Segment reporting**

The Group identifies its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group operates primarily in the development of the ShieldLiner System technology. The financial information presented in the consolidated statement of comprehensive income and consolidated statement of financial position is the same as that presented to the chief operating decision maker.

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Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker is in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

**9. Related party transactions**

During the period ended 31 December 2015 the following related party transactions were undertaken between the Group and director related entities:

- Under a revised engagement letter dated 18 August 2014, Cicero Corporate Services Pty Ltd, a company related to Mr Robinson, a director of Wangle Technologies Limited who resigned on 19 February 2016, agreed to provide services inclusive but not limited to financial reporting, company secretarial services, rent and office administration to the Group for a monthly fee of \$7,000 (31 December 2014: \$7,000). Amounts of \$42,041 (31 December 2014: \$47,000) excluding GST were billed based on normal market rates for such services and were due and payable under normal payment terms.
- On 13 November 2014, the Company signed a Proposal with Cicero Advisory Services Pty Ltd (CAS), a company related to Mr Robinson, a current director of Wangle Technologies Limited who resigned on 19 February 2016, to work to accelerate the exercising of the Company's options, prior to their expiry date. As per the terms of the Proposal, the Company paid CAS a corporate fee equal to 6% of any options exercised. Amounts of \$110,363 excluding GST were billed based on normal market rates for such services and were due and payable under normal payment terms.

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