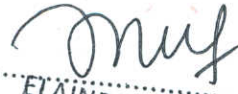


Certified True Copy of the Original



ELAINE TAN AI LIN
Advocate & Solicitor
Selangor
T/979

TG AGRO SEEDLINGS SDN. BHD.
(Incorporated in Malaysia)
Company No : 1010480-W

FINANCIAL REPORT
for the financial year ended 31 December 2013

TG AGRO SEEDLINGS SDN. BHD.

(Incorporated In Malaysia)

Company No : 1010480-W

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of oil palm nursery and trading of budded rubber stump. There has been no significant change in the nature of these activities during the financial year.

RESULTS

	RM
Profit after taxation for the financial year	<u>395,807</u>

DIVIDENDS

No dividend was declared or paid by the Company since the end of the previous financial period and the directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year apart from those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

- (a) there were no changes in the authorised and issued and paid-up share capital of the Company;
and
- (b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

DIRECTORS' REPORT

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that there were no known bad debts and that no allowance for doubtful debts was necessary.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or making of allowance for doubtful debts in the financial statements of the Company.

CURRENT ASSETS

Before the financial statements of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet their obligations when they fall due.

TG AGRO SEEDLINGS SDN. BHD.

(Incorporated In Malaysia)

Company No : 1010480-W

DIRECTORS' REPORT

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company, which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

Yap Foot Loy
Tan Lai Choo

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company during the financial year are as follows:-

	Number of ordinary shares of RM1 each			
	At 1.1.2013	Bought	Sold	At 31.12.2013
Yap Foot Loy	1	-	-	1
Tan Lai Choo	1	-	-	1

TG AGRO SEEDLINGS SDN. BHD.
(Incorporated In Malaysia)
Company No : 1010480-W

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Since the end of the previous financial period, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporations with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 11 JUN 2014**



Yap Foot Loy




Tan Lai Choo

TG AGRO SEEDLINGS SDN. BHD.
(Incorporated In Malaysia)
Company No : 1010480-W

STATEMENT BY DIRECTORS

We, Yap Foot Loy and Tan Lai Choo, being the two directors of TG Agro Seedlings Sdn. Bhd., state that, in the opinion of the directors, the financial statements set out on pages 8 to 21 are drawn up in accordance with Private Entity Reporting Standards and the requirements of the Companies Act 1965 in Malaysia, so as to give a true and fair view of the financial position of the Company at 31 December 2013 and of its results and cash flows for the financial year ended on that date.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 11 JUN 2014



Yap Foot Loy


Tan Lai Choo

STATUTORY DECLARATION

I, Yap Foot Loy, I/C. No. 590606-10-5433, being the director primarily responsible for the financial management of TG Agro Seedlings Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 8 to 21 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declaration Act 1960.

Subscribed and solemnly declared by
Yap Foot Loy, I/C No. 590606-10-5433
at Miri in the state of Sarawak
on this **11 JUN 2014**


Yap Foot Loy

Before me


No. 6B, Tingkat Satu
Jalan Haji Lampam,
96000 Miri, Sarawak



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TG AGRO SEEDLINGS SDN. BHD.**(Incorporated In Malaysia)
Company No : 1010480-W**Report on the Financial Statements**

We have audited the financial statements of TG Agro Seedlings Sdn. Bhd., which comprise balance sheet as at 31 December 2013, and income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 21.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Private Entity Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2013 and of its financial performance and cash flows for the financial year then ended in accordance with Private Entity Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TG AGRO SEEDLINGS SDN. BHD. (CONT'D)**

(Incorporated In Malaysia)
Company No : 1010480-W

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No. : AF 1018
Chartered Accountants

Miri

Date **11 JUN 2014**

Yeu Sion Bin
Approval No : 1511/07/14 (J)
Chartered Accountant

TG AGRO SEEDLINGS SDN. BHD.

(Incorporated In Malaysia)

Company No : 1010480-W

BALANCE SHEET AT 31 DECEMBER 2013

	NOTE	2013 RM	2012 RM
NON-CURRENT ASSET			
Property, plant and equipment	5	393,089	201,126
CURRENT ASSETS			
Inventories	6	464,295	360,044
Trade receivables		949,807	30
Other receivable and deposits		210,694	94
Amount due by a director	7	1,226,759	37,757
Cash balance		477,622	122,793
		3,329,177	520,718
CURRENT LIABILITIES			
Trade payables		3,150,869	144,885
Other payables and accruals		12,800	435,320
Amount due to a director	7	-	65,806
Bank overdraft	8	41,652	42,162
Tax payable		108,780	30,396
		3,314,101	718,569
NET CURRENT ASSETS/(LIABILITIES)			
		15,076	(197,851)
		408,165	3,275
FINANCED/(REPRESENTED) BY:-			
Share capital	9	2	2
Retained profits/(accumulated losses)		392,985	(2,822)
SHAREHOLDERS' EQUITY/(DEFICITS)			
		392,987	(2,820)
NON-CURRENT LIABILITY			
Deferred tax liabilities	10	15,178	6,095
		408,165	3,275

TG AGRO SEEDLINGS SDN. BHD.

(Incorporated In Malaysia)

Company No : 1010480-W

INCOME STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

	NOTE	1.1.2013 to 31.12.2013 RM	18.7.2012 to 31.12.2012 RM
Revenue	11	11,182,203	1,524,424
Cost of sales		(9,999,725)	(1,202,471)
Gross profit		1,182,478	321,953
Other operating income		196	-
Administrative expenses		(668,476)	(288,239)
Profit from operations		514,198	33,714
Finance costs		(527)	(45)
Profit before taxation	12	513,671	33,669
Income tax expense	13	(117,864)	(36,491)
Profit/(loss) after taxation		395,807	(2,822)

TG AGRO SEEDLINGS SDN. BHD.

(Incorporated In Malaysia)

Company No : 1010480-W

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

	SHARE CAPITAL RM	(ACCUMULATED LOSSES)/ RETAINED PROFITS RM	TOTAL RM
At date of incorporation (18.7.2012)	2	-	2
Loss after taxation for the financial period	-	(2,822)	(2,822)
Balance as at 31 December 2012	2	(2,822)	(2,820)
Profit after taxation for the financial year	-	395,807	395,807
Balance as at 31 December 2013	2	392,985	392,987

TG AGRO SEEDLINGS SDN. BHD.

(Incorporated In Malaysia)

Company No : 1010480-W

CASH FLOW STATEMENT**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

	NOTE	1.1.2013 to 31.12.2013 RM	18.7.2012 to 31.12.2012 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		513,671	33,669
Adjustments for:-			
Depreciation		78,507	32,162
Interest expense		527	45
Operating profit before working capital changes		592,705	65,876
Increase in inventories		(104,251)	(360,044)
Increase in trade receivables		(949,778)	(30)
Increase in other receivable and deposits		(210,600)	(94)
Increase in amount due by a director		(1,189,002)	(37,757)
Increase in trade payables		3,005,984	144,885
(Decrease)/increase in other payables and accruals		(422,520)	435,320
(Decrease)/increase in amount due to a director		(65,806)	65,806
CASH FROM OPERATIONS		656,732	313,962
Interest paid		(527)	(45)
Tax paid		(30,396)	-
NET CASH FROM OPERATING ACTIVITIES		625,809	313,917
CASH FLOWS FOR INVESTING ACTIVITY			
Purchase of property, plant and equipment, representing net cash for investing activity		(270,470)	(233,288)
CASH FLOWS FROM FINANCING ACTIVITY			
Proceeds from issuance of shares, representing net cash from financing activity		-	2
NET INCREASE IN CASH AND CASH EQUIVALENTS		355,339	80,631
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD		80,631	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	15	435,970	80,631

The annexed notes form an integral part of these financial statements.

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TG AGRO SEEDLINGS SDN. BHD.

(Incorporated In Malaysia)

Company No : 1010480-W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

1. GENERAL INFORMATION

The Company is a private company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office is Lot 1609, Kg. Riam Jaya, Jalan Sze Chuan 1, 98000 Miri, Sarawak.

The financial statements of the Company are reported in Ringgit Malaysia (RM).

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 11 JUN 2014

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of oil palm nursery and trading of budded rubber stump. There has been no significant change in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Company are prepared under the historical cost convention except as otherwise stated in the financial statements and in compliance with Private Entity Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated under the straight-line method to write off the cost of the assets over their estimated useful lives. The principal annual rates used for this purpose are as follows:-

Plant and machinery	20%
Motor vehicle	20%
Worker quarter and shelter	10%
Office equipment, furniture and fittings	10% - 50%
Signboard	10%
Renovation	10%

TG AGRO SEEDLINGS SDN. BHD.

(Incorporated In Malaysia)

Company No : 1010480-W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Property, Plant and Equipment – Cont'd

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

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

(b) Impairment of Assets

The carrying amounts of assets, other than financial assets, are reviewed at each balance sheet date for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts.

An impairment loss is charged to the income statement immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to the revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(c) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weight-average basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Where necessary, due allowance is made for all damaged, obsolete and slowing-moving items.

TG AGRO SEEDLINGS SDN. BHD.

(Incorporated In Malaysia)

Company No : 1010480-W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

(e) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(f) Interest-bearing Borrowings

Interest-bearing borrowings are recorded at the amount of proceeds received, net of transactions costs.

All borrowing costs are charged to the income statement as an expense in the period in which they are incurred.

(g) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(h) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

TG AGRO SEEDLINGS SDN. BHD.

(Incorporated In Malaysia)

Company No : 1010480-W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Employee Benefits

(i) Short term benefits

Wages, salaries, paid annual leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Company.

(ii) Defined contribution plans

The Company's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Company has no further liabilities in respect of the defined contribution plans.

(j) Income Taxes

Income taxes on the profit or loss for the financial period comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the period and is measured using the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation is provided in full, using the liability method, on all material temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

TG AGRO SEEDLINGS SDN. BHD.

(Incorporated In Malaysia)

Company No : 1010480-W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Income Taxes – Cont'd

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

(k) Revenue Recognition

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transfer to the buyer.

TG AGRO SEEDLINGS SDN. BHD.

(Incorporated In Malaysia)

Company No : 1010480-W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013****5. PROPERTY, PLANT AND EQUIPMENT**

	At 1.1.2013 RM	Additions RM	Depreciation Charge RM	At 31.12.2013 RM
Plant and machinery	63,224	174,900	(50,786)	187,338
Motor vehicle	-	18,000	(3,600)	14,400
Worker quarter and shelter	39,736	6,267	(5,043)	40,960
Office equipment, furniture and fittings	8,591	11,605	(3,155)	17,041
Signboard	-	1,850	(185)	1,665
Renovation	89,575	57,848	(15,738)	131,685
	<u>201,126</u>	<u>270,470</u>	<u>(78,507)</u>	<u>393,089</u>
		Additions RM	Depreciation Charge RM	At 31.12.2012 RM
Plant and machinery		79,030	(15,806)	63,224
Worker quarter and shelter		44,152	(4,416)	39,736
Office equipment, furniture and fittings		10,578	(1,987)	8,591
Renovation		99,528	(9,953)	89,575
		<u>233,288</u>	<u>(32,162)</u>	<u>201,126</u>
		At Cost RM	Accumulated Depreciation RM	Net Book Value RM
At 31 December 2013				
Plant and machinery		253,930	(66,592)	187,338
Motor vehicle		18,000	(3,600)	14,400
Worker quarter and shelter		50,419	(9,459)	40,960
Office equipment, furniture and fittings		22,183	(5,142)	17,041
Signboard		1,850	(185)	1,665
Renovation		157,376	(25,691)	131,685
		<u>503,758</u>	<u>(110,669)</u>	<u>393,089</u>

TG AGRO SEEDLINGS SDN. BHD.

(Incorporated In Malaysia)

Company No : 1010480-W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013****5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
At 31 December 2012			
Plant and machinery	79,030	(15,806)	63,224
Worker quarter and shelter	44,152	(4,416)	39,736
Office equipment, furniture and fittings	10,578	(1,987)	8,591
Renovation	99,528	(9,953)	89,575
	<u>233,288</u>	<u>(32,162)</u>	<u>201,126</u>

6. INVENTORIES

	2013 RM	2012 RM
At cost :		
Oil palm and budded rubber seedlings	453,261	339,604
Consumables stores	11,034	20,440
	<u>464,295</u>	<u>360,044</u>

7. AMOUNTS DUE BY/(TO) A DIRECTOR

The amounts due by/(to) a director are unsecured, interest free and repayable on demand.

8. BANK OVERDRAFT, unsecured

Unsecured overdraft represents a temporarily overdrawn account which arose as a result of cheques issued before the financial year end but presented for payments subsequent to the financial year end. The Company has no overdraft facility with the bank.

9. SHARE CAPITAL

	2013 Number of shares	2012 Number of shares	2013 RM	2012 RM
ORDINARY SHARES OF RM1 EACH :				
AUTHORISED	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
ISSUED AND FULLY PAID	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

TG AGRO SEEDLINGS SDN. BHD.

(Incorporated In Malaysia)

Company No : 1010480-W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013****10. DEFERRED TAX LIABILITIES**

	2013 RM	2012 RM
Balance at 1 January/18 July (date of incorporation)	6,095	-
Recognised in income statement (Note 13)	9,083	6,095
Balance at 31 December	15,178	6,095
Representing the tax effect:		
Temporary differences arising from accelerated capital allowances	15,178	6,095

11. REVENUE

	1.1.2013 to 31.12.2013 RM	18.7.2012 to 31.12.2012 RM
Sale of goods	11,182,203	1,524,424

12. PROFIT BEFORE TAXATION

	1.1.2013 to 31.12.2013 RM	18.7.2012 to 31.12.2012 RM
Profit before taxation is arrived at after charging:-		
Audit fee	10,000	3,500
Depreciation	78,507	32,162
Director's other emolument	-	1,170
Rental	91,700	26,100
Bank interest	527	45

TG AGRO SEEDLINGS SDN. BHD.

(Incorporated In Malaysia)

Company No : 1010480-W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013****13. INCOME TAX EXPENSE**

	1.1.2013 to 31.12.2013 RM	18.7.2012 to 31.12.2012 RM
Current tax expense		
- for the financial year	108,781	30,396
Deferred tax expense (Note 10)		
- relating to origination of temporary differences	7,559	6,095
- effect on opening deferred tax resulting from reduction in tax rate	1,524	-
	<u>117,864</u>	<u>36,491</u>

The numerical reconciliation between tax expenses at the applicable tax rate, which is the statutory income tax rate and the average effective tax rate on the results for the financial year is as follows:

	1.1.2013 to 31.12.2013 RM	18.7.2012 to 31.12.2012 RM
Profit before taxation	513,671	33,669
Tax expense at tax applicable tax rate	<u>102,734</u>	<u>6,734</u>
Tax effects:		
- Reduced tax rate on first RM500,000 chargeable income	683	
- Non-deductible expenses	8,889	27,686
- Depreciation of non qualifying property, plant and equipment	4,034	2,071
Effect on opening deferred tax resulting from reduction in tax rate	1,524	-
Total tax expense	<u>117,864</u>	<u>36,491</u>

The corporate tax rate of the Company on the first RM500,000 of chargeable income is 20% and the balance of the chargeable income is 25% which will be reduced to 24% effective year of assessment 2016.

TG AGRO SEEDLINGS SDN. BHD.

(Incorporated In Malaysia)

Company No : 1010480-W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

14. EMPLOYEE BENEFIT EXPENSES

	1.1.2013 to 31.12.2013 RM	18.7.2012 to 31.12.2012 RM
Salaries and wages (including director's other emolument)	1,911,666	468,520
Employees Provident Fund Contributions	44,606	10,622
Social Security Contributions	4,088	1,201
	<u>1,960,360</u>	<u>480,343</u>

15. CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statement, cash and cash equivalents comprise the following:-

	2013 RM	2012 RM
Cash balance	477,622	122,793
Bank overdraft	(41,652)	(42,162)
	<u>435,970</u>	<u>80,631</u>

Company No : 1010480-W

The additional financial data presented in the following pages
which is in accordance with the books and records of
TG AGRO SEEDLINGS SDN. BHD. (CO.NO. 1010480-W)
does not form part of the audited statutory financial statements

TG AGRO SEEDLINGS SDN. BHD.

(Incorporated In Malaysia)

Company No : 1010480-W

**DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

	1.1.2013 to 31.12.2013 RM	18.7.2012 to 31.12.2012 RM
SALES	11,182,203	1,524,424
LESS: COST OF SALES		
Opening inventories	360,044	-
Chemical and fertilizer	11,509	3,688
Consumable store	698,499	122,859
Purchases	6,382,655	933,559
Salaries and wages	1,911,666	467,350
Transportation	1,099,647	35,059
Closing inventories	10,464,020 (464,295)	1,562,515 (360,044)
	9,999,725	1,202,471
GROSS PROFIT	1,182,478	321,953
OTHER OPERATING INCOME		
Discount received	196	-
	1,182,674	321,953
LESS: ADMINISTRATIVE EXPENSES (SCHEDULE A)	668,476	288,239
	514,198	33,714
LESS: FINANCE COSTS		
Bank interest	527	45
PROFIT BEFORE TAXATION	513,671	33,669

TG AGRO SEEDLINGS SDN. BHD.

(Incorporated In Malaysia)

Company No : 1010480-W

**DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013****SCHEDULE A**

	1.1.2013 to 31.12.2013 RM	18.7.2012 to 31.12.2012 RM
ADMINISTRATIVE EXPENSES		
Advertisement	400	900
Agent fees	7,885	12,230
Assessment fee	840	-
Audit fee	10,000	3,500
Bank charges	1,124	614
Courier charges	981	223
Depreciation	78,507	32,162
Director's other emolument	-	1,170
Donation	16,920	1,500
Electricity charges	36,952	2,402
EPF contribution	44,606	10,622
Food ration	63,579	9,266
Fuel and oil	134,829	51,489
General expenses	63,217	71,672
Insurance	18,446	8,119
Legal and professional charges	4,178	2,620
Licence fees	600	2,813
Medical fees	5,043	484
Office supplies	3,231	292
Parking	30	11
Permit	245	2,030
Printing and stationery	15,696	1,701
Registration fees	-	400
Rental	91,700	26,100
Repair and maintenance	43,135	39,829
Socso contribution	4,088	1,201
Telephone charges	4,979	1,579
Travelling and accomodation	6,861	213
Toll	2,830	379
Water charges	7,574	2,718
	668,476	288,239

TG AGRO SEEDLINGS SDN. BHD.
SCHEDULES AS AT 31 DECEMBER 2013

RM

TRADE RECEIVABLES

Enggah Anak Muga I/C 571117-13-5435	920.00
Enggie Anak Grang I/C: 610102-13-5159	2,900.00
Frankie Anak Badilang I/C No: 811128-13-6329	1,290.00
Gawan Ak Timang - I/C: 670805-13-5213	30.00
Great Harvest Agriculture Supply Enterprise	1,000.00
Mission Gain Sdn Bhd	10,861.00
Risda Fleet Sdn Bhd	81,954.60
Risda Semaian Dan Landskap Sdn Bhd	639,211.75
Talam Indah Sdn Bhd	24,000.00
Tawakal Megah Sdn Bhd	48,000.00
Tg Agribusiness	134,650.00
Tg Agribusiness (Sabah) Sdn Bhd	150.00
Ttl Plantation Sdn Bhd	4,840.00
	949,807.35

OTHER RECEIVABLE AND DEPOSITS

Laku Management Sdn. Bhd.	93.50
Deposits - downpayment :-	
- new HINO 300 Series WU720R-HKMML3	16,500.00
- QMU 5603	10,300.00
- QTK 6787 and tipping trailer	13,800.00
- QMT 2928	170,000.00
	210,693.50

TRADE PAYABLES

A R Enterprise	80,000.00
Add Sen Furniture Sdn Bhd	1,440.00
Agile Transportation Company	19,020.00
Agricultural Goods Trading Co. Sdn Bhd	888.00
Alexson Anak Jimmy I/C:911221-13-6129	150.00
Apple Cargo Services Sdn Bhd (710399-M)	1,550.00
Babai Anak Manchu I/C: 551115-13-5409	350.00
Chai Min Kiong I/C No: 561025-13-5227	21,773.20
Chiri Ak Sap - I/C: 550321-13-5659	625.00
Donny Anak Unang Ic/No: 790415-13-5687	10,625.00
Fauzi Bin Hossin (I/C : 490729-13-5191	1,260.00
Firazer Anak Giling I/C:740615-13-5491	567.00
Fradulinarkan Bauk - I/C: 530210-13-5375	700.00
Fujia Trading Sdn Bhd	42,928.89
Gasah Anak Tedong I/C No: 660320-13-5873	630.00
Balance carried forward	182,507.09

TG AGRO SEEDLINGS SDN. BHD.
SCHEDULES AS AT 31 DECEMBER 2013

RM

TRADE PAYABLES

Balance brought forward	182,507.09
Giling Anak Manggai:- I/C: 520402-13-5151	945.00
Great Harvest Agriculture Supply Enterprise	1,000.00
H L Trading	24,050.00
Hussin Bin Jamhali	2,300.00
Jamba Ak Kreak - I/C: 650324-13-5257	756.00
Jau Ipui	7,128.00
John Anak Buyong	4,440.00
John Velli	600.00
Karisma Plantation Sdn Bhd	170,100.00
Kerry Anak Engkamat (I/C : 661005-13-5691)	200.00
Knk Construction Sdn Bhd	939,896.00
Kong Kin Fah I/C No: 610708-13-5209	174.00
Lahung Wan I/C No: 671230-13-5566	60.00
Laku Management Sdn Bhd	160.20
Ling & Company	950.00
Nora Bt Kipli I/C: 740917-13-5876	375.00
Risda Bahagian Miri	101,850.21
Roselin Apoi- I/C:- 730314-13-6176	200.00
Sawit Permai Enterprise	69,800.00
Siong Chiong Hing Hardware Sdn Bhd	13,885.95
Still Anak Buri	100.00
T.R. Enggie	300.00
Telekom Malaysia Berhad	68.00
Tg Agribusiness	207,286.00
Tg Agribusiness (Sabah) Sdn Bhd	787,178.80
Ting Chin Bian	55,000.00
Tong Seng Tyres & Auto Services	1,920.00
United Plantations Berhad	351,000.00
Wan Ngau Lah - I/C: 550821-13-5401	375.00
Xing Long Logistics Sdn Bhd	226,263.60

3,150,868.85

ACCRUALS

Audit fee	10,000.00
Legal and professional charges	2,800.00
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	12,800.00
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