

**TG AGROSOLUTIONS LIMITED
AND IT'S CONTROLLED ENTITIES**

**Annual Report for the Period Ended
31 December 2014
ACN 603 108 925**

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

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TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

CHAIRMAN'S STATEMENT

Dear Shareholders

On behalf of the Board of Directors of TG AgroSolutions Limited, it is with great pleasure that I present to you the Annual Report and the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2014.

Introduction

The Company is a limited company incorporated in Australia on 28 December 2014. The Company become the ultimate parent company of the Group as a result of acquiring TG AgroSolutions Sdn Bhd, a company incorporated in Malaysia, together with its wholly own subsidiary TG Agro Seedlings Sdn Bhd on 17 December 2014. TG AgroSolutions Limited has thereon successfully listed on The National Stock Exchange of Australia ("NSX") on 16 February 2015.

Financial Performance

TG Agro Seedlings Sdn Bhd being the operating company, registered a profit after taxation of RM3.48 million (about \$1.21 million) for the 12 months ended 31 December 2014, compared with RM2.78 million (about \$0.97 million) in the previous year. The increase in profit was mainly due to lower operation costs in 2014.

Operations Review

TG Agro Seedlings Sdn Bhd is operating on more than 130 acres of land in Miri, Malaysia with capacity to produce not less than 10 million seedlings per annum. The cultivation of rubber seedlings are conducted on an enormous scale, enabling us to enjoy economies of scale. In addition, the Company's highly experienced senior management and skilled work force have established effective systems in producing good quality seedlings which have a high survival rate throughout the process.

Prospects

Following the listing of the Company on NSX, the Board is confident of its future outlook. The Group intends to continue to capture the remaining market share in the seedlings cultivation and supply segment.

In view of the demand for planting materials and seedlings the Group expects to grow steadily by providing a full range of services including and clearing, seedling cultivation, logistics, planting and replanting and maintenance.. Industry players will require integrated and effective services in order to achieve their respective goals and the Group expects it will gradually expand its market share in warehousing, logistics, transportation and/or distribution of seedlings, fertilizers and planting materials for clients. The Group looks forward to participating in planting and replanting services in the near future.

The Board will continue to explore other viable and synergistic business ventures especially in areas relating to the agriculture industry, to improve the Group's performance.

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Appreciation

I would like to take this opportunity to express my sincere gratitude to all my fellow Board members for their wise counsel and valuable support to the Group.

Acknowledgement

On behalf of the Board, I wish to express my appreciation to the Management and staff for their commitment, perseverance, loyalty, and dedication during the past year. I also extend my gratitude to our shareholders, valued customers, business associates, suppliers, bankers and regulatory authorities for their invaluable and continuous support and confidence in the Group.

On behalf of the Board of Directors

Tunku Syed Razman Bin Tunku Syed Idrus Al-Qadri
Chairman

Kuala Lumpur, Malaysia, 31 March 2015

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DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to herein as the Group) consisting TG AgroSolutions Limited and its controlled entities for the financial period ended 31 December 2014. The information in the review of operations forms part of this directors' report for the financial period from incorporation (28 November 2014) to 31 December 2014 and is to be read in conjunction with the following information:

General Information

Directors

The following persons were directors of TG AgroSolutions Limited during or since the end of the financial period up to the date of this report:

Dato' Yap Foot Loy (appointed on 15 December 2014)

Bin Khean Ha (appointed on 28 November 2014)

Anson Fucong Qiao (appointed on 28 November 2014)

William Keng Yaw Tan (appointed on 28 November 2014)

Tunku Syed Idrus, Tunku Syed Razman (appointed on 15 December 2014)

Particulars of each director's experience and qualifications are set out later in this report.

Company secretary

Nicola Betteridge (appointed on 28 November 2014)

Principal Activities

The Group principally engages in the business of cultivating and supplying high quality rubber and oil palm seedlings in Malaysia.

Review of Operations

The Group is a reputable seedlings cultivation and distribution business in the States of Sabah and Sarawak, Malaysia. The Group is operating on more than 130 acres of agriculture land in Miri, Sarawak, with the production capacity of not less than 10 million rubber and oil palm seedlings per annum to the plantation industry. The Group currently possesses committed and secured contracts from long term buyers and customers. The Group also provides services such as logistics and warehousing services for its customers, which include transporting and distributing seedlings, fertilizers and planting materials.

The Group has employed and developed a group of experienced and capable senior management comprising agronomists, nursery management specialists, logistics specialists, planting and replanting management experts ready to engage in seedlings cultivation and related agricultural activities.

Operating Results

The consolidation was based on TG Agro Seedlings Sdn Bhd being acquired via reverse acquisition by TG AgroSolutions Sdn Bhd which in turn was acquired by TG AgroSolutions Limited. The above transactions resulted in a reverse acquisition whereby TG Agro Seedlings Sdn Bhd was identified as the accounting acquirer of TG AgroSolutions Limited. The consolidated financial statements therefore disclose the equity values of TG Agro Seedlings Sdn Bhd.

The consolidated profit of the Group for the period from 17 December 2014 to 31 December 2014 after providing for income tax amounted to \$10,511.

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DIRECTORS' REPORT

The operating results for the accounting acquirer (TG Agro Seedlings Sdn Bhd) show an increase of profit from RM2.78 million (about \$0.97 million) (2013) to RM3.48 million (about \$1.21 million) (2014) after providing for income tax. The significant increase in profit of 25.18% were mainly due to lower operation cost in 2014.

Financial Position

There were no bank borrowing other than \$98,052 motor vehicles hire purchase loan as at 31 December 2014. The subsidiary company TG Agro Seedlings Sdn Bhd paid RM4 million (about \$1.4 million) dividends to the shareholders in year 2014 before acquired by the Company on 17 December 2014. The net tangible assets of the Group amounted to \$797,952 or equal to \$0.003 per share as at 31 December 2014.

The Directors believe the consolidated group is in a strong and stable financial position to maintain its current operations.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial period apart from the following:

- The company was incorporated on 28 November 2014. On 17 December 2014 TG Agrosolutions Limited, issued 251,999,998 new shares in exchange for the full control of TG AgroSolutions Sdn Bhd and TG Agro Seedlings Sdn Bhd.
- Changes in controlled entities and divisions - Two subsidiary companies, TG AgroSolutions Sdn Bhd and TG Agro Seedlings Sdn Bhd were fully owned by the Company during the financial year 2014

Events after Reporting Period

No matters or circumstances have arisen since the end of the reporting period.

Subsequent to period end the company successfully completed a compliance listing on the NSX on 16 February 2015.

Future Developments, Prospects and Business Strategies

The Group positions itself in offering excellent Integrated Plantation Solutions through innovation and quality service. The Group's services range from cultivating & supplying high quality seedlings, distribution of planting materials to planting & replanting services and currently embarking into rubber and oil palm plantations management.

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DIRECTORS' REPORT

In order to maximise the Group's profit, the Group has the following strategic focus areas:

- Enlarge the Group's market share, production capacity and market reach.
- Increase product mix by increasing the percentage of oil palm seedlings' contribution to the Group's profit
- Expanding current small scale landscaping business to further contribute to the Group's revenue

The following developments are intended for implementation in the near future:

- Set up our own nurseries in multiple strategic locations in the state of Sabah in East Malaysia and the Peninsular of Malaysia.
- Increase oil palm seedlings cultivation by allocating more land and resources to the production.
- Participating in tender for landscaping projects through current clients and government linked organisations.

Environmental Regulations

There is no environmental regulations under a law of the Commonwealth, state or territory in Australia.

Dividends

The Company has not paid any dividends and is not proposing to pay dividends.

Indemnifying and insurance of officers and auditor

The Company has not, during or since the financial period, in respect of any person who is or has been an officer or the auditor of the Company:

- indemnified, or made any relevant agreement for indemnifying, against a liability that was incurred by an officer and auditor, including costs and expenses in defending legal proceedings; or
- paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer and auditor, for the costs and expenses in defending legal proceedings.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the period.

Options

At the date of this report, there are no options over ordinary shares.

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DIRECTORS' REPORT

Information Relating to Directors and Company Secretary

Dato' Yap Foot Loy	Dato' Yap Foot Loy is one of two Executive Directors and is the Chief Executive Officer of the Company. He has 30 years experience in the agriculture industry and has previous business experience through founding a plant stock and landscaping business in Malaysia. He subsequently set up and was the owner of a successful business specialising in wholesale, retail and distribution of fruit tree seedlings in East Malaysia.
Bin Khean Ha	Mr Ha Bin Khean was appointed as an Executive Director to the Board in November 2014. He has more than 20 years experience in accounting and taxation industries having worked in Malaysia and Hong Kong. He was the Head of Finance in CVM Minerals Limited, a listed company on the Hong Kong Stock Exchange. He is a member of the Institute of the Malaysian Institute of Accountants (MIA) and a fellow member of the Association of Chartered Certified Accountants (FCCA).
Anson Fucong Qiao	Mr Qiao was appointed as an Independent Non Executive Director at the Company's incorporation. He holds a Bachelor of Economics from Beijing Economic Science University and a Master of Business Administration from Charles Sturt University Australia. He is Director of IFBC Pty Ltd an Australian Company where liaises with the Company's Chinese investors. He is a member of Audit & Risk Committee, the Nomination & Governance Committee and the Remuneration Committee.
William Keng Tan	Mr Tan was appointed as an Independent Non Executive Director at the Company's incorporation. He is an associate member of the Australia Institute of Chartered Accountant with over 25 years experience and holds a Bachelor of Commerce from the University of New South Wales. He is a member of Audit & Risk Committee, the Nomination & Governance Committee and the Remuneration Committee. Mr Tan also serves as a Director of AdvanceTC Limited, a company listed on the NSX.
Tunku Syed Idrus Razman	His Highness Tunku Syed Razman Bin Tunku Syed Idrus Al Qadri, DTNS, JP is the Independent Non Executive Chairman of the Company, a position he has held since December 2014. He does not hold any shares in the Company.
Nicola Betteridge (Secretary)	Ms Betteridge was appointed as Company Secretary in November 2014. She is a Chartered Company Secretary with experience in advising the Boards of both ASX listed and unlisted companies. She holds a Bachelor of Law from the University of Glasgow, Scotland and recently completed the Graduate Diploma of Applied Corporate Governance with the Governance Institute of Australia.

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DIRECTORS' REPORT

Meetings of Directors

As a result of the Company incorporating on 28 November 2014, the Company held only 1 meeting of Directors. No committee meetings were held during the period.

	Directors' Meetings		Audit & Risk Management Committee		Remuneration Committee		Nomination & Governance Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Dato' Yap Foot Loy	1	1	0	0	0	0	0	0
Bin Khean Ha	1	1	0	0	0	0	0	0
Anson Fucong Qiao	1	0	0	0	0	0	0	0
William Keng Yew Tan	1	1	0	0	0	0	0	0
Tunku Syed Idrus,	1	0	0	0	0	0	0	0
Tunku Syed Razman								

Non audit service

There is no non-audit services provided to TG AgroSolutions Limited and its controlled entities by the auditor of TG AgroSolutions Limited.

Auditor independence declaration

The lead auditor declaration under s307C of the Corporations Act 2001 is set out on page14 for the period ended 31 December 2014.

REMUNRATION REPORT – AUDITED

These disclosures have been audited, as required by section 308(3c) of the Corporations Act 2001.

Role of the Remuneration Committee

The remuneration committee is a committee of the Board, it is primarily responsible for making recommendations to the Board on:

- To ensure TG AgroSolutions remuneration structures are equitable and aligned with the long term interest of TG AgroSolutions and its Shareholders. The Remuneration Committee will have regard to relevant company policies in attracting and retaining skilled executive, and structuring short and long term incentives that are challenging and linked to the creation of sustainable Shareholder returns.

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DIRECTORS' REPORT

In relation to remuneration matters, the committee's responsibilities are to ensure that TG AgroSolutions:

- Has coherent remuneration policies and practices which enable TG AgroSolutions to attract and retain executives and Directors who will create value for Shareholders;
- Fairly and responsibly remunerates Directors and executives, having regard to the performance of TG AgroSolutions, the performance of the executives and the general remuneration environment; and
- Has effective policies and procedures to attract, motivate and retain appropriately skilled and diverse persons to meet TG AgroSolutions; needs.

The Corporate Governance Statement provides further information on the role of this committee.

The Chief Executive Officer and the Chief Financial Officer attend meetings by invitation to assist the Committee in its deliberations except on matters associated with their own remuneration.

Remuneration policy

The Constitution of the Company provides that the non-executive Directors are entitled to remuneration as determined by the Company in general meeting to be apportioned among them in any proportions and in any manner. Remuneration Committee was established to make recommendations to the Board regarding the remuneration of non-executive directors.

If a non-executive Director performs extra services, which in the opinion of the Directors are outside the scope of the ordinary duties of the Director, the Company may remunerate that Director addition to or instead of the remuneration referred to above. Non-executive directors shall not receive performance-based remuneration.

The Remuneration Policy of TG AgroSolutions Limited has been designed to align Key Management Personnel (KMP) the Company's short and long term objectives and which are appropriate to the Company's circumstances and goals, by providing an appropriate balance between fixed remuneration component that is comparable with current market rates and performance based remuneration. The Board of TG AgroSolutions Limited believes the remuneration policy to be appropriate and effective in its ability to attract, retain and motivate high-quality KMP to run and manage the Group.

Employment Details of Members of Key Management Personnel

The following table provides employment details of persons who were, during the financial year, members of KMP of the Group. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options.

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DIRECTORS' REPORT

Group KMP	Position Held as at 31 December 2014 and any change during the year	Contract details (duration & termination)
Tunku Syed Razman Bin Tunku Syed Idrus Al-Qadri	Independent Non-Executive Chairman	As per statutory limit for Company Director in Australia – no contract
Dato' Yap Foot Loy	Executive Director and Chief Executive Officer	Continue employment contract in subsidiary begin in January 2014 with 4 weeks written termination notice
Ha Bin Khean	Executive Director and Chief Financial Officer	Continue employment contract in subsidiary begin in December 2014 with 4 weeks written termination notice
William Tan Keng Yaw	Independent Non-Executive Director	As per statutory limit for Company Director in Australia – no contract
Anson Qiao Fu Cong	Independent Non-Executive Director	As per statutory limit for Company Director in Australia – no contract
Nasruddin Bin Jamaludin	Head of Sales and Marketing	Continue employment contract in subsidiary begin in December 2014 with 4 weeks written termination notice
Saiful Anuar Bin Samsudin	Head of Nursery Operations	Continue employment contract in subsidiary begin in January 2014 with 4 weeks written termination of employment notice
Mohd Yaacob Bin Abdullah	Head of Plantation	Continue employment contract in subsidiary begin in December 2014 with 4 weeks written termination of employment notice

Table of Benefits and Payments for the period ended 31 December 2014

Group KMP	Salary / Fees \$	Bonus \$	Pension \$	Other \$	Total \$
Tunku Syed Razman Bin Tunku Syed Idrus Al-Qadri	-	-	-	-	-
Dato' Yap Foot Loy	\$10,464	-	\$1,360	\$18	11,842
Ha Bin Khean	-	-	-	-	-
William Tan Keng Yaw	\$600	-	-	-	\$600

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DIRECTORS' REPORT

Group KMP	Salary / Fees \$	Bonus \$	Pension \$	Other \$	Total \$
Anson Qiao Fu Cong	\$600	-	-	-	\$600
Nasruddin Bin Jamaludin	-	-	-	-	-
Saiful Anuar Bin Samsudin	\$1,570	-	\$204	\$18	\$1,792
Mohd Yaacob Bin Abdullah	\$2,267	-	-	-	\$2,267

Securities Option and Right

No member of KMP entitled to receive securities as part of their remuneration package.

KMP Direct Shareholders

The number of ordinary shares in TG AgroSolutions Limited held by each KMP of the Group during the financial year is as follow:

Group KMP	Balance at date of incorporation	Issued on acquired subsidiary on 17 December 2014	Bought / Sold during the Year	Other Changes during the Year	Balance at End of Year
Tunku Syed Razman Bin Tunku Syed Idrus Al-Qadri	-	-	-	-	-
Dato' Yap Foot Loy	-	77,111,424	(17,111,424)	-	60,000,000
Ha Bin Khean	2	-	1,932,648	-	1,932,650
William Tan Keng Yaw	-	-	-	-	-
Anson Qiao Fu Cong	-	-	-	-	-
Nasruddin Bin Jamaludin	-	-	-	-	-
Saiful Anuar Bin Samsudin	-	-	10,000	-	10,000
Mohd Yaacob Bin Abdullah	-	-	-	-	-

Dato' Yap Foot Loy is deemed interest in a further 45,284,000 shares by virtue of his wife, sons and daughters direct shareholding in the Company.

Other Equity-related KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above.

Other transactions with KMP and/or their related parties

The Group has no related party transactions for the period from 28 November 2014 to 31 December 2014.

END OF REMUNERATION REPORT

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DIRECTORS' REPORT

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.



.....
Dato' Yap Foot Loy

Date: 31st March 2015

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF TG AGROSOLUTIONS LIMITED AND CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the period ended 31 December 2014 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



Walker Wayland NSW
Chartered Accountants



Grant Allsopp
Partner

Dated this 31st day of March 2015, Sydney

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CORPORATE GOVERNANCE

This statement summarises the main corporate governance practices of TG AgroSolutions Limited.

The Board of Directors is primarily responsible for creating, protecting and delivering long term shareholder value. This is achieved through the application of appropriate corporate governance policies and procedures relevant to the size of the Company and the scale of its operations.

The Directors are committed to maintain a Board that is highly skilled, experienced and capable of fulfilling its obligations. The current Board reflects the appropriate balance of Executive and Non Executive Directors to achieve effective governance and promote shareholder value. The majority of the Board are Independent Non Executive Directors. The details of the Director's skills, expertise and experience are provided in the Directors Report.

To assist in fulfilling its duties and responsibilities the Board of Directors have established three standing committees.

Audit & Risk Management Committee

The Audit & Risk Management Committee comprises of three Directors, the majority of whom are Independent Non Executive Directors, and is responsible for monitoring and advising the Board on audit, risk and compliance matters. The Company has adopted an Audit & Risk Management Committee Charter setting out the composition, scope, role, function and powers of the Committee as well as its reporting obligations to the Board.

The Board, in conjunction with the Audit & Risk Management Committee, regularly monitors the business, operational and financial risk associated with the company and considers developing systems and procedures for appropriate risk management.

Remuneration Committee

The Company has established Remuneration Committee comprising of three Directors, the majority of whom are Independent Non Executive Directors, to assist the Board in ensuring that the Company has appropriate remuneration policies and practices.

Nomination & Governance Committee

The Nomination & Governance Committee's primary function is to assist the Board in fulfilling its responsibilities to shareholders in relation to the composition of the Board, the development and implementation of the Company's governance policies and monitoring compliance with those policies and practices.

NSX Corporate Governance

The Company recognises the importance of good corporate governance and has, where appropriate developed its policies and procedures with reference to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. Within this context, the Directors make the following disclosures in relation to the company's corporate governance framework:

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Principle	Summary of TG Agrosolution Limited's position
One – Lay solid foundations for management and oversight	The Board Charter sets out the separation of function and the responsibilities of the CEO and Chairman. It also includes the key responsibilities of the Board. There are two executive Directors who have contracts which regulate their roles within the Company.
Two – Structure the board to add value	The Board has three independent Non Executive Directors and two Executive Directors. The Board Charter sets out the procedure for recruiting and appointing a new Director. The current Board has the appropriate skills and experience for its size and scale.
Three – Act ethically and responsibly	The Board has implemented a Code of Conduct (Code) to set the minimum standards of conduct expected of all Directors and employees of the Company. This includes the expectation that all employees will act honestly and fairly in all commercial dealings and conduct themselves with professional courtesy and integrity. The Code together with the Board Charter set out the Company's approach to identifying and dealing with Conflicts of Interest. The Board has also adopted a Securities Trading Policy which is appropriate for a company whose shares are admitted to trading on the NSX. The Board has also implemented a Diversity Policy as it recognises the benefits of maintaining diversity among all level in the Company.
Four – Safeguard integrity in financial reporting	The Board has established an Audit & Risk Management Committee to assist it in discharging its obligations for financial reporting, risk management and internal control. The Committee comprises of a majority of Independent Non Executive Directors. All members of the Committee are financially literate. The Chair is independent and is not the Chair of the Board.
Five – Make timely and balanced disclosure	The Board seeks to ensure that there is informed trading in its securities and that all shareholders have equal and timely access to material information. There are also internal procedures defined in the Continuous Disclosures Policy to administer the Company's obligations in respect of reporting material information.
Six – Respect the rights of security holders	The Company has defined under its Shareholder Communications Policy how it will communicate with shareholders.
Seven – Recognise and manage risk	The Audit & Risk Management Committee oversees the Company's risk management and internal control framework. It also assists the Board with fulfilling its corporate governance and oversight responsibilities in relation to the implementation and assessment of risk management and internal control compliance.
Eight – Remunerate fairly and responsibly	The Remuneration Committee consists of two Independent Non Executive Directors and one Executive Director. The primary function of the Committee is to assist the Board in ensuring that the Company's Remuneration Policy is appropriate to attract, retain and motivate high quality Directors and executives who will generate value for shareholder

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2014

	Note	28 November 2014 to 31 December 2014 \$
REVENUE FROM CONTINUING OPERATIONS	3	428,278
EXPENSES FROM CONTINUING OPERATIONS		
Cost of sales of goods	4	278,396
Employee and contractor costs		19,488
Occupancy expenses		213
Administration expenses		52,019
Borrowing costs	4	200
Depreciation and amortisation		8,060
Other expenses from ordinary activities		38,942
PROFIT BEFORE INCOME TAX		30,960
Income tax expense	5	20,449
NET PROFIT FOR THE PERIOD		10,511
OTHER COMPREHENSIVE INCOME		
Other comprehensive income – translation of foreign subsidiaries		2,249
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		2,249
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		12,760
Net profit attributable to:		
Members of the parent entity		10,511
Total comprehensive income attributable to:		
Members of the parent entity		12,760
Earnings per share		
Basic earnings per share – cents per share	8	0.005
Diluted earnings per share – cents per share	8	0.005

The accompanying notes form part of these financial statements

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Note	2014 \$
Current assets		
Cash and cash equivalents	9	172,642
Trade and other receivables	10	1,699,881
Inventories	11	862,718
Other assets	12	64,822
Total current assets		2,800,063
Non-current assets		
Property, plant and equipment	13	313,853
Total non-current assets		313,853
Total assets		3,113,916
Current liabilities		
Trade and other payables	15	1,202,321
Borrowings	16	185,141
Tax liabilities	17	868,768
Total current liabilities		2,256,230
Non-current liabilities		
Borrowings	16	51,014
Deferred tax liabilities	17	8,720
Total non-current liabilities		59,734
Total liabilities		2,315,964
Net assets		797,952
Shareholders' equity		
Contributed equity	18	162,904
Retained profits		632,799
Foreign currency translation reserve	26	2,249
Total shareholders' equity		797,952

The accompanying notes form part of these financial statements

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2014

	Share Capital	Retained Profits	Reserves	Total
	\$	\$	\$	\$
<i>Balance at 17 December 2014*</i>	162,904	622,288	-	785,192
Profit for the period	-	10,511	-	10,511
Foreign Currency Translation	-	-	2,249	2,249
Total comprehensive income	-	10,511	2,249	12,760
Issue of capital	-	-	-	-
Balance at 31 December 2014	162,904	632,799	2,249	797,952

*This represents the value of the Group at the date of the reverse acquisition.

The accompanying notes form part of these financial statements

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 DECEMBER 2014

	Note	28 November 2014 to 31 December 2014 \$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operating activities		89,400
Payments to suppliers and employees		(82,419)
Income tax paid		(5,009)
Net cash provided by operating activities	22	1,972
CASH FLOW FROM INVESTING ACTIVITIES		
Cash acquired as a result of business combination	14(b)	276,257
Payments for property, plant and equipment		-
Net cash provided by investing activities		276,257
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment from related parties loan		(106,170)
Repayment from lease liability		(1,124)
Net cash used for financing activities		(107,294)
NET INCREASE IN CASH HELD		170,935
Cash and cash equivalent at beginning of financial period		-
Effects of changes in exchange rates		1,707
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	9	172,642

The accompanying notes form part of these financial statements

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ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements and notes represent those of TG AgroSolutions Limited and Controlled Entities (the “consolidated group” or “group”).

The separate financial statements of the parent entity, TG AgroSolutions Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

TG AgroSolutions Limited is the ultimate parent entity of the Group. TG AgroSolutions Limited is a public company incorporated and domiciled in Australia.

The financial statements were authorised for issue on 31st March 2015 by the directors of the company.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements have been prepared for the period from the date of incorporation on 28 November 2014 to 31 December 2014.

a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of TG AgroSolutions Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of subsidiaries is provided in Note 14.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which the Group obtains control. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b)Income tax

The income tax expense/(income) for the period comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss. Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c)Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of oil palm and rubber seedlings includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

d)Property, Plant and Equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Property, Plant and Equipment (continued)

The carrying amount of property, plant and equipment is reviewed annually by management of the Group to ensure it is not in excess of the recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employed and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate
Plant and equipment	20%
Motor Vehicles	20%
Office equipment, furniture and fittings	10%-50%
Leasehold improvements	10%-20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

e) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset – but not the legal ownership – are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the lease property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expenses for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful live or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Financial instruments (continued)

(iv) *Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

Impairment

A financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in the other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried an amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measure of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due to impaired have been renegotiated the group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

h) Employee entitlements

Short-term employee benefits

Provision is made for the Group's obligation for the short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Defined contribution plan

Defined contribution plans are post employment benefit plans under which the Group pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the period in which the related service is performed. As required by law, companies in Malaysia make such contributions to the Employee Provident fund.

i) Cash and cash equivalents

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and regards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest method.

All revenue is stated net of the amount of goods and services tax.

k) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

l) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

n) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o) New and Amended Accounting Policies Adopted by the Group

Consolidated financial statements

The Group adopted the following Australian Accounting Standards, together with the relevant consequential amendments arising from related Amending Standards, from the mandatory application date of 1 January 2013:

–AASB 10: Consolidated Financial Statements;

AASB 10 provides a revised definition of “control” and may result in an entity having to consolidate an investee that was not previously consolidated and/or deconsolidate an investee that was consolidated under the previous accounting pronouncements.

The Group has applied these Accounting Standards with retrospective effect in accordance with their transitional requirements. The Group has:

- presented quantitative information of the comparative period reflecting the adoption of AASB 10; and
- with respect to any previously unconsolidated investee that is a business, measured the assets, liabilities and non-controlling interests as if the investee had been consolidated in accordance with the applicable version of AASB 3: Business Combinations from the date when the Group gained control of the investee. When the date that control was obtained was earlier than the beginning of the immediately preceding period, the Group recognises, as an adjustment to equity at the beginning of the comparative period, any difference between:
 - the amount of assets, liabilities and non-controlling interests recognised; and
 - the previous carrying amount of the Group’s involvement with the investee.

The first-time application of AASB 10 did not result in any changes to the group’s financial statements.

Employee benefits

The Group adopted AASB 119: Employee Benefits (September 2011) and AASB 2011–10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) from the mandatory application date of 1 January 2013. The Group has applied these Standards retrospectively in accordance with AASB 108 and the transitional provisions of AASB 119.

The transitional provisions of AASB 119 also prohibit an entity from adjusting the carrying amount of any assets outside the scope of AASB 119 for changes in employee benefit costs that were included in the carrying amount before the date of initial application. The Group does not recognise any of the cost of providing defined benefit arrangements to employees as a part of the carrying amounts of any assets outside the scope of AASB 119, such as inventory or property, plant and equipment. Accordingly, this transitional provision was not relevant to the Group in applying AASB 119.

The adoption of AASB 119 (September 2011) and AASB 2011–10 did not result in material changes to the accounting for employee benefits that will significantly impact amounts recognised in the Group’s financial statements.

AASB 119 (September 2011) also changed the accounting for short-term employee benefits, actuarial gains and losses arising from obligations for defined benefits and termination benefits. These changes, however, did not have a material impact on the Group’s financial statements.

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

For the purpose of measurement, AASB 119 (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. Previously, the Group had separated provisions for benefits with similar characteristics, such as annual leave, sick leave and long service leave, into short- and long-term portions, and applied the relevant measurement approach under AASB 119 to the respective portions. As the Group expects that most employee benefits will be taken more than 12 months after the end of the period in which the benefits were earned, most of the obligations for these employee benefits are now measured on a discounted basis. However, as the Group expects most employee benefits to be taken within 24 months of the reporting period in which they were earned, this change did not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements. Note also that these changes do not impact the classification of leave entitlements between current and non-current liabilities in the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o) New and Amended Accounting Policies Adopted by the Group (continued)

Fair value measurement

The Group has applied AASB 13: Fair Value Measurement and the relevant consequential amendments arising from the related Amending Standards prospectively from the mandatory application date of 1 January 2013 and in accordance with AASB 108 and the specific transitional requirements in AASB 13.

No material adjustments to the carrying amounts of any of the Group's assets or liabilities were required as a consequence of applying AASB 13. Nevertheless, AASB 13 requires enhanced disclosures regarding assets and liabilities that are measured at fair value, and fair values disclosed in the Group's financial statements. These enhanced disclosures will be included in the 31 December 2014 period end annual report.

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTE 2: PARENT INFORMATION

2014
\$

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

Statement of Financial Position

ASSETS

Current assets	2,739,703
Non-current assets	330,592
TOTAL ASSETS	3,070,295

LIABILITIES

Current liabilities	2,158,987
Non-current liabilities	59,734
TOTAL LIABILITIES	2,218,721

NET ASSETS	851,574
-------------------	----------------

EQUITY

Issued capital	169,910
Retained earnings	681,664
TOTAL EQUITY	851,574

Statement of Profit or Loss and Other Comprehensive Income

16 December 2014 to
31 December 2014
\$

Total profit	56,966
Total comprehensive income	56,966

Guarantees

No cross guarantees existed during the period ended 31 December 2014.

Contingent liabilities

At 31 December 2014, TG AgroSolutions Limited is not responsible for any contingent liabilities of its subsidiaries.

Contractual commitments

At 31 December 2014, TG AgroSolutions Limited was not responsible for any contractual commitments of any of its subsidiaries.

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTE 3: REVENUE AND OTHER INCOME

	Consolidated
	16 December 2014 to
	31 December 2014
	\$
a. Revenue from continuing operations	
Revenue	428,278
	<u>428,278</u>

NOTE 4: EXPENSES FOR THE PERIOD

Profit before income tax from continuing operations includes the following expenses:

a. Expenses	
Cost of sales	278,396
Interest expense on borrowings	
– unrelated parties	200
Depreciation	8,060
Employee benefits expense	19,488
	<u>19,488</u>

NOTE 5: TAX EXPENSE

a. The components of tax (expense)/income comprise:

Current tax	17,023
Deferred tax	3,426
	<u>20,449</u>

b. The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:

Prima facie tax payable on profit from ordinary activities before income tax at 25%	7,740
Add: Tax effect of:	
- Non-allowable items	4,360
- Australian tax loss not recognised as deferred tax assets	8,349
Income tax attributable to entity	<u>20,449</u>

The applicable weighted average effective tax rates are: **66%**

c. Tax effects relating to each component of other comprehensive income:

	Before-tax	Tax (Expense)	Net-of-tax
	Amount	Benefit	Amount
	\$	\$	\$
2014			
Consolidated Group			
Exchange differences on translating foreign operations	2,249	-	2,249
	<u>2,249</u>	<u>-</u>	<u>2,249</u>

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the period ended 31 December 2014.

The totals of remuneration paid to KMP of the company and the Group during the period are as follows:

	16 December 2014 to 31 December 2014 \$
Short-term employee benefits	15,501
Post-employment benefits	1,564
Other	18
Total KMP compensation	<u>17,083</u>

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits and cash bonuses awarded to executive directors and other KMP.

Post-employment benefits

These amounts are the current-period's estimated cost of providing for the Group's defined benefits scheme post-retirement, superannuation contributions made during the period and post-employment life insurance benefits.

Share-based payments

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date.

Further information in relation to KMP remuneration can be found in the directors' report.

NOTE 7: AUDITORS' REMUNERATION

Remuneration of the auditor, Walker Wayland NSW Chartered Accountants for:

– auditing or reviewing financial statements	18,000
– taxation services	-
	<u>18,000</u>

NOTE 8: EARNINGS PER SHARE

a. Earnings used to calculate basic and diluted EPS	10,511
	No.
b. Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	252,000,000
Weighted average number of ordinary shares outstanding during the period used in calculating dilutive EPS	<u>252,000,000</u>

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTE 9: CASH AND CASH EQUIVALENTS

	Consolidated Group 2014 \$
Cash at bank and on hand	172,642

Reconciliation of cash

Cash at the end of the financial period as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	172,642
	172,642

NOTE 10: TRADE AND OTHER RECEIVABLES

CURRENT

Trade receivables	1,699,881
Provision for impairment	-
	1,699,881
Other receivables	-
	1,699,881

a. **Provision for Impairment of Receivables**

No provision for impairment of receivables exists as at 31 December 2014.

b. **Credit risk**

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as "trade and other receivables" is considered to be the main source of credit risk related to the Group.

The Group has no significant credit risk exposure in any country in which the Group trades.

The balances of receivables that are within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount \$	Past Due and Impaired \$	Past Due but Not Impaired (Days Overdue)				Within Initial Trade Terms \$
	\$	\$	< 30 \$	31-60 \$	61-90 \$	> 90 \$	\$
2014							
Trade and term receivables	1,699,881	-	802,352	259,698	249,438	388,393	1,062,050
Total	1,699,881	-	802,352	259,698	249,438	388,393	1,062,050

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTE 10: TRADE AND OTHER RECEIVABLES (CONTINUED)

c. Financial Assets Classified as Loans and Receivables

	Consolidated Group 2014 \$
Trade and other receivables:	
– total current	1,699,881
– total non-current	-
Financial assets	<u>1,699,881</u>

NOTE 11: INVENTORIES

CURRENT

At fair value:

Finished Goods	<u>862,718</u>
	<u>862,718</u>

NOTE 12: OTHER ASSETS

CURRENT

Deposits	60,654
Other assets	<u>4,168</u>
	<u>64,822</u>

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTE 13: PROPERTY, PLANT AND EQUIPMENT

	Consolidated Group
	2014
	\$
Plant and equipment	
At cost	101,563
Accumulated depreciation	(43,401)
	<u>58,162</u>
Motor Vehicles	
At cost	193,981
Accumulated depreciation	(33,014)
	<u>160,967</u>
Office Equipment, furniture and fittings	
At cost	14,309
Accumulated depreciation	(2,850)
	<u>11,459</u>
Leasehold improvements	
At cost	104,548
Accumulated depreciation	(21,283)
	<u>83,265</u>

a. Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment during the financial period:

	Plant and Equipment	Motor Vehicles	Office equipment, furniture & fittings	Leasehold Improvements	Total
	\$	\$	\$	\$	\$
Consolidated Group					
Balance at beginning of period	-	-	-	-	-
Additions through business combinations	59,870	165,807	11,925	84,311	321,913
Depreciation expense	(1,708)	(4,840)	(466)	(1,046)	(8,060)
Balance at 31 December 2014	<u>58,162</u>	<u>160,967</u>	<u>11,459</u>	<u>83,265</u>	<u>313,853</u>

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTE 14: INTERESTS IN SUBSIDIARIES

a. Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares or which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group
		2014 %
AgroSolutions Sdn Bhd	Malaysia	100
TG Agro Seedlings Sdn Bhd	Malaysia	100

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

b. Acquisition of Controlled Entities

As part of a restructure under a new Australian Public company formed to become the legal ultimate parent entity the following transactions occurred:

On 1 December 2014 TG AgroSolutions Sdn Bhd gained control of TG Agro Seedlings Sdn Bhd, a company incorporated in Malaysia by issuing 7 shares for every share held by the owners of TG Agro Seedlings Sdn Bhd.

On 17 December 2014 TG AgroSolutions Limited gained control of TG AgroSolutions Sdn Bhd, a company incorporated in Malaysia by issuing 72 shares for every share held by the owners of TG AgroSolutions Sdn Bhd.

The above transactions resulted in a reverse acquisition whereby TG Agro Seedlings Sdn Bhd was identified as the accounting acquirer of TG AgroSolutions Limited. The financial statements therefore disclose the equity values of TG Agro Seedlings Sdn Bhd.

	\$
Purchase consideration	
Shares issued to the owner of TG AgroSolutions Sdn Bhd	791,487
Total purchase consideration	791,487

The assets and liabilities recognised as a result of the acquisition are as follows:	Fair Value
	\$
Cash	276,257
Receivables	1,365,533
Inventories	972,760
Property, plant and equipment	323,150
Payables	(953,826)
Borrowings	(333,971)
Tax liabilities	(858,416)
Net identifiable assets acquired	791,487

Purchase consideration – cash outflow

The acquisition was undertaken through the issue of share capital, with no consideration being paid in cash.

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTE 15: TRADE AND OTHER PAYABLES

	Consolidated Group 2014 \$
CURRENT	
Unsecured liabilities:	
Trade payables	639,118
Sundry payables and accrued expenses	563,203
	<u>1,202,321</u>
a. Financial liabilities at amortised cost classified as trade and other payables	
Trade and other payables:	
– total current	1,202,321
– total non-current	-
Financial liabilities as trade and other payables	<u>1,202,321</u>

NOTE 16: BORROWINGS

	Consolidated Group 2014 \$
CURRENT	
Unsecured liabilities:	
Loans from Directors	138,103
Lease liability	47,038
	<u>185,141</u>
NON CURRENT	
Unsecured liabilities:	
Lease liability	<u>51,014</u>

Lease liabilities are secured by the underlying leased assets.

NOTE 17: TAX

CURRENT	
Income tax liabilities	<u>868,768</u>
NON-CURRENT	
Deferred tax liabilities	<u>8,720</u>

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTE 17:TAX (CONTINUED)

DEFERRED TAX LIABILITIES

	Opening Balance	Charged to Income	Charged Directly to Equity	Changes in Tax Rate	Exchange Differences	Closing Balance
	\$	\$	\$	\$	\$	\$
NON-CURRENT						
Deferred tax liabilities						
Balance at beginning of period	-	8,720	-	-	-	8,720
Other	-	(3,449)				(3,449)
Balance at 31 December 2014	-	5,271	-	-	-	5,271

NOTE 18: ISSUED CAPITAL

Issued capital (31 December 2014: 252,000,000 ordinary shares).

Ordinary shares on issue	No.	\$
Balance at beginning of the period	2	2
Issue of shares to acquire TG Agrosolutions Sdn Bhd – 17 December 2014	251,999,998	162,902
	252,000,000	162,904

On 1 December 2014 TG AgroSolutions Sdn Bhd gained control of TG Agro Seedlings Sdn Bhd, a company incorporated in Malaysia by issuing 7 shares for every share held by the owners of TG Agro Seedlings Sdn Bhd.

On 17 December 2014 TG AgroSolutions Limited gained control of TG AgroSolutions Sdn Bhd, a company incorporated in Malaysia by issuing 72 shares for every share held by the owners of TG AgroSolutions Sdn Bhd.

The above transactions resulted in a reverse acquisition whereby TG Agro Seedlings Sdn Bhd was identified as the accounting acquirer of TG AgroSolutions Limited. The financial statements therefore disclose the equity values of TG Agro Seedlings Sdn Bhd.

In accordance with the reverse acquisition requirements of Australian Accounting Standard AASB 3 Business Combination, the amounts of the Share disclosed includes the amounts issued by TG AgroSolutions Sdn Bhd prior to the acquisition date (17 December 2014), and the amounts issued by TG AgroSolutions Limited after that acquisition. From the date of acquisition the number of shares disclosed is the number of shares issued by TG AgroSolutions Limited.

Ordinary shares participate in dividends and the proceeds on winding-up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTE 18: ISSUED CAPITAL (CONTINUED)

a. **Capital Management**

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital, and financial liabilities, supported by financial assets.

The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

	Consolidated Group 2014 \$
Total borrowings	236,155
Less cash and cash equivalents	(172,642)
Net debt	63,513
Total equity	797,952
Total capital	861,465
Gearing ratio	7%

NOTE 19: CAPITAL AND LEASING COMMITMENTS

a. **Operating Lease Commitments**

Non-cancellable operating leases contracted for but not recognised in the financial statements

Payable – minimum lease payments:

– not later than 12 months	49,390
– between 1 year and 2 years	145,833
– later than 2 years	75,341
	270,564

The property leases are non-cancellable leases with terms up to 2 years and with rent payable monthly in advance.

b. **Finance Lease commitments**

Payable – minimum lease payments:

- Not later than 12 months	52,718
- Between 1 year and 2 years	31,257
- Later than five years	23,428
Minimum lease payments	107,403
Less future finance charges	(9,351)
	98,052

The finance lease on motor vehicles commenced in 2014, leases are for 4 to 5 years

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTE 20: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets as at the date of this annual report.

NOTE 21: OPERATING SEGMENTS

The Group has only one (1) reportable segment, which is the TG AgroSolutions Sdn Bhd in Malaysia.

NOTE 22: CASH FLOW INFORMATION

	Consolidated Group
	2014
	\$
a. Reconciliation of Cash Flow from Operations with Profit after Income Tax	
Profit after income tax	10,511
Non-cash flows in profit:	
– Depreciation	8,060
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:	
– (Increase) in trade and term receivables	(334,536)
– (Increase) in other assets	(60,654)
– (Increase) in inventory	114,800
– Increase in trade payables and accruals	248,211
- Increase in income taxes payable	15,580
Cash flow from operating activities	<u>1,972</u>
b. Acquisition of Entities	
Refer to Note 14: Interests in subsidiaries.	
c. Non-cash Financing and Investing Activities	
(i) Share issues:	
Refer to Note 18: Issued Capital	

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTE 23: EVENTS AFTER THE REPORTING PERIOD

Other than the following no matters or circumstances have arisen since the end of the reporting period:

On 16 February 2015 the company successfully completed a compliance listing on the NSX

NOTE 24: RELATED PARTY TRANSACTIONS

Related Parties

a. **The Group's main related parties are as follows:**

(i) *Entities exercising control over the Group:*

The ultimate parent entity that exercises control over the Group is TG AgroSolutions Limited, which is incorporated in Australia.

(ii) *Key management personnel:*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer Note 6.

(iii) *Other related parties:*

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

b. **Transactions with related parties:**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

(i) Transactions with directors

Loan from director – Dato' Yap Foot Loy amounted \$38,790.

Loan from director – William Keng Yaw Tan amounted \$88,787.

Both loans from directors are interest free.

(ii) Transactions with director related entities

Apart from the above there are no other transactions with director related entities

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTE 25: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated Group 2014 \$
Financial assets		
Cash and cash equivalents	9	172,642
Loans and receivables	10	1,699,881
		<u>1,872,523</u>
Total financial assets		<u>1,872,523</u>
Financial liabilities		
Financial liabilities at amortised cost:		
– trade and other payables	15	1,202,321
– borrowings	16	236,155
Total financial liabilities		<u>1,438,476</u>

Financial Risk Management Policies

The Audit Committee has the responsibility of managing the financial risk exposures of the consolidated group. The consolidated entity's activities expose it to a variety of financial risks: market risks (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The consolidated entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Committee's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimising potential adverse effects on financial performance.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the consolidated group. The consolidated groups has adopted a policy of generally dealing with reputable counterparties as a means of mitigating the risk of financial loss from defaults

Trade receivables consist of a large number of customers and ongoing credit evaluation is performed on the accounts regularly. The consolidated entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties. The carrying amounts of financial assets recorded in the financial statements, net of any allowance for losses, represent the consolidated entity's maximum exposure to credit risk.

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTE 25: FINANCIAL RISK MANAGEMENT (CONTINUED)

b. Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who has built an appropriate liquidity risk management framework for the management of the consolidated entity's short, medium and long-term funding and liquidity management requirements. The consolidated entity manages liquidity by maintaining adequate reserves and by continually monitoring forecast and actual cash flows and matching the maturity profiles of financial assets with financial liabilities.

	Within 1 Period	1 to 5 Periods	Over 5 Periods	Total
	2014	2014	2014	2014
Consolidated Group	\$	\$	\$	\$
Financial liabilities due for payment				
Payables	1,202,321	-	-	1,202,321
Borrowings	47,038	51,014	-	98,052
Total contractual outflows	1,249,359	51,014	-	1,300,373
Financial assets cash flows - realisable				
Cash and cash equivalent	172,642	-	-	172,642
Receivables	1,699,881	-	-	1,699,881
	1,872,523	-	-	1,872,523
Net inflow on financial instruments	623,164	51,014	-	572,150

c. Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. Interest rate risks on interest earning cash balances are not considered material.

(ii) Foreign exchange risk

The consolidated group is mainly exposed to Ringgit Malaysia (RM), as a result of operation of its subsidiaries in those markets or trade in the Malaysian market. Foreign currency risk arises when future commercial transactions are recognised financial assets and liabilities are denominated in a currency that is not the entity's functional currency. As there is no material exposure to foreign currency risk within the financial assets and financial liabilities outside of each operating entity's functional currency, no sensitivity analysis has been prepared.

d. Fair values

The fair values of financial assets and financial liabilities at balance date equate to their carrying values. All financial assets and liabilities are categorised as Level 3 hierarchy assets and liabilities except for cash which is Level 1.

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

NOTE 26: RESERVES

a. **Foreign Currency Translation Reserve**

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

NOTE 27: COMPANY DETAILS

The registered office of the company is:

TG AgroSolutions Limited
Level 7, 207 Kent Street
SYDNEY NSW 2000

The principal places of business are:

Level 7, 207 Kent Street
SYDNEY, NSW 2000

Lot 189, Kampung Riam Jaya
Airport Road, 98000 MIRI
SARAWAK MALAYSIA

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of TG AgroSolutions Limited and its controlled entities, the directors of the Group declare that:

1. the financial statements and notes, as set out on pages 17 to 44, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position as at 31 December 2014 and of the performance for the period ended on that date of the consolidated group;
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; and
3. the directors have been given the declarations required by s 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

Director 

Dato' Yap Foot Loy

Dated this 31st day of March 2015

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF TG AGROSOLUTIONS LIMITED

Report on the Financial Report

We have audited the accompanying financial report of TG AgroSolutions Limited as set out on pages 17 to 45 which comprises the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of TG AgroSolutions Limited, would be in the same terms if provided to the directors as at the time of this auditor's report.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF TG AGROSOLUTIONS LIMITED

Auditors Opinion

In our opinion,:

- a. the financial report of TG AgroSolutions Limited is 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 2014 and of its performance for the period ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 9 to 12 of the directors' report for the period ended 31 December 2014. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the remuneration report of TG AgroSolutions Limited for the period ended 31 December 2014 complies with s300A of the Corporations Act 2001



Walker Wayland NSW
Chartered Accountants

Grant Allsopp
Partner

Dated in Sydney on this 31st day of March 2015

TG AGROSOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES

ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

STOCK EXCHANGE INFORMATION

TOP 10 ORDINARY SHAREHOLDERS AS AT 25 MARCH 2014 2014.

Shareholder	Shares	% of Issued
WONG MEI KWAN	7,560,000	8.316
WWK PROPERTY SDN BHD	7,560,000	8.316
CHUANG CHAU HWEE	6,300,000	6.930
LI YING	6,300,000	6.930
MS MUI LIN FUN	5,040,000	5.544
JENNY YONG SIEW HIE	4,165,000	4.582
TAN LEY HONG	4,165,000	4.582
LEE SEUT LING	4,165,000	4.582
SHIRLEY WONG PUI TING	4,165,000	4.582
CHEW KEAN HUAT	3,780,000	4.158
LIM KHEK KENG	3,780,000	4.158
	56,980,000	62.678