

Company No.  
1040569-P

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

ANNUAL REPORT AND FINANCIAL STATEMENTS  
30 JUNE 2015

INDEX

	Page No.
1. DIRECTORS' REPORT	1-4
2. STATEMENT BY DIRECTORS	5
3. STATUTORY DECLARATION	5
4. REPORT OF THE AUDITORS	6-7
5. BALANCE SHEET	8
6. INCOME STATEMENT	9
7. STATEMENT OF CHANGES IN EQUITY	10
8. CASH FLOW STATEMENT	11-12
9. NOTES TO THE FINANCIAL STATEMENTS	13-26



Company No.  
1040569-P

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Company for the financial year ended 30 June 2015.

PRINCIPAL ACTIVITIES

The Company is principally engaged in research, development and commercialization of food and agriculture related technologies with its business activities covering microbial product and biological process development, manufacturing and marketing of its proprietary solutions designed for the food and agriculture sector. These activities remained unchanged during the financial year.

RESULTS

RM

Profit after taxation

46,415

There were no material transfers to or from reserves and provisions during the financial year other than as disclosed in the statement of changes in equity.

DIVIDENDS

No dividend was paid since the end of the previous financial period and the Directors do not recommend any dividend to be paid for the financial year under review.

DIRECTORS

The names of the Directors of the Company in office since the date of last report and at the date of this report are:

Eric Chung Chi Kong  
Yap Poh Yee  
Kong Teck Chin (appointed on 31.7.2015)

Company No.  
1040569-P

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

#### DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that financial year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

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

#### DIRECTORS' INTEREST IN SHARES

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

	Number of Ordinary Shares of RM0.10 Each			
	At 1.7.2014	Acquired	Sold	At 30.6.2015
The Company				
Eric Chung Chi Kong	2,909,980	2,701,426	-	5,611,406
Yap Poh Yee	1,330,000	190,000	-	1,520,000

#### ISSUE OF SHARES

During the financial year, the authorised share capital of the Company was increased from RM500,000 to RM1,000,000 by the creation of 5,000,000 shares of RM0.10 each. The existing authorised share capital was subdivided from 500,000 ordinary shares of RM1.00 each to 5,000,000 ordinary shares of RM0.10 each.

The issued and fully paid-up share capital was increased from RM500,000 to RM1,000,000 by the allotment of 5,000,000 ordinary shares of RM0.10 each at par value for cash consideration to finance working capital purposes. The existing issued and fully paid up share capital was also sub-divided from 500,000 ordinary shares of RM1 each to 5,000,000 ordinary shares of RM0.10 each.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

Company No.  
1040569-P

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

OPTIONS GRANTED OVER UNISSUED SHARES

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

OTHER STATUTORY INFORMATION

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that:-

- (i) all known bad debts have been written off and adequate allowance for doubtful debts had been made; and
- (ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:-

- (i) that would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the Company inadequate to any substantial extent; or
- (ii) that would render the value attributed to the current assets in the financial statements of the Company misleading; or
- (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Company misleading.

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

- (i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

Company No.  
1040569-P

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

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

In the opinion of the Directors, the financial performance of the Company for the current financial year ended have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.


AUDITORS

The auditors, Roger Yue, Tan & Associates have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors



ERIC CHUNG CHI KONG  
Director



YAP POH YEE  
Director

Petaling Jaya

Date : 22 SEP 2015

Company No.  
1040569-P

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS  
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, the undersigned, being two of the Directors of VIRGIN GREENS X SDN. BHD. do hereby state on behalf of the Directors that in our opinion, the accompanying financial statements together with the notes thereon, are drawn up in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Company as at 30 June 2015 and of the results and cash flows of the Company for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors



ERIC CHUNG CHI KONG  
Director



YAP POH YEE  
Director

Petaling Jaya

Date : 22 SEP 2015

STATUTORY DECLARATION  
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, ERIC CHUNG CHI KONG, being the Director primarily responsible for the financial management of VIRGIN GREENS X SDN. BHD. do solemnly and sincerely declare that the accompanying financial statements together with the notes thereon, are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared )

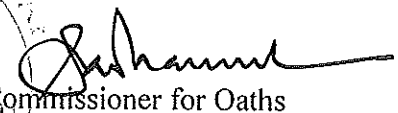
by the abovenamed at Kuala Lumpur )

in the Federal Territory this )

day of 22 SEP 2015



Before me

  
Commissioner for Oaths

5  
No. 17, Tingkat 1, Jalan 1/65  
Off Jalan Sentul Manis,  
51000 Kuala Lumpur.

# ROGER YUE, TAN & ASSOCIATES

CHARTERED ACCOUNTANTS (FIRM NO: AF : 0134)

WISMA GOSHEN (GRD. & 1ST FLR.) NO. 60 & 62 JALAN SS 22/21, DAMANSARA JAYA,  
47400 PETALING JAYA, SELANGOR DARUL EHSAN, MALAYSIA.

TEL: (603) 7726 2828 (HUNTING LINE) FAX: (603) 7728 9986 & 7728 9987 E-mail: ryt@ryt.com.my

Company No.  
1040569-P

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

30 JUNE 2015

### Report on the Financial Statements

We have audited the financial statements of VIRGIN GREENS X SDN. BHD., which comprise the balance sheet as at 30 June 2015, and the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out.

### Directors' Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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



Company No.  
1040569-P

**VIRGIN GREENS X SDN. BHD.**  
(Incorporated in Malaysia)

30 JUNE 2015

**Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2015 and of its financial performance and cash flows for the financial year then ended in accordance with Private Entity Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

**Report on Other Legal and Regulatory Requirements**


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

**Other Matters**

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



ROGER YUE, TAN & ASSOCIATES  
AF : 0134  
Chartered Accountants



ROGER YUE SAU YIN  
M.B.A., C.A. (M), F.C.A.  
Partner of Firm  
838/3/16 (J)

Petaling Jaya

Date : 22 SEP 2015

Company No.  
1040569-P

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

BALANCE SHEET – 30 JUNE 2015

	Note	2015 RM	2014 RM
NON-CURRENT ASSETS			
Property, plant and equipment	3	84,702	2,539
Intangible asset	4	640,000	720,000
		<u>724,702</u>	<u>722,539</u>
CURRENT ASSETS			
Inventories	5	68,227	85,634
Trade receivables		285,946	407,052
Other receivables	6	419,762	29,098
Bank and cash balances		14,249	31,082
		<u>788,184</u>	<u>552,866</u>
CURRENT LIABILITIES			
Trade payables		279,968	422,102
Other payables	8	223,706	271,514
Amount due to directors	9	176,836	369,482
Hire purchase payable	10	15,900	-
		<u>696,410</u>	<u>1,063,098</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>91,774</u>	<u>(510,232)</u>
		<u>816,476</u>	<u>212,307</u>
Financed by :			
Share capital	11	1,000,000	500,000
Accumulated loss		<u>(241,278)</u>	<u>(287,693)</u>
SHAREHOLDERS' EQUITY		758,722	212,307
NON-CURRENT LIABILITY			
Hire purchase payable	10	57,754	-
		<u>816,476</u>	<u>212,307</u>

The accompanying notes form an integral part of the financial statements.

Company No.  
1040569-P

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

INCOME STATEMENT FOR THE YEAR ENDED

30 JUNE 2015

	Note	1.7.2014 TO 30.6.2015 RM	1.4.2013 TO 30.6.2014 RM
Revenue	12	2,195,312	1,995,724
Direct expenses		<u>(867,169)</u>	<u>(708,608)</u>
GROSS PROFIT		1,328,143	1,287,116
Other operating income		5,320	-
Administration expenses		(786,440)	(1,000,322)
Distribution expenses		(400,065)	(489,865)
Other operating expenses		<u>(98,347)</u>	<u>(84,622)</u>
PROFIT/(LOSS) FROM OPERATIONS	13	48,611	(287,693)
Finance cost	16	<u>(2,196)</u>	<u>-</u>
PROFIT/(LOSS) BEFORE TAXATION		46,415	(287,693)
Taxation	17	<u>-</u>	<u>-</u>
PROFIT/(LOSS) AFTER TAXATION		<u>46,415</u>	<u>(287,693)</u>

The accompanying notes form an integral part of the financial statements.

Company No.  
1040569-P

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED

30 JUNE 2015

	Share Capital RM	Accumulated Loss RM	Total RM
At 1 April 2013	2	-	2
Issue of ordinary shares	499,998	-	499,998
Net loss for the period	-	(287,693)	(287,693)
At 30 June 2014	500,000	(287,693)	212,307
At 1 July 2014	500,000	(287,693)	212,307
Issue of ordinary shares	500,000	-	500,000
Net profit for the year	-	46,415	46,415
At 30 June 2015	1,000,000	(241,278)	758,722

The accompanying notes form an integral part of the financial statements.

Company No.  
1040569-P

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

CASH FLOW STATEMENT FOR THE YEAR ENDED

30 JUNE 2015

	1.7.2014 TO 30.6.2015 RM	1.4.2013 TO 30.6.2014 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	46,415	(287,693)
Adjustments for:		
Interest expenses	2,196	-
Depreciation	17,247	409
Amortization of intangible asset	80,000	80,000
<b>OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	145,858	(207,284)
Decrease/(increase) in inventories	17,407	(85,634)
Increase in receivables	(269,558)	(436,150)
Increase in payables	(189,942)	693,616
Increase in directors' accounts	(192,646)	389,482
<b>CASH (DEPLETED IN)/GENERATED FROM OPERATIONS</b>	(488,881)	334,030
Interest paid	(2,196)	-
<b>NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>	(491,077)	334,030
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Purchase of property, plant and equipment	(14,410)	(2,948)
Purchase of intangible assets	-	(800,000)
<b>NET CASH USED IN INVESTING ACTIVITY</b>	(14,410)	(802,948)

The accompanying notes form an integral part of the financial statements.

Company No.  
1040569-P

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

CASH FLOW STATEMENT FOR THE YEAR ENDED

30 JUNE 2015

	1.7.2014 TO 30.6.2015 RM	1.4.2013 TO 30.6.2014 RM
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables	(11,346)	-
Proceeds from issuance of ordinary shares	<u>500,000</u>	<u>500,000</u>
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>488,654</u>	<u>500,000</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(16,833)	31,082
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>31,082</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 7)	<u>14,249</u>	<u>31,082</u>

The accompanying notes form an integral part of the financial statements.

Company No.  
1040569-P

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

1. CORPORATE INFORMATION

The Company is principally engaged in research, development and commercialization of food and agriculture related technologies with its business activities covering microbial product and biological process development, manufacturing and marketing of its proprietary solutions designed for the food and agriculture sector. These activities remained unchanged during the financial year.

The Company is incorporated and domiciled in Malaysia. The registered office of the Company is located at B-25-2, Block B, Jaya One, No. 72A, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan.

The address of the principal place of business of the Company is located at C-710, Kelana Square 17, Jalan SS7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.

The number of employees in the Company at the end of the financial year was 12 (2014: 10).

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 22 September 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Company have been prepared under the historical cost convention except as indicated in the individual policy notes.

The financial statements comply with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia.

Company No.  
1040569-P

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

2. SIGNIFICANT ACCOUNTING POLICIES - Continued

(b) Property, Plant and Equipment, and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(l).

Depreciation of property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rate:

Computer	33 1/3%
Motor vehicle	20%
Office equipment	20%

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement.

(c) Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(l).

Amortisation of intangible assets is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Intellectual property rights	10%
------------------------------	-----

Upon the disposal of an item of intangible assets, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement.



Company No.  
1040569-P

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

2. SIGNIFICANT ACCOUNTING POLICIES - Continued

(d) Inventories

Inventories are stated at lower of cost and net realisable value.

Cost is determined using the first in, first out method. Cost comprises the cost of purchase plus the cost of bringing the inventories to its present condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(e) Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposit at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(f) Leases

A lease is recognised as a finance lease if it transfers substantially to the Company all the risks and rewards incident to ownership. All other leases are classified as operating leases.

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 2(b).

Company No.  
1040569-P

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

2. SIGNIFICANT ACCOUNTING POLICIES - Continued

(g) Provisions for Liabilities

Provisions for liabilities are recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(h) Income Tax

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

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

Company No.  
1040569-P

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

2. SIGNIFICANT ACCOUNTING POLICIES - Continued

(i) Employee Benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial period in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

(j) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

Revenue relating to sale of goods is recognised net of discounts upon the transfer of risks and rewards.

(k) Foreign Currency Transactions

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the date of the transaction. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date. All exchange rate differences are taken to the income statement.

Company No.  
1040569-P

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

2. SIGNIFICANT ACCOUNTING POLICIES - Continued

The principal exchange rates used for each respective unit of foreign currency ruling at the balance sheet date are as follows:

	2015 RM	2014 RM
1 United States Dollar	3.773	3.251
1 Hong Kong Dollar	0.487	0.414

(l) Impairment of Assets

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the income statement immediately, unless the asset is carried at a revalued amount.

(m) Trade Receivables

Trade receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(n) Trade Payables

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

(o) Interest-Bearing Borrowings

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

Company No.  
1040569-P

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

3. PROPERTY, PLANT AND EQUIPMENT

Cost	Computer RM	Motor vehicle RM	Office equipment RM	Total RM
At 1 July 2014	2,948	-	-	2,948
Additions	1,099	94,016	4,295	99,410
Disposals	-	-	-	-
At 30 June 2015	4,047	94,016	4,295	102,358
Accumulated Depreciation				
At 1 July 2014	409	-	-	409
Depreciation charge for the year	1,135	15,669	443	17,247
Disposals	-	-	-	-
At 30 June 2015	1,544	15,669	443	17,656
Net Book Value				
At 30 June 2015	2,503	78,347	3,852	84,702
At 30 June 2014	2,539	-	-	2,539
Details at 1 April 2013				
Cost	-	-	-	-
Accumulated depreciation	-	-	-	-
Depreciation charge for 2014	409	-	-	409

During the financial year, the Company acquired property, plant and equipment at aggregate costs of RM99,410 (2014: RM2,948) of which RM85,000 (2014: Nil) was acquired by means of hire purchase arrangements. Net book values of property, plant and equipment held under hire purchase arrangements is as follows:

	2015 RM	2014 RM
Motor vehicle	78,347	-

Company No.  
1040569-P

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

4. INTANGIBLE ASSET

	Intellectual property rights RM	Total RM
Cost		
At 1 July 2014	800,000	800,000
Additions	-	-
Disposals	-	-
	<hr/>	<hr/>
At 30 June 2015	800,000	800,000
Accumulated Amortisation		
At 1 July 2014	80,000	80,000
Amortisation charge for the year	80,000	80,000
Disposals	-	-
	<hr/>	<hr/>
At 30 June 2015	160,000	160,000
Net Book Value		
At 30 June 2015	<hr/> 640,000	<hr/> 640,000
At 30 June 2014	<hr/> 720,000	<hr/> 720,000
Details at 1 April 2013		
Cost	<hr/> -	<hr/> -
Accumulated depreciation	<hr/> -	<hr/> -
Depreciation charge for 2014	<hr/> 80,000	<hr/> 80,000

Company No.  
1040569-P

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

5. INVENTORIES

	2015 RM	2014 RM
At cost		
Raw materials	<u>68,227</u>	<u>85,634</u>

6. OTHER RECEIVABLES

	2015 RM	2014 RM
Deposit	3,850	3,850
Prepayment	6,323	20,549
Sundry receivable	<u>409,589</u>	<u>4,699</u>
	<u>419,762</u>	<u>29,098</u>

7. CASH AND CASH EQUIVALENTS

	2015 RM	2014 RM
Bank and cash balances	<u>14,249</u>	<u>31,082</u>

8. OTHER PAYABLES

	2015 RM	2014 RM
Accruals	183,143	250,303
Amount due to shareholder	1,245	1,245
Sundry payables	<u>39,318</u>	<u>19,966</u>
	<u>223,706</u>	<u>271,514</u>

9. AMOUNT DUE TO DIRECTORS

These are unsecured, interest free and there is no fixed term of repayment.

Company No.  
1040569-P

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

10. HIRE PURCHASE PAYABLE

	2015 RM	2014 RM
Minimum hire purchase payments:		
Not later than 1 year	19,248	-
Later than 1 year but not later than 2 years	19,248	-
Later than 2 years but not later than 5 years	43,288	-
	<u>81,784</u>	<u>-</u>
Less: Future finance charges	<u>(8,130)</u>	<u>-</u>
Present value of hire purchase liability	<u>73,654</u>	<u>-</u>
Present value of hire purchase payments:		
Not later than 1 year	15,900	-
Later than 1 year but not later than 2 years	16,784	-
Later than 2 years but not later than 5 years	40,970	-
	<u>73,654</u>	<u>-</u>
Analysed as:		
Due within 12 months	15,900	-
Due after 12 months	<u>57,754</u>	<u>-</u>

The hire purchase liabilities bore interest at the balance sheet date at a rate of 2.64% (2014: Nil) per annum.



Company No.  
1040569-P

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

11. SHARE CAPITAL

	Number of Ordinary Shares of RM0.10 Each		Amount	
	2015	2014	2015 RM	2014 RM
Authorised				
At 1 July	5,000,000	5,000,000	500,000	500,000
Created during the year	<u>5,000,000</u>	<u>-</u>	<u>500,000</u>	<u>-</u>
At 30 June	<u>10,000,000</u>	<u>5,000,000</u>	<u>1,000,000</u>	<u>500,000</u>
Issued and fully paid				
At 1 July	500,000	500,000	500,000	500,000
Issued during the year	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>-</u>
At 30 June	<u>1,000,000</u>	<u>500,000</u>	<u>1,000,000</u>	<u>500,000</u>

During the financial year, the authorised share capital of the Company was increased from RM500,000 to RM1,000,000 by the creation of 5,000,000 shares of RM0.10 each. The existing authorised share capital was subdivided from 500,000 ordinary shares of RM1.00 each to 5,000,000 ordinary shares of RM0.10 each.

The issued and fully paid-up share capital was increased from RM500,000 to RM1,000,000 by the allotment of 5,000,000 ordinary shares of RM0.10 each at par value for cash consideration to finance working capital purposes. The existing issued and fully paid up share capital was also sub-divided from 500,000 ordinary shares of RM1 each to 5,000,000 ordinary shares of RM0.10 each.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

12. REVENUE

Revenue represents gross billings less credit notes.

Company No.  
1040569-P

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

13. PROFIT/(LOSS) FROM OPERATIONS

Profit/(loss) from operations is stated after charging:

		1.7.2014 TO 30.6.2015 RM	1.4.2013 TO 30.6.2014 RM
	Note		
Auditors' remuneration		4,000	4,000
Depreciation	3	17,247	409
Amortization of intangible assets	4	80,000	80,000
Rental of premises		48,308	56,759
Loss on foreign exchange - realised		1,100	1,713
Staff costs	14	583,049	825,220
Included in direct expenses - rental of premises		<u>5,400</u>	<u>12,000</u>

14. STAFF COSTS

		1.7.2014 TO 30.6.2015 RM	1.4.2013 TO 30.6.2014 RM
Wages and salaries		527,873	748,466
Social security costs		3,975	4,701
Pension costs – defined contribution plans		48,922	67,403
Other staffs related expenses		<u>2,279</u>	<u>4,650</u>
		<u>583,049</u>	<u>825,220</u>

Included in staff costs of the Company are Directors' remuneration amounting to RM199,732 (2014: RM299,598) as further disclosed in Note 15.

Company No.  
1040569-P

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

15. DIRECTORS' REMUNERATION

	1.7.2014 TO 30.6.2015 RM	1.4.2013 TO 30.6.2014 RM
Salaries and other emoluments	189,630	284,445
Social security costs	310	465
Pension costs – defined contribution plans	9,792	14,688
	<u>199,732</u>	<u>299,598</u>

16. FINANCE COST

	1.7.2014 TO 30.6.2015 RM	1.4.2013 TO 30.6.2014 RM
Interest expense on: Hire purchase	<u>2,196</u>	<u>-</u>

17. TAXATION

	1.7.2014 TO 30.6.2015 RM	1.4.2013 TO 30.6.2014 RM
Malaysian taxation based on result for the year: - current year's provision	<u>-</u>	<u>-</u>

Company No.  
1040569-P

VIRGIN GREENS X SDN. BHD.  
(Incorporated in Malaysia)

17. TAXATION - Continued

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

	1.7.2014 TO 30.6.2015 RM	1.4.2013 TO 30.6.2014 RM
Profit/(loss) before taxation	<u>46,415</u>	<u>(287,693)</u>
Taxation at Malaysian statutory tax rate @ 25%	(11,604)	71,923
Tax effect of expenses not deductible for tax purposes	(4,133)	(2,276)
Deferred tax assets not recognised for the year	(1,387)	(69,647)
Utilisation of previously unrecognised deferred tax assets	<u>17,124</u>	<u>-</u>
Tax expense for the year	<u>-</u>	<u>-</u>

As at 30 June 2015, the amount of unabsorbed tax losses which are available for set-off against future chargeable income amounted to approximately RM134,000 (2014: RM203,000).

As at 30 June 2015, the Company has deferred tax assets not recognised in the financial statements as there is no probability that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised and made up as follows:

	1.7.2014 TO 30.6.2015 RM	1.4.2013 TO 30.6.2014 RM
Capital allowance and depreciation differences	752	(635)
Unabsorbed tax losses	33,652	50,481
Unutilised capital allowances	<u>-</u>	<u>295</u>
	<u>34,404</u>	<u>50,141</u>