

TG AGROSOLUTIONS LIMITED
CAN 603 108 926

APPENDIX 3 – PRELIMINARY FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016

1. Reporting Period

Current Reporting Period 1 January 2016 to 31 December 2016

Prior Reporting Period - Nil

2. Result for Announcement to the Market

Key Information	Year Ended 31 December 2016 \$
Revenue from ordinary activities	1,542,880
Loss after tax from ordinary activities attributable to members	(1,554,835)
Net loss attributable to members	(1,554,835)

There were no dividends paid or proposed year ended December 2016

Explanation of Key Information and Dividends

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 financial statements for the financial year 2016 have been prepared on the 31 December 2016. The Group revenue in the year ended 31 December 2016 was \$1,542,880 representing \$872,121 lower than the last financial period. TG Agro Seedlings Sdn Bhd being the operational company reported 12 months loss after tax of \$875,401. However, TG Agrosolutions Sdn Bhd and TG Agrosolutions Limited are the investment holding company in Malaysia and Australia incurred total expenses of \$595,983 mainly due to the ongoing company maintenance fee. This resulted in group net loss of \$1,554,835 in 2016.

Net Tangible Assets per Share

	Year Ended 31 December 2016 cents/Share	Year Ended 31 December 2015 cents/Share
Net tangible assets per share	(0.12)	0.12

Control Gained or Lost over Entities in the Year

There have been no entities acquired or disposed during the year ended 31 December 2016

Dividend Reinvestment Plans

The Group does not have any dividend reinvestment plans operation.

Audit / Review of Financials

The attached financial statements have been reviewed for the period ended 31 December 2016. The review report is attached at page 10.

Attachment

The ended Year financial report of TG Agrosolutions Limited is attached.

TG AGROSOLUTIONS LIMITED AND CONTROLLED ENTITIES

A.C.N 603108925

DIRECTOR'S 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 year ended 31 December 2016.

Directors

The names of directors who held office during or since the end of the year ended:

Foot Loy Yap (appointed on 15 December 2014)

Bin Khean Ha (appointed on 28 November 2014, resigned on 31 May 2016)

Anson Fucong Qiao (appointed on 28 November 2014)

William Keng Yaw Tan (appointed on 28 November 2014, resigned on 15 August 2016)

Tunku Syed Razman bin Tunku Syed Idrus (appointed on 15 December 2014, resigned 3 February 2016)

Chie Kieng Ngu (appointed on 31 July 2015)

Way Lon Yap (appointed on 31 July 2015)

Gee Pun Tong (appointed on 31 May 2016, resigned on 19 August 2016)

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 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.

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Auditor's Independence Declaration

The lead auditor's independence declaration under S 307C of the Corporations Act 2001 is set out on page 3 for the Year ended 31 December 2016.

This director's report is signed in accordance with a resolution of the Board of Directors.

Director 

Foot Loy Yap

Dated this 16 March 2017

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR
THE YEAR ENDED 31 DECEMBER 2016**

	Note	Consolidated Group Year ended 31-Dec-16 \$	Year ended 31-Dec-15 \$
Revenue		1,542,880	2,415,001
Interest Income		9,257	0
Cost of Goods Sold		(703,918)	(1,367,357)
Bad debt written off		(74,760)	(187,147)
Inventories written off		(836,201)	0
Employee and contractor expense		(119,152)	(771,148)
Director's other emoluments		(145,362)	(26,375)
Professional fees		(22,815)	0
NSX Listing Cost		(28,721)	0
Depreciation and amortisation expense		(123,546)	(102,177)
Entertainment		(7,359)	0
Petrol, parking and tolls		(288,516)	0
Accommodation		(7,715)	0
Upkeep of machinery		(4,497)	0
Upkeep of motor vehicles		(16,498)	0
Secretarial fees		(26,881)	0
NSX Annual Fee		(26,954)	0
Finance costs		(214,197)	(21,501)
Other expenses		(432,944)	(472,065)
(Loss) before income tax		(1,527,896)	(532,769)
Income tax expense		(26,939)	(41,425)
Profit from continuing operations		(1,554,835)	(491,344)
(Loss) from discontinued operations		0	0
Loss for the period		(1,554,835)	(491,344)
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss, when specific conditions are met			
Exchange differences on transactions of foreign operations, net of tax		0	(14,459)
Other comprehensive income for the period		0	(14,459)
Total comprehensive income for the period		(1,554,835)	(505,803)

TG AGROSOLUTIONS LIMITED AND CONTROLLED ENTITIES

A.C.N 603108925

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR
THE YEAR ENDED 31 DECEMBER 2016**

	Note	Consolidated Group	
		Year ended 31-Dec-16	Year ended 31-Dec-15
		\$	\$
Net loss attributable to :			
- members of the parent entity		(1,554,835)	(491,344)
		<u>(1,554,835)</u>	<u>(491,344)</u>
Total comprehensive income attributable to :			
- members of the parent entity		(1,554,835)	(505,803)
		<u>(1,554,835)</u>	<u>(505,803)</u>
Earnings per share			
From continuing and discontinued operations :			
- Basic earnings per share (cents)		(0.012)	(0.20)
- Diluted earnings per share (cents)		(0.012)	(0.20)
From continuing operations :			
- Basic earnings per share (cents)		(0.012)	(0.20)
- Diluted earnings per share (cents)		(0.012)	(0.20)

TG AGROSOLUTIONS LIMITED AND CONTROLLED ENTITIES

A.C.N 603108925

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Consolidated Group	
	As at 31-Dec 2016 \$	As at 31-Dec 2015 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	17,334	5,914
Trade and other receivables	1,275,018	1,880,743
Financial Assets	321,562	321,839
Inventories	835,136	994,563
Other Assets	14,141	12,189
TOTAL CURRENT ASSETS	2,463,191	3,215,248
NON-CURRENT ASSETS		
Property, plant and equipment	388,200	476,077
TOTAL NON-CURRENT ASSETS	388,200	476,077
TOTAL ASSETS	2,851,391	3,691,325
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	882,698	1,009,617
Borrowings	1,735,213	1,570,211
Current tax liabilities	677,658	685,095
TOTAL CURRENT LIABILITIES	3,295,569	3,264,923
NON-CURRENT LIABILITIES		
Borrowings	87,247	118,298
Deferred tax liabilities	0	15,955
TOTAL NON-CURRENT LIABILITIES	87,247	134,253
TOTAL LIABILITIES	3,382,816	3,399,176
NET ASSETS	(531,425)	292,149
EQUITY		
Issued capital	491,764	162,904
Reserves	(13,053)	(12,210)
Retained earnings	(1,010,136)	141,455
TOTAL EQUITY	(531,425)	292,149

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DEC 2016

Consolidated Group	Note	Ordinary Share Capital \$	Retained Earnings \$	Foreign Currency Translation Reserve \$	Total \$
Balance at 1 January 2015		162,904	632,799	2,249	797,952
Comprehensive income					
Loss for the period		-	(491,344)	-	(491,344)
Foreign Currency Translation		-	-	(14,459)	(14,459)
Total comprehensive income for the period			(491,344)	(14,459)	(505,803)
Balance at 31 Dec 2015		162,904	141,455	(12,210)	292,149
Balance at 1 January 2016		162,904	141,455	(12,210)	292,149
Comprehensive income					
Profit for the period		-	(1,106,812)	-	(1,106,812)
Foreign Currency Translation		-	-	(45,622)	(45,622)
Total comprehensive income for the period			(1,106,812)	(45,622)	(1,152,434)
Issue of capital		328,860	-	-	328,860
Balance at 31 December 2016		491,764	(965,357)	(57,832)	(531,425)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DEC 2016

Consolidated Group	Year Ended 31 Dec 2016 \$	As at 31-Dec 2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from operating activities	2,313,195	1,893,980
Payments to suppliers and employees	(1,223,733)	(2,924,085)
Interest received	4,703	2,707
Interest paid	(214,197)	(21,501)
Income tax paid	(30,382)	(67,309)
Net cash (used in) operating activities	(849,586)	(1,116,208)
CASH FLOWS FROM INVESTING ACTIVITIES		
Term Deposits acquired	(4,702)	(343,786)
Payments for property, plant and equipment	(62,711)	(282,630)
Net cash (used in) investing activities	(67,413)	(626,416)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds/ (Repayment) from/of related parties loan	242,014	464,484
Proceeds/ (Repayment) from/of borrowings	157,687	607,242
Net cash provided by financing activities	399,700	1,071,726
NET (DECREASE) INCREASE IN CASH HELD	1,181,873	(670,898)
Cash and cash equivalents at beginning of period	(468,758)	172,642
Effects of changes in exchange rates	(45,622)	28,674
Cash and cash equivalents at end of period	(667,493)	(469,582)

TG AGROSOLUTIONS LIMITED AND CONTROLLED ENTITIES

A.C.N 603108925

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

These general purpose interim financial statements for half-year reporting period ended 30 June 2016 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the annual financial statements of TG Agrosolutions Limited and its controlled entities (referred to as the "consolidated group" or "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2016, together with any public announcements made during the following year ended.

These interim financial statements were authorised for issue on 16 March 2017.

TG Agrosolutions Limited was incorporated on 28 November 2014. This is the second half-year financial report prepared by the company.

b. Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has considered the implications of new or amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

NOTE 2 : DIVIDENDS

No dividends have been paid or declared during the period.

NOTE 3 : CONTINGENT LIABILITIES

There has been no changes to contingent liabilities since the last annual reporting period.

NOTE 4 : EVENTS OCCURING AFTER BALANCE SHEET DATE

No matters have arisen since 31 December 2016 that have significantly affected the Group operations in future financial years, the result of those operations in future financial years of the Group state of affairs in future financial years.

NOTE 5 : RELATED PARTY TRANSACTIONS

No new transactions have arisen since the last annual reporting period.

TG AGROSOLUTIONS LIMITED AND CONTROLLED ENTITIES

A.C.N 603108925

DIRECTOR'S DECLARATION

In accordance with a resolution of the directors of TG Agrosolutions Limited, the directors of the company declare that;

1. The financial statements and notes, as set out on pages 4 to 9, are in accordance with the *Corporations Act 2001*, including;
 - a. complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 Dec 2016 and of its performance for the half-year ended on that date.
2. In the director's opinion there are reasonable grounds to believe that the company will be able to pay its debt as and when they become due and payable.



Foot Loy Yap

Director

Dated this 16 March 2017