

We, for and on behalf of the Board of Directors of TG AgroSolutions Limited hereby confirm that this Information Memorandum has been seen and approved by the Board of Directors of TG AgroSolutions Limited and authorise the submission of this Information Memorandum to the National Stock Exchange of Australia.



Name: Bin Khean, Ha
Designation: Director
Date:



Name: Yap Foot Loy
Designation: Director
Date:



TG AgroSolutions Limited

INFORMATION MEMORANDUM

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SECTION 2: IMPORTANT INFORMATION AND NOTICES

THIS INFORMATION MEMORANDUM HAS BEEN PREPARED BY TG AGROSOLUTIONS LIMITED (ACN 603 108 925) (ALSO REFERRED TO HEREIN AS THE 'COMPANY') IN CONNECTION WITH ITS INTENTION TO APPLY FOR A COMPLIANCE LISTING ON THE NSX. NO COPY OF THIS INFORMATION MEMORANDUM HAS BEEN LODGED WITH THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION (ASIC) AS THIS IS NOT A PROSPECTUS OR OTHER DISCLOSURE DOCUMENT REQUIRED TO BE LODGED WITH ASIC UNDER THE CORPORATIONS ACT. NEITHER ASIC OR THE NSX TAKE RESPONSIBILITY FOR THE CONTENTS OF THIS INFORMATION MEMORANDUM.

THIS INFORMATION MEMORANDUM DOES NOT CONSTITUTE, OR FORM PART OF, ANY OFFER OR INVITATION TO SELL OR ISSUE, OR ANY SOLICITATION OF ANY OFFER TO PURCHASE OR SUBSCRIBE FOR, ANY SHARES IN THE COMPANY, IN ANY JURISDICTION, NOR SHALL IT, OR ANY PART OF IT, OR THE FACT OF ITS PUBLICATION FORM THE BASIS OF, OR BE RELIED ON IN CONNECTION WITH OR ACT AS ANY INDUCEMENT TO ENTER INTO ANY CONTRACT THEREFOR. THIS INFORMATION MEMORANDUM MAY BE WITHDRAWN AT ANY TIME BEFORE THE PROPOSED LISTING AND IS SPECIFICALLY SUBJECT TO THE TERMS DESCRIBED IN THIS INFORMATION MEMORANDUM.

THE SHARES OF THE COMPANY HAVE NOT BEEN REGISTERED WITH OR APPROVED OR DISAPPROVED BY THE NSX, NOR HAS THE NSX OR ANY REGULATORY AUTHORITY OF ANY STATE PASSED UPON OR ENDORSED THE MERITS OF THIS LISTING OR THE ACCURACY OR ADEQUACY OF THIS INFORMATION MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY HAS NOT BEEN AUTHORIZED BY THE COMPANY OR ITS MANAGEMENT.

NOMINATED ADVISOR

THE LISTING NOMINATED ADVISOR ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN (FINANCIAL, LEGAL OR OTHERWISE). IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE COMPANY AND THE TERMS OF THIS INFORMATION MEMORANDUM, INCLUDING THE MERITS AND RISKS INVOLVED. MOREOVER, THE CONTENTS OF THIS INFORMATION MEMORANDUM ARE NOT TO BE CONSTRUED AS LEGAL, BUSINESS OR TAX ADVICE. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN ATTORNEY, BUSINESS OR TAX ADVISOR FOR LEGAL, BUSINESS OR TAX ADVICE.

APPLICATION FOR LISTING

APPLICATION WILL BE MADE FOR LISTING OF THE COMPANY'S SECURITIES TO THE NSX. THE FACT THAT THE NSX MAY LIST THE SECURITIES OF THE COMPANY IS NOT TO BE TAKEN IN ANY WAY AS AN INDICATION OF THE MERITS OF THE COMPANY OR THE LISTED SECURITIES. THE NSX TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON ANY PART OF THE CONTENTS OF THIS DOCUMENT.

IT IS EXPECTED THAT TRADING OF THE SHARES ON THE STOCK MARKET CONDUCTED BY THE NSX WILL COMMENCE AS SOON AS PRACTICAL AFTER APPROVAL FOR ADMISSION TO THE OFFICIAL LIST OF THE NSX IS GRANTED AND ALL CONDITIONS (IF ANY) APPLICABLE THERETO HAVE BEEN SATISFIED FOR OFFICIAL QUOTATION.

DISCLOSURE OF INFORMATION

THIS INFORMATION MEMORANDUM DOES NOT CONTAIN THE INFORMATION THAT WOULD BE CONTAINED IN A PROSPECTUS OR OTHER DISCLOSURE DOCUMENT PREPARED UNDER THE CORPORATIONS ACT. WHILE THIS INFORMATION MEMORANDUM SHOULD BE READ IN ITS ENTIRETY, IT DOES NOT CONTAIN ALL THE INFORMATION THAT A PROSPECTIVE INVESTOR MAY REQUIRE IN INVESTIGATING THE SHARES AND THE COMPANY. PROSPECTIVE INVESTORS SHOULD CARRY OUT THEIR OWN INDEPENDENT INVESTIGATIONS, ANALYSIS AND OBTAIN INDEPENDENT FINANCIAL, TAXATION AND OTHER PROFESSIONAL ADVICE AS NEEDED IN RESPECT OF THE SHARES AND THE COMPANY AND THE INFORMATION REFERRED TO IN THIS INFORMATION MEMORANDUM AND OTHER MATTERS THAT MAY BE RELEVANT TO ITS INVESTMENT DECISION.

EACH PROSPECTIVE INVESTOR CONSIDERING AN INVESTMENT IN THE SHARES MUST MAKE, AND WILL BE TAKEN TO HAVE MADE, ITS OWN INDEPENDENT INVESTIGATION AND ANALYSIS OF THE INFORMATION IN THIS INFORMATION MEMORANDUM AND SHOULD CONSULT THEIR OWN ADVISORS BEFORE INVESTING IN THE COMPANY.

PROSPECTIVE INVESTORS MAY CONTACT THE COMPANY TO OBTAIN A COPY OF THE COMPANY'S CONSTITUTION.

UNAUTHORISED REPRESENTATIONS

NO PERSON HAS AUTHORITY TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION IN CONNECTION WITH THE SHARES OR THE COMPANY THAT IS NOT CONTAINED IN THE INFORMATION MEMORANDUM. ANY INFORMATION NOT INCORPORATED BY EXPRESS REFERENCE OR SET OUT IN THIS INFORMATION MEMORANDUM MAY NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY.

RESTRICTIONS

THE DISTRIBUTION OF THIS INFORMATION MEMORANDUM IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. PERSONS, INTO WHOSE POSSESSION THIS INFORMATION MEMORANDUM COMES, ARE REQUIRED, BY THE COMPANY TO INFORM THEMSELVES ABOUT AND TO OBSERVE SUCH RESTRICTIONS. THIS INFORMATION MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR INVITATION TO BUY OR SELL SHARES OR OTHER MARKETABLE SECURITIES OF THE COMPANY, WHETHER IN AUSTRALIA OR IN ANY OTHER JURISDICTION.

FORWARD LOOKING STATEMENTS

THIS INFORMATION MEMORANDUM CONTAINS FORWARD-LOOKING STATEMENTS WHICH ARE IDENTIFIED BY WORDS SUCH AS "BELIEVES", "ESTIMATES", "EXPECTS", "INTENDS", "MAY", "WILL", "WOULD", "COULD", OR "SHOULD" AND OTHER SIMILAR WORDS THAT INVOLVE RISKS AND UNCERTAINTIES. THESE STATEMENTS ARE BASED ON AN ASSESSMENT OF PRESENT ECONOMIC AND OPERATING CONDITIONS, AND ON A NUMBER OF ASSUMPTIONS REGARDING FUTURE EVENTS AND ACTIONS THAT, AS AT THE DATE OF THIS INFORMATION MEMORANDUM, ARE EXPECTED TO TAKE PLACE.

SUCH FORWARD-LOOKING STATEMENTS ARE NOT GUARANTEES OF FUTURE PERFORMANCE AND INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, ASSUMPTIONS AND OTHER IMPORTANT FACTORS, MANY OF WHICH ARE BEYOND THE CONTROL OF THE COMPANY, THE DIRECTORS AND MANAGEMENT OF THE COMPANY. THE ACTUAL RESULTS AND FUTURE ACHIEVEMENTS MAY BE MATERIALLY DIFFERENT FROM THAT EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON SUCH FORWARD-LOOKING STATEMENTS.

KEY RISK FACTORS ARE DETAILED IN SECTION 6 OF THE INFORMATION MEMORANDUM. THESE AND OTHER FACTORS COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED IN ANY FORWARD-LOOKING STATEMENTS. THE COMPANY CANNOT AND DOES NOT GIVE ASSURANCES THAT THE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED IN THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS INFORMATION MEMORANDUM WILL ACTUALLY OCCUR AND INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS.

ALL SUBSEQUENT WRITTEN AND ORAL FORWARD-LOOKING STATEMENTS ATTRIBUTABLE TO THE COMPANY OR TO PERSONS ACTING ON ITS BEHALF ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THE CAUTIONARY STATEMENTS REFERRED TO ABOVE AND CONTAINED ELSEWHERE IN THE INFORMATION MEMORANDUM.

RISK FACTORS

FUTURE PROSPECTIVE INVESTORS SHOULD BE AWARE THAT SUBSCRIBING FOR SHARES IN THE COMPANY INVOLVES A NUMBER OF RISKS. THE KEY RISK FACTORS OF WHICH INVESTORS SHOULD BE AWARE ARE SET OUT IN SECTION 6 OF THIS INFORMATION MEMORANDUM. THESE RISKS TOGETHER WITH OTHER GENERAL RISKS APPLICABLE TO ALL INVESTMENTS IN LISTED SECURITIES NOT SPECIFICALLY REFERRED TO, MAY AFFECT THE VALUE OF THE SHARES IN THE FUTURE. ACCORDINGLY, AN INVESTMENT IN THE COMPANY SHOULD BE

CONSIDERED SPECULATIVE. INVESTORS SHOULD CONSULT THEIR PROFESSIONAL ADVISERS BEFORE DECIDING WHETHER TO APPLY FOR SECURITIES PURSUANT TO THIS INFORMATION MEMORANDUM.

DEFINITIONS

THROUGHOUT THIS INFORMATION MEMORANDUM ABBREVIATIONS AND DEFINED TERMS ARE USED. ABBREVIATIONS AND LEGAL TERMS ARE CONTAINED IN THE GLOSSARY IN SECTION 14 OF THIS INFORMATION MEMORANDUM (DEFINED TERMS ARE GENERALLY IDENTIFIED BY THE UPPERCASE FIRST LETTER).

SUITABILITY OF INVESTMENT AND RISK FACTORS

BEFORE DECIDING TO INVEST IN THE COMPANY BY PURCHASE OF SHARES ON MARKET, FOLLOWING ADMISSION OF THE COMPANY TO THE OFFICIAL LIST OF THE NSX, PROSPECTIVE INVESTORS SHOULD READ THIS ENTIRE INFORMATION MEMORANDUM. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL FACTORS IN THE LIGHT OF THEIR PERSONAL CIRCUMSTANCES (INCLUDING FINANCIAL AND TAXATION ISSUES) AND SEEK PROFESSIONAL ADVICE FROM THEIR ACCOUNTANT, STOCKBROKER, LAWYER AND OTHER PROFESSIONAL ADVISER BEFORE DECIDING TO INVEST. THE COMPANY IS UNABLE TO ADVISE ANY PROSPECTIVE INVESTOR ON THE SUITABILITY OR OTHERWISE OF AN INVESTMENT IN THE COMPANY. FOR SUCH ADVICE, EACH PROSPECTIVE INVESTOR MUST CONTACT THEIR OWN INDEPENDENT PROFESSIONAL ADVISER(S).

IF YOU REQUIRE ANY FURTHER INFORMATION PLEASE CONSULT YOUR STOCKBROKER AND OTHER PROFESSIONAL ADVISER.

SECTION 3: CHAIRMAN'S LETTER

Over the last three years we have seen the steady transformation of TGS into a reputable seedling cultivation and distribution business in the States of Sabah and Sarawak, Malaysia. 2014 was another year of progress in that journey and the Board remains confident that the Company's strategy will continue to generate sustainable returns for shareholders.

The Company has a team of experienced and capable senior management who have determined that the Group's strategy is to emphasize not only integrated plantation solutions in offering clients the supply of seedlings but also to provide advisory and consultancy services in plantation, logistic and fertilizer planning which makes the Group a competitive business among industry players.

Furthermore, the Company's experienced senior management and skilled work force have established effective systems in producing good quality seedlings at a very competitive cost whilst ensuring prompt delivery in accordance with the Group's client's plantation plan.

The Group's values are commitment, quality and integrity not limited to the cultivation and supply of seedlings but also in providing an integrated plantation solution. These values provide a sound platform to continue to grow the Group into a strong, competitive and dedicated player within the industry in which it operates.

The Board believes that the Group is able to deliver not only good quality seedlings and plantation solutions but shareholders' value as well.

Board Mission

Moving forward, the Board will focus on expanding the Group's market share in cultivation and supply of rubber seedlings in Sarawak, Sabah and Peninsular Malaysia. The Board shall strive to also enlarge the Group's market share in cultivation and supply of oil palm seedlings, logistics for fertilizers, herbicides, fungicides and pesticides followed by embarking on rubber forestry plantation by way of joint ventures with the relevant government agencies. The Board believes these series of plans and strategies shall provide the Board with opportunity to be able to drive the Company towards a new paradigm by synergizing the current resources.

Appreciation

On behalf of the Board of Directors, I would like to take this opportunity to extend my sincere thanks to the management and staff of TGS for their contribution.

I would also like to thank our shareholders, customers, bankers, business partners and relevant authorities for their support and services.

Yours faithfully,

Your Chairman

SECTION 4: INVESTMENT HIGHLIGHTS

Perpetual Industry - Agriculture

Agriculture is the cultivation of animals, plants, fungi, and other life forms for food, fiber, biofuel, medicinal and other products used to sustain and enhance human life. Industrial agriculture based on large-scale monoculture has become the dominant system of modern farming to provide enough food for the ever growing population on this planet Earth.

TGS has the experience in providing solutions to all plantation related matters, and the supply of high yield seedlings of rubber tree and oil palm.

Full Integrated Plantation Solutions

TGS is a one-stop integrated plantation solutions provider of cultivation and supply of seedlings, logistics, plantation and replantation and plantation assets development management and services. TGS is operating on more than 130 acres of land with capacity of seedling production of not less than 10 million per annum.

Proven Track Record and Experienced Management

The Company has a group of experienced and capable senior management which comprise of agronomists, nursery management personnel and logistics, planting and replanting planners.

TGS has secured contracts from, inter alia, RISDA Semaian, Jabatan Pertanian Sarawak, Sarawak Plantation Agriculture Sdn Bhd, Lagenda Aktif Sdn Bhd and Solid Oil Palm Plantations Sdn Bhd, the main industrial businesses in the market.

National Agriculture Development Policy

Malaysia, the third largest economy in South East Asia, has adopted a sustainable plantation program via the introduction of 'cess' orders whereby RM0.0992 is imposed on every kilogram of rubber produced and sold to manufacturers in Peninsular Malaysia which is to be utilized for the national replantation program, RM0.04 is imposed on every kilogram of rubber exported or transferred out of Peninsular Malaysia and sold to manufacturers in Peninsular Malaysia to be utilized for rubber research and development purposes. As an effort to enforce this policy and plan, agencies like RRIM, RISDA, FELCRA and FELDA have been incorporated and play a very important role in building the nation's plantation landscape.

Market Opportunity & Future Plan

The Board expects that demand for planting materials from seedlings, pest and fungi control to fertilizers to continue to grow steadily and that full range of services from land clearing, seedling cultivation, logistics, planting and replanting and maintenance to operation will be

in strong demand. As a result, industry players will require integrated and effective services in order to achieve their respective goals. The Group 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.

Further, as a long term strategy, the Group is planning to embark into rubber forestry plantation and oil palm plantation businesses.

SECTION 5: INVESTMENT OVERVIEW

The information set out in this Section is not intended to be comprehensive and should be read in conjunction with the full text of this Information Memorandum.

Introduction to the Company

The Company is a limited liability company incorporated in Australia on 28 November, 2014. The Company became the ultimate parent company of the Group as a result of the Share Exchange Agreement 2 when it acquired TGA Malaysia through a share exchange. TGA Malaysia is a company incorporated and organized under the laws of Malaysia and has a 100% owned subsidiary called “TG Agro Seedlings Sdn Bhd”.

Under the Share Exchange Agreement 2, the shareholders of TGA Malaysia exchanged each of their shares in that company for 72 shares of the Company.

The Shares of the Company

The Company has 252,000,000 fully paid ordinary Shares on issue as at the date of this Information Memorandum.

There is no public market for the Shares of the Company in Australia, the United States of America, the United Kingdom or any other jurisdiction as at the date of this Information Memorandum.

See “Company Overview” in Section 9 for more information on the Company.

Investment in the Shares involves risks. See “Risk Factors” in Section 6 for more information on the risk related to investing in the Company.

The Company does not have any outstanding convertible debt securities.

Listing

It is the Company’s intention to apply for the Shares to be listed on the National Stock Exchange of Australia. No securities of the Company or any company within the Group are listed on any other stock exchange.

Listing Nominated Advisor

Southasia Advisory Sdn Bhd, a Malaysian company, has been appointed to act as the Company’s NSX Listing Nominated Advisor as required under the NSX Listing Rules. Southasia Advisory Sdn Bhd’s main role is to advise the Company and its directors as to the nature of their responsibilities and obligations under the Listing Rules and to assist the Company in its Compliance Listing on the NSX.

Purpose of Listing and application for Compliance listing in NSX

The Company intends to submit an application to list its Shares on the NSX by way of a compliance listing. No new capital was raised or will be raised or available to the Company as a result of that listing. The proposed listing of the Shares on the NSX may have favourable consequences for the Company's shareholders who may wish to trade their shares through a stock exchange.

The Directors believe that the listing of the Company's Shares will assist to raise the profile of the Group thereby enabling a wider range of investors to hold the Company's shares. In addition, in the opinion of the Directors, the proposed listing should:

- Enable the Group to raise further capital in connection with its intention to expand business operations, notwithstanding that the Company has sufficient funds to continue its operations as they are now being conducted for a period of not less than 24 months from the date of this Information Memorandum;
- Raise the profile of the Group amongst its prospective customers and suppliers thereby permitting the Group to address future opportunities that may arise.

The Directors intend to grow the Company's operations and expand and develop its market share. The Company is in its expansion stage and intends to diversify its business. This will require significant capital which the Company is unable to generate based on its current operations. Accordingly, it is intended that the Company will seek to raise additional capital through issuance of new Shares in the future and prepare the relevant and necessary documents as required by law or the Listing Rules.

Lock Up

In accordance with the NSX Listing Rules, shares held by 9 shareholders, including Directors and their related parties (the "Escrowed Shareholders"), representing 63.93% of the entire issued and paid-up shares of the Company have entered into Restricted Securities Agreements with the NSX.

Under the Restricted Securities Agreements, to the extent not inconsistent with applicable law, each Escrowed Shareholder will agree not to effect any public or private sale or distribution of their Shares of the Company, or any securities, options or rights convertible into or exchangeable or exercisable for such Shares for, in the case of directors and their related parties, a period of 24 months and in the case of other Escrowed Shareholders, a period of 12 months from the date on which quotation of the Company's securities commences.

The restrictions will not apply to the extent that an offer is received, from a person or persons not affiliated with any of the Escrowed Shareholders, for the entire issued share capital of the Company and the Board recommends acceptance of that offer and such offer

becomes binding and unconditional on all the Company's Shareholders (including the Escrowed Shareholders).

Litigation

As of the date of this Information Memorandum, the Directors are not aware of any claims or threats of legal action existing in respect to the Company or any member of the Group which would have a material adverse effect on the financial performance of the Company or the Group.

Rights attached to Shares

The rights attaching to the Shares are detailed in the Constitution of the Company. A summary of the rights and restrictions attaching to the Shares is set out below.

Share Rights

The Company currently has 252,000,000 fully paid ordinary Shares on issue. There are no other classes of shares on issue nor are there any partly paid shares on issue. The rights attaching to ownership of the Shares arise from a combination of the Constitution, the Listing Rules, the Corporations Act and general law.

A brief summary of certain provisions of the Constitution and the significant rights attaching to Shares is set out below. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the official list of NSX. The Constitution may be inspected during normal business hours at the registered address of the Company.

Subject to the Corporations Act, Listing Rules, and any rights and restrictions attached to a class of shares, the Company may issue or grant options in respect of further shares on such terms and conditions as the Directors resolve.

Alteration of Rights

The rights and restrictions attaching to any class of shares (unless provided by the terms of issue of the shares of that class), can only be varied with the consent in writing of Shareholders with at least three-quarters of the votes in that class, or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class.

Calls

The Board may from time to time call upon Shareholders for unpaid monies on their Shares. If such a call is made, Shareholders are liable to pay the amount of each call in the manner and at the time and place specified by the Board. Such calls may be payable by instalments, as determined by the Board. When a resolution of the Board authorising the call is passed, the call will be deemed to have been made. It may be revoked or postponed at the discretion of the Board.

Forfeiture and lien

The Company is empowered to forfeit Shares in relation to any part of allotment monies, calls, instalments, interest and expenses which remains unpaid following any notice sent to a Shareholder. Such forfeiture must occur in accordance with the Constitution, the Corporations Act and the Listing Rules. The Company has a first ranking lien or charge for unpaid calls, instalments and related interest and any amount it is legally required to pay in relation to a Shareholder's Shares. The lien or charge extends to all dividends, bonuses and other monies payable in respect of the Shares. If the Company registers a transfer of any Shares subject to this lien or charge, the title of the transferee to the Shares is not affected by any irregularity or invalidity in connection with the forfeiture, sale or disposal of the Shares.

Share Transfers

Shares may be transferred in any manner required or permitted by the Listing Rules and by any instrument in writing in any usual or common form or in any other form that the Board approves. The Board may refuse to register a transfer of securities of the Company if permitted or required by the Listing Rules.

No share certificates

Subject to the requirements of the Listing Rules and the Corporations Act, the Company need not issue Share certificates.

Meetings

Each Shareholder and Director of the Company is entitled to receive notice of and attend any general meeting of the Company. Two Shareholders must be present to constitute a quorum for a general meeting and no business may be transacted at any meeting except the election of a Chairman and an adjournment, unless the quorum required is present at the start of the business. The Company is obliged to convene and hold an annual general meeting in accordance with the Corporations Act.

Voting Rights

Each Shareholder has the right to receive notices of and to attend all general meetings of the Company. Subject to restrictions on voting from time to time affecting any class of shares in the Company and any restrictions imposed by the Corporations Act, each Share in the Company carries the right to cast one vote on a show of hands and on a poll, one vote for each fully paid Share held and for each partly paid share held, a vote having the same proportionate value as the proportion to which the Share has been paid up. Voting may be in person or by proxy, attorney or representative.

Share Options

No options exist for the Shares or any other capital of any member of the Group at the date of this Information Memorandum.

Registration of Shares / Trading of Shares

The Shares have been issued in non-certificated form only. Shares not subject to escrow may be traded on market, following the Company's admission to the NSX.

Listing

This Information Memorandum is prepared in connection with the application for Compliance listing of TG Agro Solutions Limited. It is the Company's intention that the Shares are listed by way of Compliance Listing of the NSX.

No new Shares are being offered pursuant to this Information Memorandum.

Transferability of the Shares

The Shares are subject to the provisions set out in the Company's Constitution applicable to shares of the Company and to any restrictions as set forth therein. As at the time of listing, the Shares are freely transferable.

Costs & Expenses

Transaction costs and all other directly attributable costs (including listing fees, legal fees and other professional fees) in connection with the Listing are to be paid by the Company from funds from its current operations.

Enquiries

Enquiries should be addressed to the Company at its registered office.

SECTION 6: RISKS OF INVESTMENT

Before deciding whether or not to invest in the Company, prospective investors should consider carefully all of the information set forth in this Information Memorandum and the specific risk factors set out in this Section below and reach their own conclusions, based on their own judgment and upon advice from such financial, legal and/or tax advisers as they have deemed necessary, prior to making any investment decisions.

If any of the risks described below materialize, individually or together with other circumstances, they may have a material adverse effect on the Group's business, financial condition, operating results and/or cash flow, which, in turn, may cause a decline in the value and trading price of the Shares.

The risks and uncertainties described below are not the only ones faced by the Group. Additional risks and uncertainties which the Company currently deems immaterial or not presently known may also have a material adverse effect on the Group's business, financial condition, operating results and/or cash flow.

The orders in which the risks are presented below are not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance. All of the risk factors are contingencies which may or may not occur and the Company is not in a position to express a view on the likelihood of any such contingency occurring. These risks should also be considered in connection with the cautionary statement regarding forward-looking information set forth immediately preceding this Section.

Risk Factors

The following summary of Risks relating to the Group is not intended to be a summary of all risks to which the Group is or may be subject. Persons interested in the Company should familiarize themselves with the full text of this Information Memorandum including, without limitation, all of the Risk Factors set out in this Information Memorandum.

Risks relating to the Group

Inherent business risks in the plantation industry may affect the Group's business

The Group is subject to risks inherent to the plantation industry including but not limited to plantation diseases, damage from pests, fire or other natural disasters, adverse climate conditions, downturns in the global, regional and national economies, the entry of new players into the market, changes in law and tax regulations affecting rubber, palm oil, increases in labour and/or other production costs and changes in business and credit conditions.

The Group's ability to mitigate these risks depends on various factors, including the Group's ability to stay well-informed of the latest technologies related to planting materials, disease prevention and plantations operations and other developments in the industry. There can be no assurance that we will be able to successfully mitigate the various risks of the

plantation industry, or that we will be successful in implementing our strategies. If we are unable to do so, the Group's business, financial position, results of operations and prospects would be materially and adversely affected.

Reliance of foreign workers

Like the other Malaysian plantation companies, the Group relies to a significant extent on foreign workers, primarily from Indonesia, for its plantation operations. As at the date of this Information Memorandum the Group employed a total of approximately 57 foreign workers on a permanent and contract basis, representing approximately 80% of the Group's total workforce. This is due to the increasing difficulties the Group is facing in hiring Malaysian estate workers. Currently the Group obtains work permits for its Indonesian workers. However, any adverse changes in the current visa policies would make it difficult for the Group to maintain a sufficient foreign labour workforce and as such, its business, results of operations and financial position would be materially and adversely affected.

Lands on which the Group operates

The Group does not currently own the land and properties on which its plantations are located. The Group's right to use the land and properties are subject to the tenancy agreements which the respective Group entities have entered into with the respective owners of these lands. There can be no assurance that the land owners will continue to allow the Group to use the lands and/or that they will renew the tenancies upon expiry thereof. Notwithstanding the foregoing, the Group is constantly trying to identify suitable lands for acquisition or joint ventures or long term tenancies for its intended expansion purposes and also to mitigate the reliance on the lands on which we currently operate.

Technological Advancement in the Agriculture Industry

The Group operates in a competitive market in which it must continue to advance the planting techniques and production by frequently updating these to achieve cost effectiveness and better yielding plants. The Group's future growth and success would depend on the Group's ability to adopt new techniques to mitigate the growing cost of labour.

Retention of Personnel

The Group's continued success will depend significantly on the ability, expertise and continued efforts of the Company's existing Directors, Senior Management and other key personnel. The departure of any of these individuals may, to a certain extent, affect the Group's future business operations and financial performance. The Group may be unable to attract and retain its existing Directors, Senior Management and other key management personnel. In addition, the Company may not be able to attract or retain sufficiently skilled employees with suitable technical expertise in the agriculture industry.

Management of Growth

In order to execute the Company's business plan, the Company must significantly grow its operations. This growth will place a significant strain on the Company's personnel, management systems and resources. If the Company does not manage growth effectively, its business, results of operations and financial condition would be materially adversely affected. The Company expects that the number of its employees, including management-level employees, will continue to increase for the foreseeable future. The Company must continue to improve its operational and financial systems and managerial controls and procedures, and it will need to continue to expand, train and manage its workforce to . The Company's management may be unable to hire, train, retain, motivate and manage necessary personnel or to identify, manage and exploit existing and potential strategic relationships and market opportunities.

Political and Regulatory Environment

The Company's performance depends in part on political stability and the regulatory environment in Malaysia. If the political and/or regulatory climate alters or stability deteriorates, this could have a material impact on the Company's plans and projected results. The institution and enforcement of regulations relating to taxation, land use and zoning restrictions, planning regulations, environmental protection and safety and other matters could have the effect of increasing the expenses, and lowering the income or rate of return, as well as adversely affecting the value, of any investment affected thereby.

Impact of Law in Governmental Regulation

The Company will need to comply with regulations relating to the agriculture industry. The institution and enforcement of such regulations could have the effect of increasing the expenditure relating to, in lowering the income or rate of return from, as well as adversely affecting the value of the Company's business.

Future Capital Needs and Additional Financing

The Company has limited financial resources and may need to raise additional funds in the future in order to fund the full implementation of its intended business expansion. Any required additional financing may not be available on terms favourable to the Company, if at all. If adequate funds are not available on acceptable terms, the Company may be unable to successfully complete and implement its expansion and diversification plans.

If additional funds are raised by the Company issuing equity securities, Shareholders will likely experience dilution of their ownership interest to an extent that may be substantial. If additional funds are raised by the Company issuing debt, the Company may be subject to limitations on its operations, including limitations on the payment of dividends to Shareholders including, without limitation, holders of Shares. Failure to generate sufficient funds in the future whether from operations or by raising debt or equity capital may have a

material adverse effect on the Company's business prospects, operating results and financial condition.

Fluctuations in Operating Results may negatively impact the Company

The Company's operating results may fluctuate significantly due to a variety of factors that could affect the Company's revenues or expenses in any particular financial period. It is possible that results of operations may be below the expectations of the Company's management and investors. Factors that may affect the Company's operating results include climate changes, other natural disasters and/or diseases and/or labour shortages.

No Guarantee as to Future Performance

There can be no assurance that the Company will be able to achieve the returns referred to in this Information Memorandum.

Competitor Activity

There are many small seedling nursery players in the market, there is no assurance that the Company is able to continue to maintain its existing contracts and/or volume of business in the future. The Company would need to maintain a high standard of quality control and competitive pricing to be sustainable in the market.

Counterparty Risks

The Group is subject to certain business risks with respect to its contractual counterparties, and failure of such counterparties to meet their obligations could cause the Group to suffer losses or otherwise adversely affect its business.

Risks associated with being incorporated under the Laws of Australia

The Company is a company incorporated under the laws of Australia. Laws and regulations of Australia may be amended from time to time. The rights of Shareholders are governed by the laws of Australia and the Company's Constitution. The rights of Shareholders under the laws of Australia may differ from the rights of shareholders of companies incorporated in other jurisdictions.

Other Risks

Volatility of the value of the Shares

Prior to this Compliance Listing, there has been no public market for the Company's Shares. There can be no assurance that an active market for the Shares will develop or, if developed, that such market will be sustained.

Investors should also be aware that the value of the Shares may be volatile and may go down as well as up and investors may therefore not recover any or all of their original

investment, especially having regard to the Company's plan to seek a future listing, as the market in Shares may have limited liquidity.

In addition, the price at which investors may dispose of their Shares may be influenced by a number of factors, some of which may pertain to the Company, and others of which are extraneous. Investors may realize less than the original amount invested.

Ordinary Shareholder Tax Risk

Investors should take their own tax advice as to the consequences of owning Shares as well as receiving returns from it. In particular investors should be aware that ownership of Shares can be treated in different ways in different jurisdictions.

Raising Further Funds

The Company intends to raise additional funds in the future to take advantage of growth and expansion opportunities. Any equity offerings to new investors could result in dilution for existing investors.

SECTION 7: DIRECTORS, CORPORATE INFORMATION AND PROFESSIONAL ADVISORS

Directors:

- Tunku Syed Razman bin Tunku Syed Idrus Al-Qadri
- Mr. Yap Foot Loy
- Mr. Ha Bin Khean
- Mr. Tan Keng Yaw, William
- Mr. Qiao Fu Cong, Anson

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Share Registry & Transfer:

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SECTION 8: INDUSTRY OVERVIEW

Industrial Overview of Two Major Commercial Crops in Malaysia

Executive Summary

Rubber Market

- Global natural rubber production was estimated at 12.04 million tons in 2013, a 3.73% growth compared to 2012's production. Global natural rubber consumption is around 11.3 million tons in the same year, an increase of 2.68% from previous year's consumption.
- Despite the downtrend in natural rubber production, Malaysia remains one of the top 10 global natural rubber suppliers, fulfilling around 7% of the global natural rubber demand. Malaysia's national average yield of natural rubber is estimated at 1.5 ton per hectare, higher than the global average level of 1.1 ton per hectare.
- Natural rubber consumption in the domestic market is fairly stable, averaging at 420,000 tons per annum, with latex product manufacturing consuming roughly 80% of total domestic rubber demand.
- Malaysia's natural rubber export in 2013 amounted to 847,090 tons and valued at RM7.03 billion, a decrease of 10.56% in export value as a result of the falling global price for natural rubber. On the other hand, export value of rubber product increased around 0.6% from RM14.53 billion last year to RM14.62 billion in 2013, contributing 2.02% to national export revenue in 2013.

Natural Rubber Industry Outlook

- **Global:** World natural rubber demand is expected to rise up to 15.4 million tons by 2020, outstripping world natural rubber production of 13.8 million tons in the same year.
- **Malaysia:** Under NKEA, production of natural rubber is expected to rise by 2016 as newly planted rubber area become mature. The gradual expansion of local latex glove manufacturing industry will see an increase in the domestic demand for natural rubber. The intention of the local government to free up stagnant rubber stock by investigating the feasibility of rubberised road construction will also stimulate the weak domestic demand for natural rubber.

Oil Palm Market

- Global palm oil production stands at 56.03million tons in 2013, increasing by 4.75% compared to last year's production. Global consumption of palm oil was recoded at 56.63 million tons in the same year, an increase of 3.93% from last year's consumption.
- Malaysia remains as the second largest producer of crude palm oil (CPO) in the world, with an annual production averaging at 16.65 million tons, representing approximately 30% of global palm oil demand. Malaysian average palm oil yield is estimated to be 4 tons per hectare, slightly higher than Indonesia's national average of 3.8 tons per hectare.
- Malaysian CPO consumption is fairly stable, with a yearly average of 15.5 million tons (from 2007-2013).
- Malaysia's palm oil export was recorded at 18.1 million tons in 2013, generating export revenue of RM45.3 billion, representing 6% of national export revenue for that year. In the same note, the palm oil downstream industry also contributed RM11.9 billion to the national export in 2013, with the oleochemical export marked the highest percentage increase in exporting value, growing at 24.4% from 2012's value to RM1.28 billion in 2013.

Oil Palm Industry Outlook

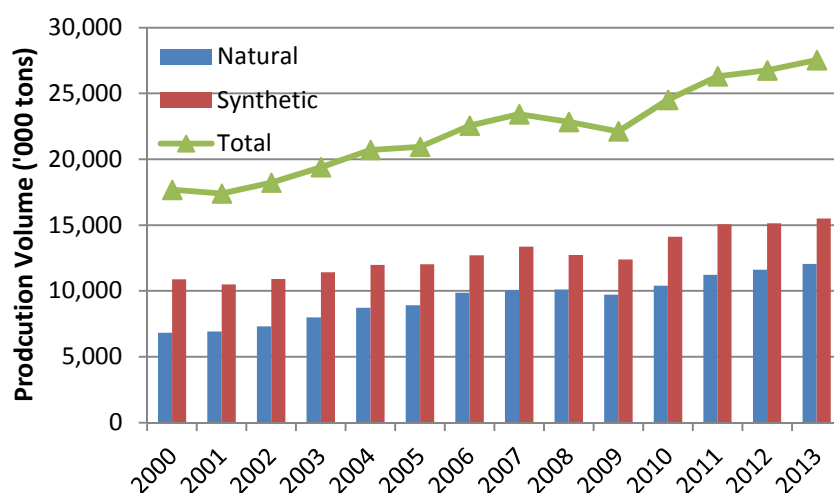
- **Global:** World palm oil consumption is projected to grow at 2.39% per annum to 66.8 million tons in 2020, exceeding the global supply capacity of 64.7 million tons in the same year.
- **Malaysia:** Under the national policy, Malaysia's oil palm fresh fruit bunch (FFB) production is projected to rise despite a limited increase in plantation area, due to the increased replantation of aged rubber trees with low yield since 2010. This will ensure sufficient support to the developing domestic oleochemical and bio-oil industry as they are set to undergo rapid development till 2020 under the NKEA policy.

8.1 NATURAL RUBBER INDUSTRY OVERVIEW

8.1.1 The Global Rubber Market

Rubber is a material which has a large stretch ratio, is highly resilient and extremely waterproof. Rubber can be categorized into natural rubber and synthetic rubber, where natural rubber can be obtained in the form of latex from rubber trees whilst the latter is manufactured using petroleum-based feedstock.

Figure 1: Global Natural and Synthetic Rubber Production Volume



Source: International Rubber Study Group

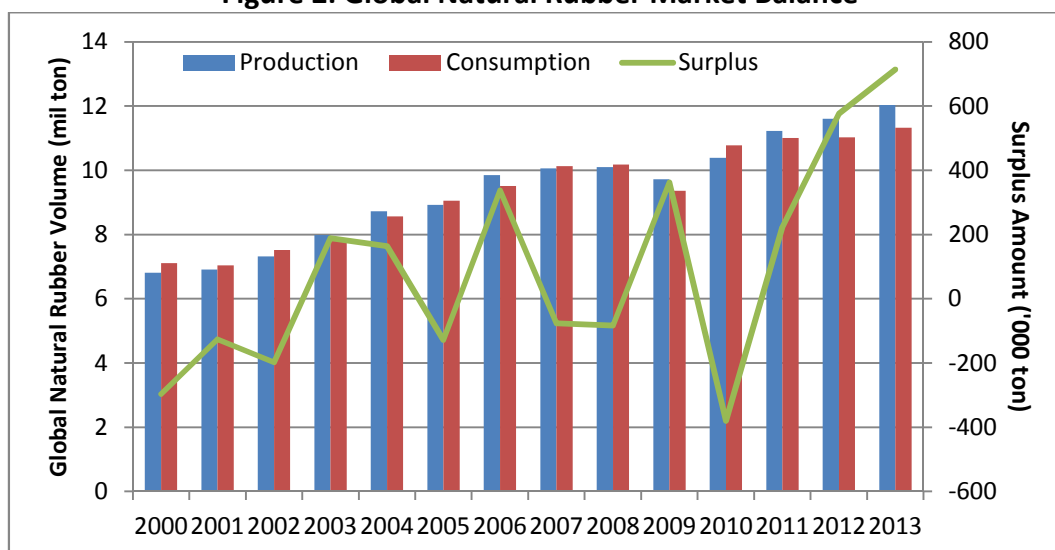
According to IRSG¹, total world production of rubber is estimated to be 27.5 million tons in 2013, growing at average annual rate of 3.82% from 22.8 million tons in 2008. Natural rubber with a production volume estimated at 12.04 million tons (displayed a 3.73% year on year growth), represents roughly 44% of world rubber production, while synthetic rubber occupies the remaining 56%, with a production volume estimated at 15.50 million tons.

Asia-Pacific countries form the backbone of global natural rubber supply by providing 93.1% of total global natural rubber supply in 2013, followed by EMEA² (4.3%) and US (0.6%). IRSG predicted that global demand for natural rubber will increase at a rate of 4.5% and 4.4% over 2014 and 2015 respectively.

¹ International Rubber Study Group, an international organization that provides up-to-date information in the rubber industry.

² Europe, Middle East and Africa

Figure 2: Global Natural Rubber Market Balance



Source: International Rubber Study Group

The top 5 countries in natural rubber production are Thailand, Indonesia, Malaysia, Vietnam and India, which produce around 80% of total global natural rubber supply. Rubber plantation is experiencing rapid growth in Vietnam, which has managed to exceed the 1 million ton production mark in 2013, surpassing Malaysia’s natural rubber production for the first time.

Table 1: Top 5 Natural Rubber Producing Countries in the World (2012)

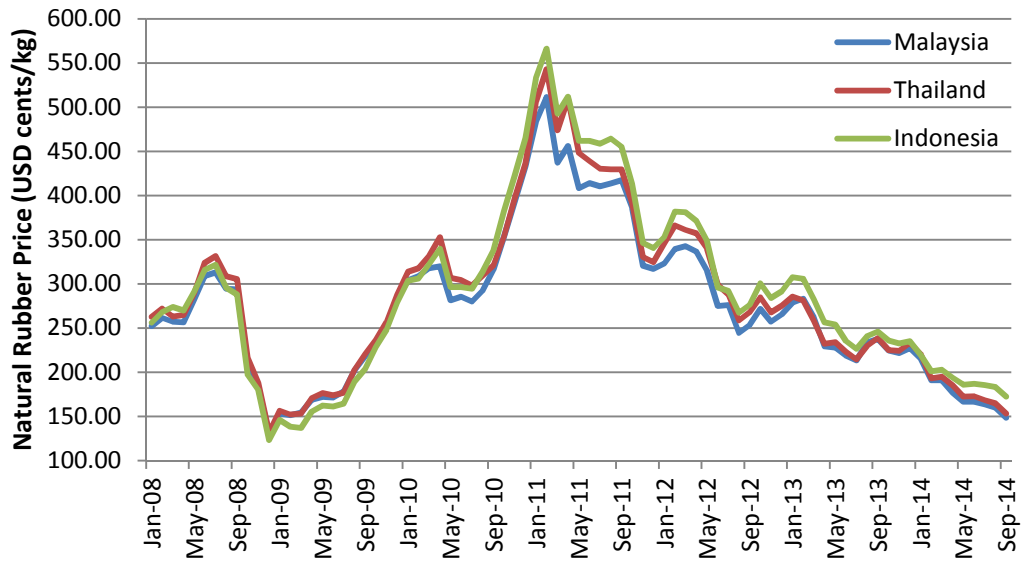
Rank	Country	Production (Tons)	Change from 2011 Production (%)	Percentage of World Total (%)	Planted Area 2011 ('000 ha)
1	Thailand	3,778,010	5.86	32.56	2,760.0
2	Indonesia	3,012,000	0.74	25.96	3,456.0
3	Malaysia	922,798	-7.37	7.95	1,048.0
4	Vietnam	863,773	9.39	7.44	834.2
5	India	805,000	0.63	6.94	737.0

Source: FAO

Global natural rubber consumption markets are concentrated in China, Europe, India and the US, with their combined demand commanding up to 60% of global natural rubber consumption annually. China remains as the largest consumer, averaging at a 4 million tons/annum in the last 3 years, or roughly 35% of global natural rubber demand as a result of the growing demand from the tyre-making industry. Global natural rubber consumption recorded at 11.32 million tons in 2013, a rise of 2.67% from 11.03 million tons in 2012.

International Rubber Study Group (IRSG) had forecasted that global natural rubber production and consumption will increased to 13.8 million tons and 15.4 million tons respectively in 2020, with natural rubber demand outstripping supply due to rising demand in the downstream industry, especially in the tyre-making industry.

Figure 3: Global Natural Rubber Price Trend

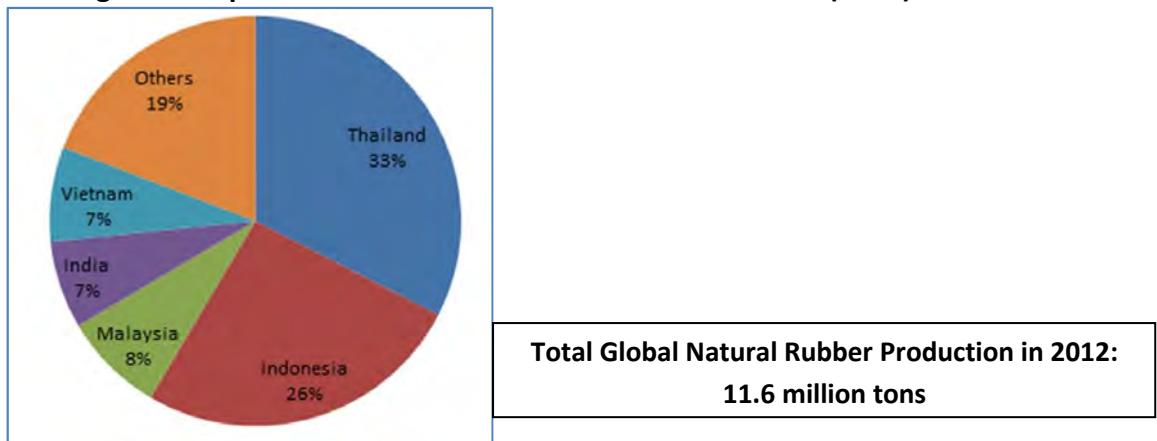


Source: International Rubber Consortium Limited

Natural rubber experienced a bullish trend from 2000 to early 2011, when in 2011 the price of natural rubber soared sky high to a historical high of more than 5USD/kg, mainly due to the low supply and high demand for Natural Rubber from the automotive industry. Despite the fact that the global rubber market has collapsed since then and its price falling to 1.50USD/kg in October 2014, slightly below its production cost of 1.60-2.00USD/kg, market analysts remain optimistic about the rubber market's potential due to the rising demand for rubber products. Hence it can be certain that there is only a limited period of time in which the global rubber price falls before market correction takes place.

8.1.2 The Position of Malaysia Natural Rubber Industry

Figure 4: Top 5 Countries in terms of Production Volume (2012)



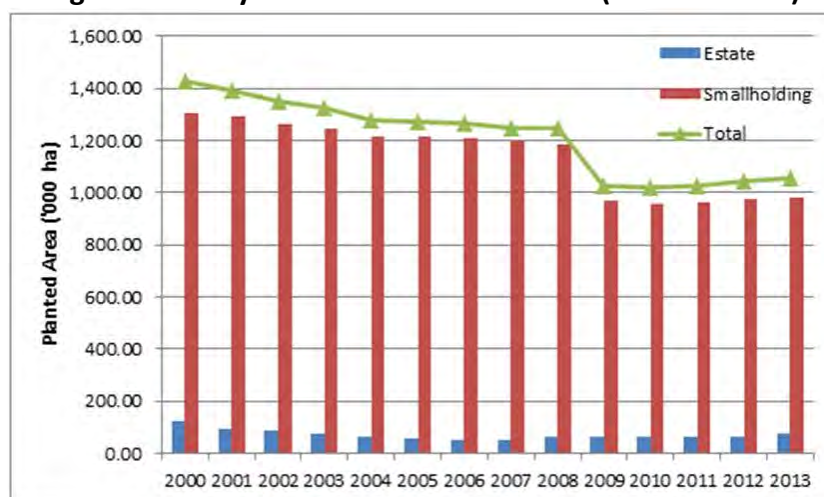
**Total Global Natural Rubber Production in 2012:
11.6 million tons**

Source: FAO

As of 2013, Malaysia maintained its position as one of the top 5 natural rubber producing countries with a natural rubber production volume of 826,421 tons, representing 6.87% of global natural rubber production volume. Every year, Malaysia exports 90% of its rubber production in the form of dry rubber sheets and imports roughly 300,000 tons of concentrated latex to supplement its latex glove manufacturing industry.

Malaysia has traditionally been a rubber producing country, dating back to the era of British colonization, when Sir Henry Ridley first introduced rubber seedlings and the *Herring-bone* tapping method to the locals in Malaysia. During the 20th century, rubber plantations were considered white gold, with Chinese entrepreneurs involved in rubber plantations. Since then, rubber has become one of Malaysia's two key agricultural commodities, the other being palm oil.

Figure 5: Malaysia's Rubber Planted Area ('000 Hectares)



Source: Malaysian Rubber Board

Malaysia has allocated 6.6 million hectares of land as agricultural land, of which rubber plantation occupies 1.057 million hectares in 2013, or 16% of the total agriculture land. Malaysia's natural rubber plantations are mostly managed by smallholders, with a planted area covering 979,860 hectares in 2013. National average rubber yield is estimated to be 1.5 tons per hectare.

Table 2: Rubber Cultivation Area in Malaysia

	2009	2010	2011
Area under Cultivation of Rubber ('000 ha)	1,028	1,020	1,048
Area under Tapping ('000 ha)	591	634	667
Natural Rubber Production (ton)	857,019	939,241	996,210
Average Yield per Hectare (ton/ha)	1.45	1.48	1.49
Estates ('000 ha)	49.7	79.9	49.9
Smallholdings ('000 ha)	965.4	965.3	962.7
Total Planted Area ('000 ha)	1015.1	1015.2	1012.6

Source: ANRPC

Table 3: Replanting and New Planting of Rubber Trees in Malaysia

Year	Replanted (Hectare)	New Planted (Hectare)
2010	22,657	3,000
2011	14,542	6,000
2012	36,722	16,502
2013	37,282	10,615

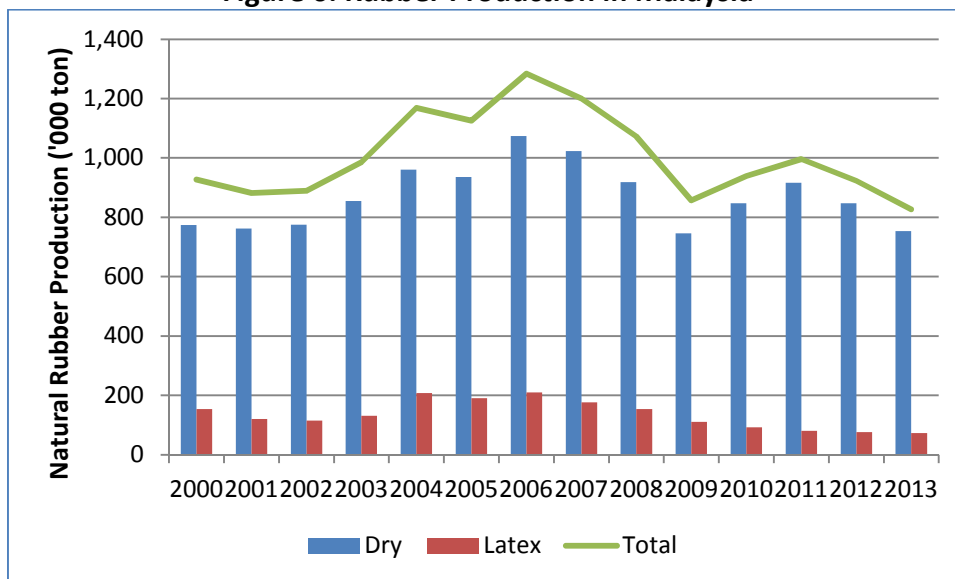
Despite the sharp fall in rubber cultivated land in 2008-09, new rubber plantation is slowly emerging under Malaysia’s Economic Transformation Program³ (ETP). Since the ETP’s commencement in 2010, a total of 111,203 hectare of aged, low-yielding rubber trees have been replanted with high quality seedlings. There was also an increase of 36,117 hectares of newly planted rubber area by 2013. Under the ETP, Malaysia aims to cultivate at least 1.2 million hectares of rubber plantation and to increase the national average rubber yield to 2 tons/hectare by 2020.

Table 4: National Average Natural Rubber Yield per Tappable Area (2011)

	Indonesia	Thailand	Malaysia	Vietnam	India
Planted Area ('000 hectare)	3,456	2,760	1,048	834.2	737
Tappable Area ('000 hectare)	2,792	1,985	667	471.9	491
NR Production ('000 ton)	3,013	3,573	996.2	811.6	892.7
Average Yield (ton/hectare)	1.06	1.80	1.49	1.72	1.82

Source: ANRPC

Figure 6: Rubber Production in Malaysia



Source: Malaysian Rubber Board

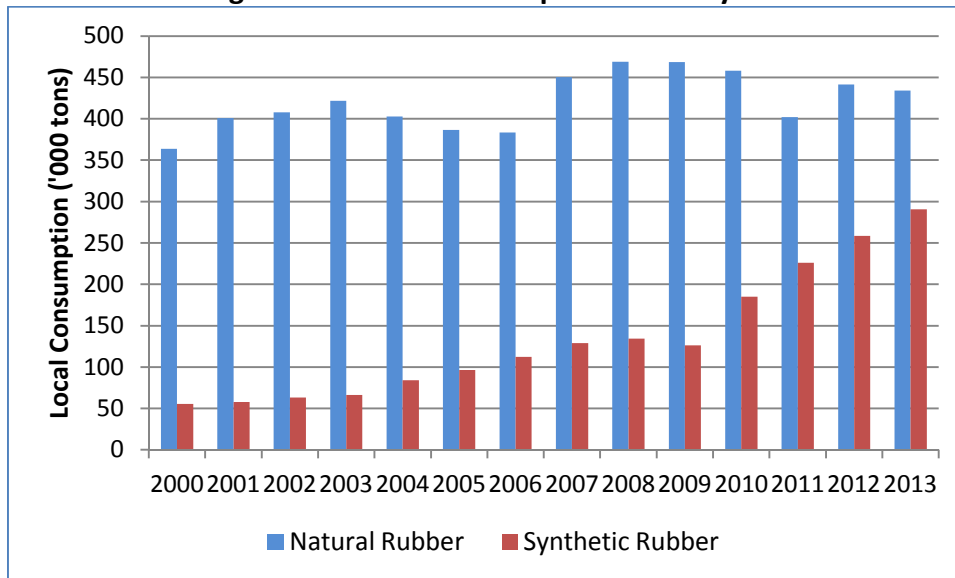
Malaysia’s natural rubber production is fairly high, exceeding 800,000 tons every year and represents around 8% of worlds natural rubber production. However, rubber production began to decline in 2006 as more rubber plantation owners switched to oil palm, an emerging cash crop with a more stable demand compared to rubber. With this in mind and under the ETP, the Malaysian government has placed great emphasis on the development of rubber plantation as one of the key economic areas of the country.

Under the ETP, aged rubber trees were replanted, leading to a decline in natural rubber production volume from 2011 as rubber trees require an average of 6 years maturing before

³ Under the Economic Transformation Program, 12 National Key Economic Areas (NKEA) were identified and was introduced as a part of the 10th Malaysian Plan in 21 September 2010.

tapping can begin. As of 2013, MRB reported that 36% of Malaysia’s 1.057 million hectare of rubber planted area had not reached maturity. It is expected that rubber production will start to improve after 2016 when the first replanted rubber seedling mature.

Figure 7: Rubber Consumption in Malaysia

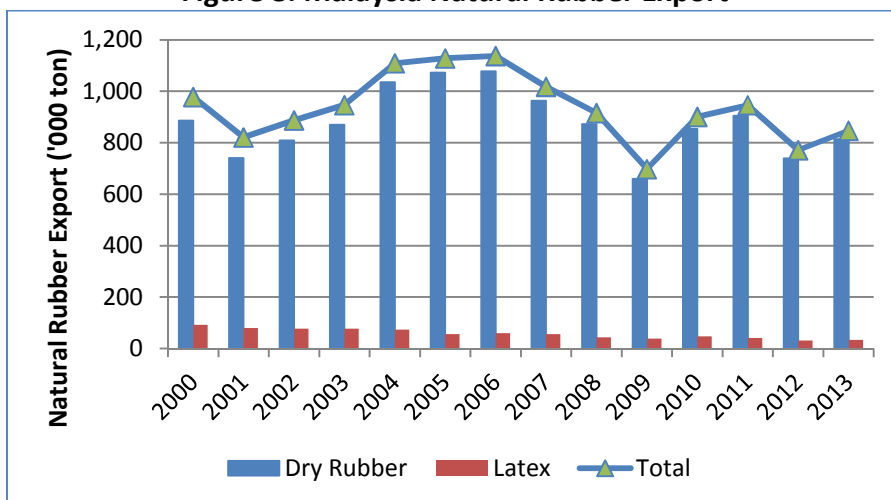


Source: Malaysian Rubber Board

Domestic consumption of rubber is steadily on the rise, supported by a rising demand for synthetic rubber. The consumption of natural rubber remains relatively constant (on average 400,000 tons/year). The expansion of the downstream latex glove industry is likely to see an increase of latex consumption in the near future.

Malaysia has positioned itself as a global natural rubber exporter, with a considerable portion of its export revenue being earned from the rising strength of the price in global natural rubber market. Malaysia traditionally produces and exports huge volumes of dry rubber sheets, constituting more than 90% of Malaysia’s natural rubber production. In 2013, Malaysia exported 847,090 tons of natural rubber, with 95% in the form of dry rubber sheets.

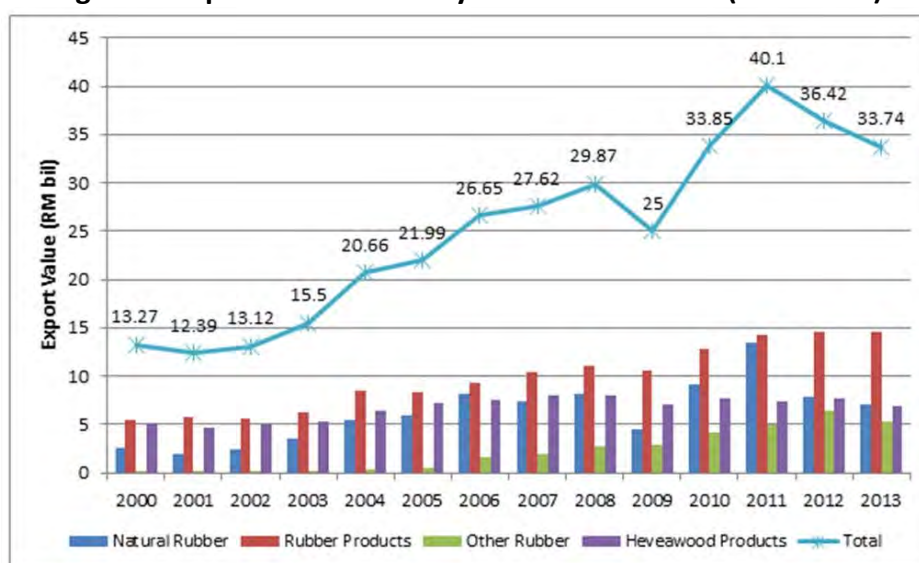
Figure 8: Malaysia Natural Rubber Export



Source: MPOB

At the same time, due attention was given to develop the downstream rubber industry to allow it to be able to weather the ever-changing economic environment of the world, which led to its rapid growth to twice the size than it was 13 years ago.

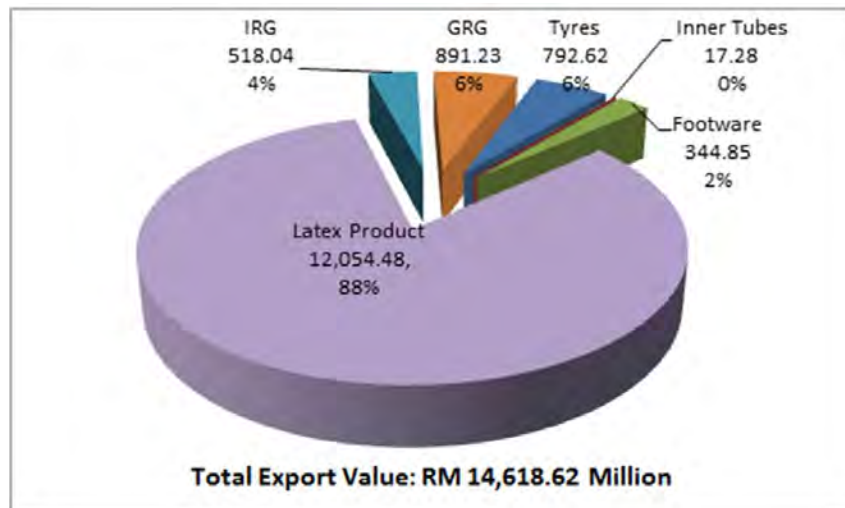
Figure 9: Export Value of Malaysian Rubber Sector (RM billion)



Source: Malaysia Rubber Board

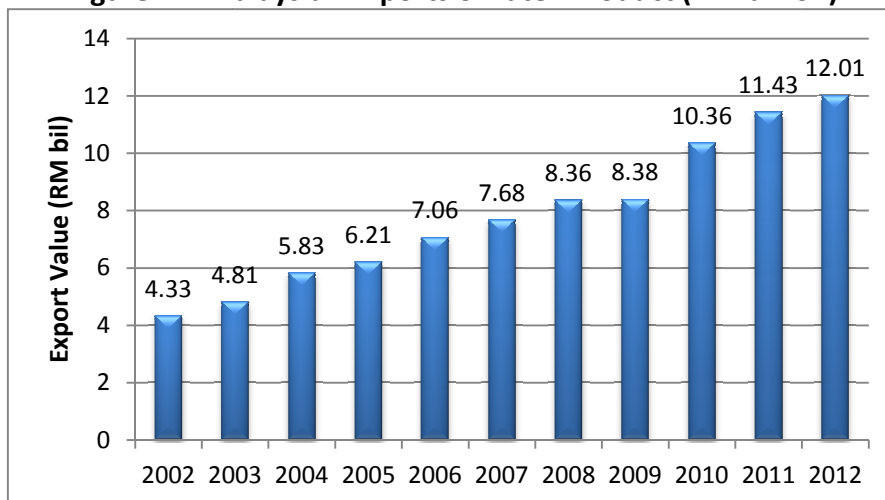
In 2013, the Malaysian rubber industry contributed around RM33.7 billion to the country's national income, a CAGR of 2.42% from RM29.9 billion in 2008. Despite the decline in natural rubber exported in recent years, mainly due to the reduction of rubber plantation and the weakening global natural rubber market, it is clear that the downstream industry, particularly the local rubber glove industry, is developing at a steady pace. From 2011 to 2013, Natural rubber export decreased from 33.6% to 20.8% with rubber products increasing from 35.3% to 43.3%.

Figure 10: Malaysia's Export of Rubber Products in 2013 (RM Million)



Source: Malaysian Rubber Board

Figure 11: Malaysian Exports of Latex Product (RM billion)



Source: Malaysian Rubber Board

The downstream rubber industry in Malaysia is strongly backed by latex-based manufacturing, particularly gloves, catheters and condoms, representing more than 75% of Malaysia's total rubber products export value. In 2013, the downstream rubber industry contributed RM14.62 billion to the economy, growing at a CAGR of 5.65% from 2008. Malaysia currently dominates 63% of the global market share in sales of rubber gloves, amounting to more than RM10.5 billion in rubber gloves export revenue in 2013.

Overall, the Malaysian rubber industry is experiencing rapid development and making significant progress in the higher-value downstream rubber market, as Malaysia transforms from being a distributor of raw rubber feedstock to a global supplier of finished rubber products. As the downstream rubber industry becomes more mature, demand for rubber feedstock will help support upstream rubber production and help solidify Malaysia's standing in the global rubber market.

8.1.3 Key Industrial Players in Malaysia Natural Rubber Industry

a) Sime Darby Plantation

Sime Darby Plantation, a subsidiary of Sime Darby Berhad, is a fully integrated player in the oil palm value chain, and one of the largest plantation companies in Malaysia. Sime Darby Plantation had enjoyed an average revenue growth rate of 7.3% in the period 2009-2012, netting a RM14.1 billion for the group. Sime Darby Plantation's total land bank currently stands at 858,879 hectares⁴, among which 7,811 hectares consists of rubber plantation concentrated in Negeri Sembilan, Melaka and Johor. In 2013, Sime Darby plantation had managed to produce roughly 10 thousand tons of natural rubber, achieving natural rubber yield rate of 1.97ton/hectare.

Revenue

In 2013, the Sime Darby Plantation experienced a loss in revenue in its rubber operations as a result of the plummeting global natural rubber price from 2012's RM12.9kg to RM9.5kg. Revenue was slashed by half from RM83.8 million in 2012 to RM42.2 million in 2013. Despite this, the group stated in its 2013 annual report that they are optimistic that the long term demand for natural rubber will remain positive given that the global need for rubber is projected to grow at about 3% to 4% annually.

Rubber Plantation Plan

- Conversion of 690 hectares of oil palm plot into rubber plantation in Kedah to June 2014.
- New rubber planting of at least 2,000 hectares in Indonesia and Liberia in 2014.
- Target to increase rubber plantation by 3,000 to 4,000 hectare annually.

b) Felda Global Venture Holdings (FGV)

Felda Global Ventures, the commercial arm of Federal Land Development Authority (FELDA), is one of the largest palm oil plantation companies in the world, managing over 446,656 hectares of land in Malaysia⁵ with a market capitalization of RM16.6 billion as of 31st December 2013. The majority of FGV's land is planted with oil palms, with 12,372 hectares planted as rubber plantation. With an annual rubber production averaging 7,300 tons, FGV natural rubber yield is only a 0.6 tons/ha, much lower than the national average of 1.5 ton/hectare.

Revenue

FGV has positioned itself as a supplier of natural rubber and is very susceptible to fluctuation in the global natural rubber price, resulting in FGV's 2013 earnings from natural rubber sales dropping around 30% to RM38.3 million. Despite this drop in sales, FGV aims to strengthen its position in the natural rubber market as a part of the company's risk mitigation strategy.

⁴ Including Malaysia, Indonesia and Liberia

⁵ Out of which 500,000 is leased and managed for 112,635 smallholders in Malaysia

Rubber Plantation Plan

- FGV aims to double its current rubber plantation in the South East Asia Region to reach 30,000 hectares by 2020. Currently, FGV has only 12,372 hectares of rubber plantation and a total of 14,959 hectare of land allocated for rubber plantation.

c) Kuala Lumpur Kepong Berhad (KLK)

Kuala Lumpur Kepong Berhad, a Malaysian multinational company and partner of Batu Kawan Berhad, is one of the largest plantation companies, with a land bank close to 250,000 hectares in Malaysia and Indonesia. KLK owns a total of 18,699 hectares of rubber plantation, with 15,029 hectares of mature rubber trees, yielding an average of 1.2 ton/ha. In 2013, KLK produced 17,531 tons of natural rubber, a decline of 7% from the previous year.

Revenue

In 2013, KLK reported a revenue stream of RM178 million from its rubber plantation, a fall of 30.9% from its 2012 earnings due to the declining global rubber market. KLK, however, remains optimistic in the downstream rubber market.

Rubber Plantation Plan

- The declining rubber price prompted KLK to consider switching to a more stable oil palm plantation. KLK plan to replant a total of 3.850 hectares of aged rubber trees in Sumatera into oil palm which is targeted to be completed by 2016.

d) Special Mention: RISDA

The Rubber Industry Smallholders Development Authority (RISDA) is the main statutory body which deals with rubber plantation in Malaysia. RISDA was established by the Ministry of Rural and Regional Development in 1st January 1973 and was given authority to manage and assist the development of smallholders in Malaysia, particularly rubber plantation smallholders. In 2011, RISDA managed a total of 590,174 hectares of smallholding rubber plantation, representing 58% of the entire rubber planting industry in Malaysia.

To ensure that rubber plantation in Malaysia is conducted in a continuous and sustainable method, RISDA had introduced the concept of '*Cess Fund*', where a small portion from the sales of natural rubber is collected by RISDA, which would be reimburse to the smallholders in the form of replantation grant and to support research that would improve the rubber plantation industry.

RISDA continues to encourage rubber smallholders to replant their aged rubber trees by providing grants and quality rubber seedlings. In 2012, RISDA approved replanting applications from smallholders, amounting to a total of 53,824 hectares of replanted aged rubber trees. In line with the government's plan to maintain a minimum rubber plantation area of 1.2 million hectares by 2020, RISDA will also secure plantation land as well as encourage and provide grants to smallholders to replant other cash crops to rubber plantation.

8.1.4 Malaysia's Government Standing in Local Rubber Upstream Industry

The Malaysian government has identified rubber plantation as a key economic area under its Economic Transformation Program. Under this program, Malaysia aims to improve the national rubber average productivity to 2 ton/hectare by 2020, which is projected to produce two million ton of rubber to support the downstream rubber industry. Policies have also been implemented to ensure that the nation's rubber plantation area is maintained at 1.2 million hectares, with 1 million hectares tappable rubber plantation.

Rubber plantation in Malaysia has deteriorated since the beginning of the millennia, with a sharp dip in 2008-09 during the world-financial crisis. Alarmed by this situation, the Malaysian government immediately took drastic measures to secure the position of rubber as a key commodity, including increasing the replanting grant to RM9,230/hectare (Peninsular Malaysia) and RM14,000/hectare (Sabah and Sarawak) as well as encourage the development of downstream rubber industries as identified under NKEA.

Under the NKEA plan, 40,000 hectares of old rubber trees will be replanted while new planting of 30,000 hectares per year will be conducted for 5 years from 2010. For the year 2014, the government had allocated RM244 million to promote planting and replanting of rubber plantation.

In the wake of the sluggish global rubber market, Malaysian government had taken several steps to preserve the welfare of smallholders as well as stimulating the demand for rubber. In tabling of the Malaysia 2015 budget, the government has allocated RM100 million to implement a regulatory price mechanism for natural rubber, which aims to stabilize the natural rubber price in Malaysia

Besides that, the government will also provide soft loans up to RM6.4 million as working capital to 64 smallholder cooperatives to purchase rubber directly from 442,000 rubber smallholders nationwide. Moreover, the government has also looked into the feasibility of constructing rubberized roads as a way to stimulate demand for natural rubber, following success of a similar project in Thailand.

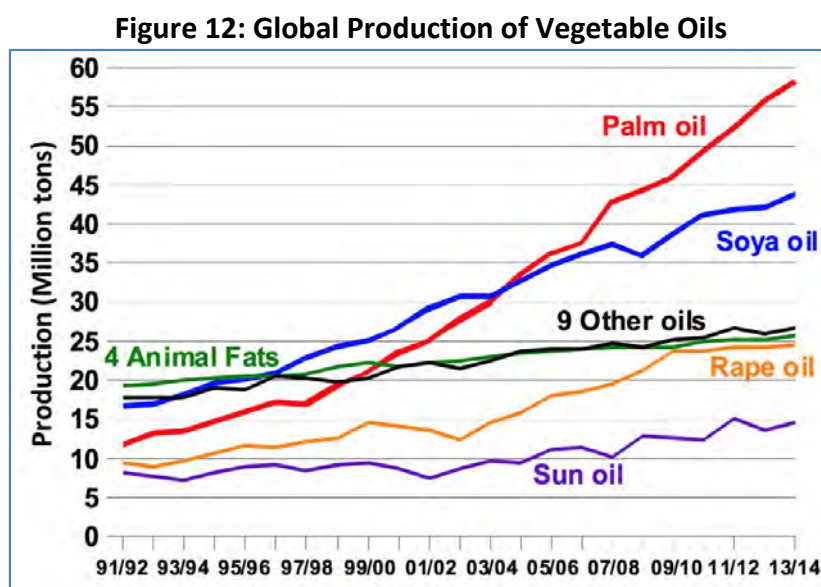
Lastly, in the international arena, Malaysia will work closely with other SEA⁶ rubber producers (Thailand, Indonesia and Vietnam) in regulating global rubber supply and to curb the unfavorable selling price of natural rubber in the global rubber market.

⁶ South East Asia countries house more than 80% of world's natural rubber production.

8.2. PALM OIL INDUSTRY OVERVIEW

8.2.1 The Global Palm Oil Market

Palm oil is an edible oil found in the mesocarp and kernel of the oil palm fruit, it contains high levels saturated fat and beta-carotene. Among all the oil-producing crops, oil palm fruits are the most efficient oil producing fruits with the total palm oil extracted from each fruit equivalent to 25% of the fruit's weight.



Source: Oil World

Palm oil is the most widely used vegetable oil compared to other vegetable oil like soybean oil, rapeseed oil, sunflower oil and coconut oil. In the early 1980's, oil palm was a relatively new crop with a global production volume of only 4.5 million tons. In 2013, global palm oil production increased to a staggering 56.03 million tons, growing at a CAGR of 11.59% per annum. On the other hand, global soybean oil production displayed a moderate growth of 5.19% to 42.82 million tons over the same period. Global vegetable oils and fats production in 2013 was at 189.7 million tons, an increase of 2% from the previous year's production.

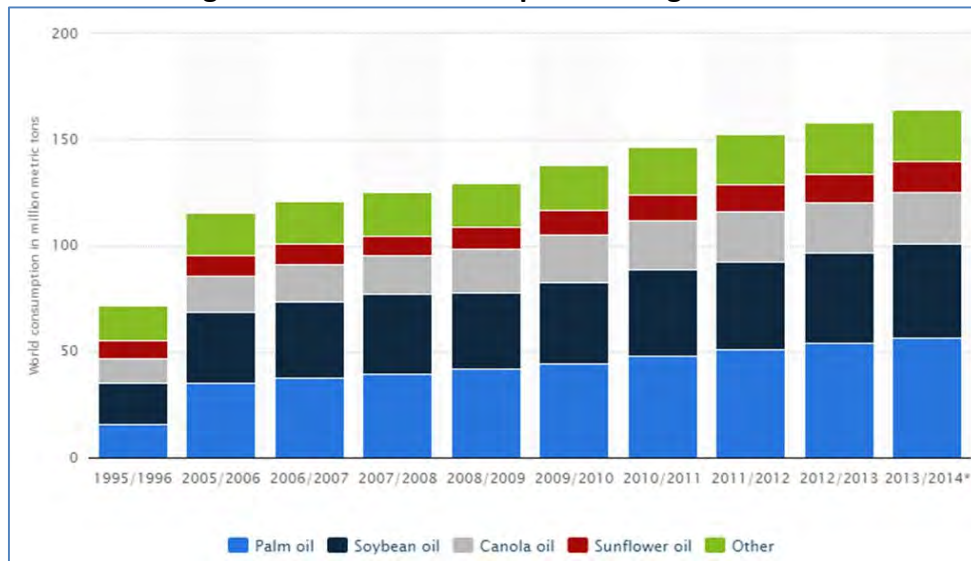
Global oil palm plantations are largely concentrated in the South East Asia countries, especially in Indonesia and Malaysia, supplying up to 85% of global palm oil demand annually.

Table 5: Top 5 Palm Oil Producing Countries in the World (2012)

Country	Production (ton)	Changes from 2011 Production (%)	Percentage of Global Total (%)	Planted Area (Hectare)
Indonesia	26,900,000	5.58	50.69	10,133,300
Malaysia	18,785,030	2.30	34.30	5,076,929
Thailand	1,780,000	10.67	3.52	3,714,967
Nigeria	940,000	2.13	1.71	1,724,230
Columbia	753,039	25.5	1.69	452,435

Source: FAO

Figure 13: Global Consumption of Vegetable Oil

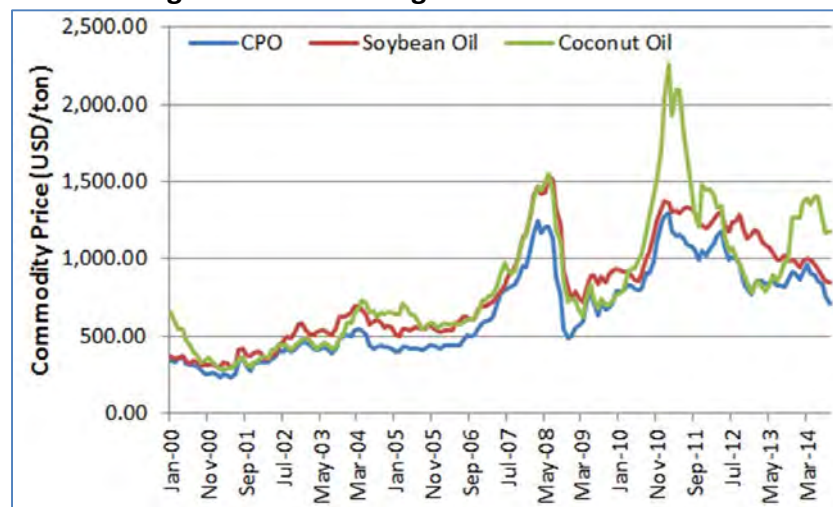


Source: Statistic

Global consumption of vegetable oils is steadily on the rise, showing a CAGR of 4.48% from 115.4 million tons in 2005 to 163.9 million tons in 2013. Among them, palm oil consumption showed the most promising growth, growing at a rate of 6.09% per annum to 56.6 million tons in 2013. Rival soybean oil consumption grew at a slower CAGR of 3.75% per annum to 45.1 million tons for the same period. Malaysian Palm Oil Board (MPOB) forecast that global palm oil consumption will continue to grow at a slower pace of 2.4% per annum to 66.8 million tons in 2020, and will exceed the global supply capacity of 64.7 million tons at the same year.

In addition to vegetable oil production, palm oil is also used as a feedstock in bio-fuel production, especially in European countries. India remains as the top importer of palm oil, amounting to 8.3 million tons in 2013, followed by EU (6.6 million tons) and China (6.2 million tons).

Figure 14: Global Vegetable Oil Price Trend



Source: World Bank

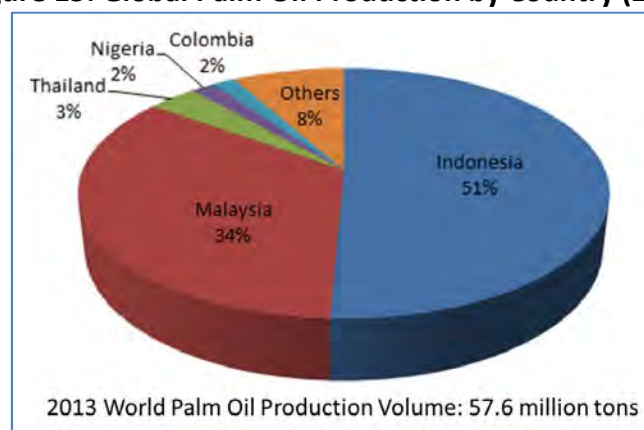
Prices of vegetable oils peaked in both late 2007 and in mid-2011, mainly due to the unusual weather conditions in the major supplying countries, leading to a shortage in the international vegetable oils market. Severe drought conditions were experienced in Malaysia and Indonesia in 2011 causing palm oil prices to increase to nearly 1,300 USD/ton, a 258% increase in price compared to the average palm oil price for the period 2000-2008. However compared to other types of vegetable oils, palm oil is more resistant to changes in global market prices.

In 2013, prices of palm oil had moved downwards in tandem with the bearish sentiments on global vegetable oil and fats market. The price of palm oil fell to as low as RM2,100/ton, before recovering in the fourth quarter to above RM2,600/ton, displaying a 2013 yearly average of RM2,371/ton.

Global population is forecasted to reach 8 billion by 2024 from its current 7.2 billion. Hence, despite current falling global palm oil prices, it is expected that demand for palm oil will continue to increase, strengthening the global price of palm oil.

8.2.2 Position of Malaysian Palm Oil Industry

Figure 15: Global Palm Oil Production by Country (2013)

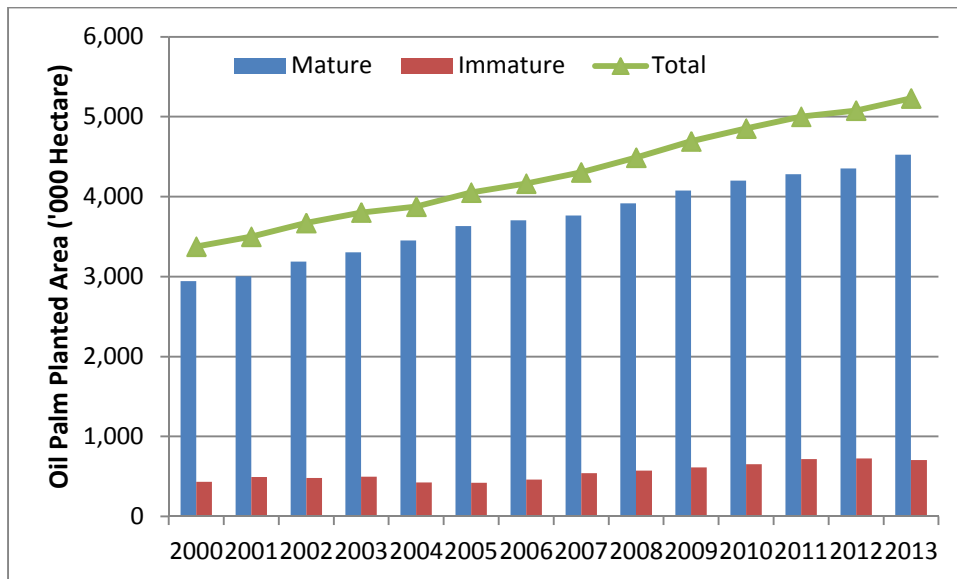


Source: FAO

Malaysia produced an annual production volume averaging 16.65 million tons (2003-2013), slightly behind the palm oil giant, Indonesia which has an average annual production volume of 18.67 million tons for the same period. In 2013, Malaysia produced 19.2 million tons of CPO⁷, reaffirming its second place in the palm oil producing countries, producing up to 34% of global palm oil market share.

Figure 16: Malaysia Oil Palm Planted Area

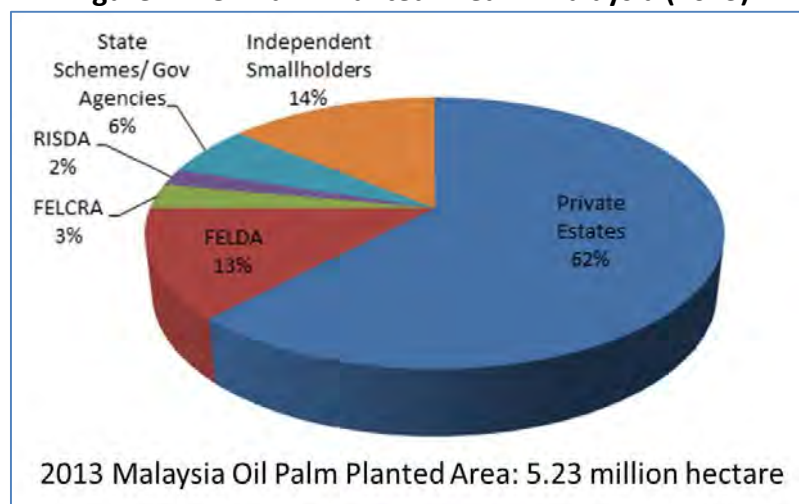
⁷ Crude Palm Oil (CPO) is extracted from the fresh fruit bunch (FFB), which need to be further refined before it can be consumed as vegetable oil.



Source: MPOB

Oil palm plantation in Malaysia is increasing at a steady rate from CAGR of 3.42% from 3.37 million hectares in 2000 to 5.23 million hectares in 2013, occupying a total of 79.2% of allocated agricultural land by the Malaysian government. Unlike the rubber plantation industry, the oil palm plantation industry is managed largely by private estate owners, with smallholders occupying less than 20% of the total planted area. National average FFB yield in 2013 is estimated to be around 19.02 tons/hectare, with the national palm oil extraction rate (OER) estimated to be around 20.25%.

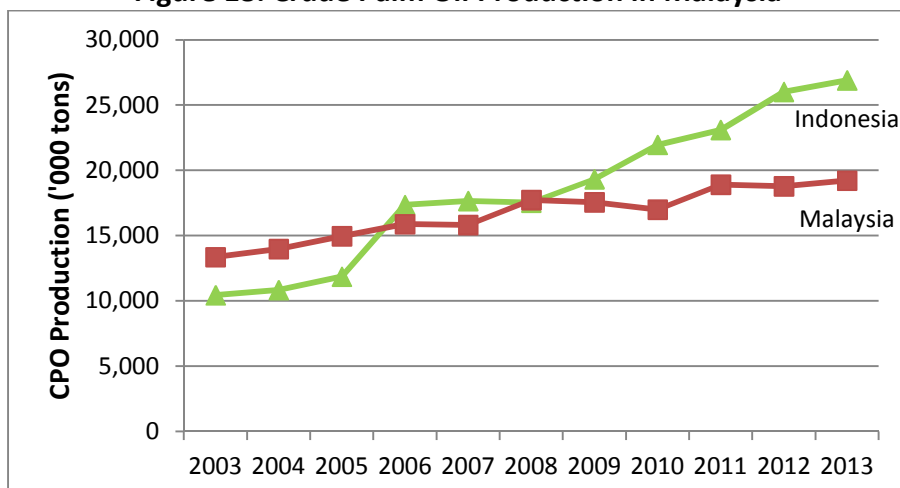
Figure 17: Oil Palm Planted Area in Malaysia (2013)



Source: MPOB

In recognition of the oil palm plantation industry to the country's economic growth, Malaysia had listed the palm oil industry (together with the rubber industry) as one of the NKEA under the 10th Malaysian Plan.. Under this plan, Malaysia aims to boost the national average FFB yield to 26.2 tons/hectare, as well as to improve palm oil extraction rate to 23% by 2020.

Figure 18: Crude Palm Oil Production in Malaysia



Source: MPOB

Palm oil output typically peaks between July and October, and declines during the monsoon season t the end of the year. While Indonesia may produce higher annual total yields of palm oil, Malaysia’s national average palm oil yield per hectare (4.0 ton/hectare) is slightly higher compared to Indonesia (3.8 ton/hectare)due to the fact that Malaysia’s oil palm trees are grown from higher quality seeds. With this in mind, Malaysia is remains a competitively strong player in the global oil palm market.

To increase the competitiveness of the local oil palm plantation industry, the Malaysian the government, in line with NKEA, will subsidise smallholders oil palm replantation and new plantation program and continue to educate smallholders to embrace best planting practices by adopting MPOB’s Good Agricultural Practices (GAP).

Table 6: Crude Palm Oil Consumption in Malaysia

Year	CPO Production (ton)	Consumption (ton)	
		Refinery	Oleochemical
2008	17,734,442	15,567,144	147,309
2009	17,564,938	15,725,309	125,177
2010	16,993,717	15,719,315	155,834
2011	18,911,520	16,312,085	131,943
2012	18,785,030	14,141,492	103,112
2013	19,216,459	15,966,853	186,117

Source: MPOB

Majority of the CPO produced in the country is refined by local palm oil mills before it is exported as processed palm oil (PPO), with less than 1% of it is used in the local oleochemical industry. Despite having a collective nameplate, CPO refining capacity of 26 million tons by 2013, consumption of CPO by Malaysian refineries remains fairly constant averaging at 15.5 million tons/annum.

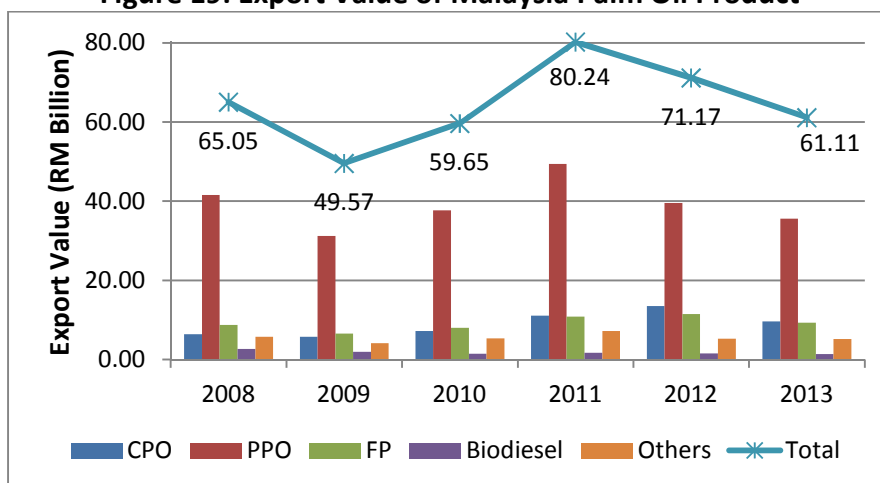
CPO has traditionally been processed into food stuff including vegetable oil, creamer, chocolate, soap and cosmetic products. Recently, the application of CPO in biodiesel is

receiving tremendous attention due to high global crude oil price and shrinking oil reserves. FAO predicted that global biodiesel production will grow at a CAGR of 6.19% to 41 billion litres in 2020.

The Palm oil industry plays an essential role in strengthening the Malaysian economy. In 2013, the palm oil sector had contributed RM61.1 billion in export revenue, representing around 9% of Malaysia's total export revenue for that year. Among them, PPO gives the highest contribution, or around 60% of annual palm oil exporting value, followed by manufactured palm oil products (15%) and CPO (15%).

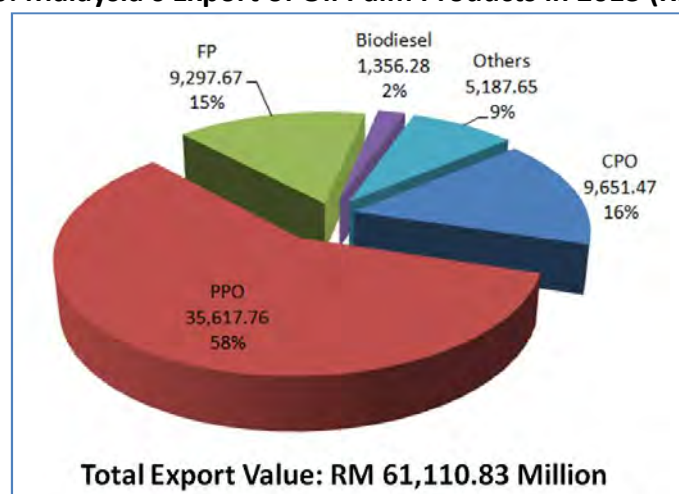
Although Malaysia is quite susceptible towards the fluctuating global palm oil prices, the government is developing the palm oil downstream industry under the NKEA policy, especially the oleochemical and biodiesel segment, to produce higher value oleo-derivatives which is more environmental friendly compared to existing petrochemical products.

Figure 19: Export Value of Malaysia Palm Oil Product



Source: MPOB

Figure 20: Malaysia's Export of Oil Palm Products in 2013 (RM Million)



Source: MPOB

The average export price of refined, bleached and deodorized (RBD) palm oil, palm olein, palm stearin and palm fatty acid distillates decreased respectively to USD791 (-17.34%),

USD805 (-16.15%), USD723 (-19.67%) and USD600 (-26.20%) per ton respectively in 2013, causing a shortfall of RM10.06 billion in local palm oil product exporting revenue to RM61.1 billion in 2013. Despite this, the oleochemical sector reported an increase in revenue of 24% to RM1.28 billion from the previous year.

Overall, Malaysia's oil palm industry is in the midst of rapid progress as the government focuses on increasing the productivity of the upstream oil palm plantation industry, and supports the development of downstream palm oil industry. This move will transform Malaysia from a purely raw product exporting country, to a global supplier of palm oil based product, and further establishing Malaysia as a leader in the global palm oil market.

8.2.3 Certified Sustainable Palm Oil (CSPO) in Malaysia

Oil palm plantation is a land-intensive industry, any unplanned development will lead to the disruption of the ecosystem, including the loss of natural habitat, soil erosion and pollution from the use of pesticide and herbicides. To ensure the sustainability of oil palm plantation, the Roundtable for Sustainable Palm Oil (RSPO) was formed with the support of the government and Malaysia's Palm Oil Council (MPOC). RSPO unites stakeholders from seven sectors of the palm oil industry, including palm oil plantation owners, manufacturers, retailers, banks and investors. RSPO will implement suitable criteria and guidelines for a sustainable palm oil industry, as well as facilitating development of sustainable palm oil production.

GreenPalm is a sustainable palm oil certificate trading program that allows manufacturers to show their support to the RSPO certified sustainable palm oil industry. Through this program, qualified oil palm plantation owners can reduce their operation cost by selling RSPO certification palm oil at the *GreenPalm* market. Palm oil manufacturers can use the *GreenPalm* logo to certify that their product supports the sustainable development of palm oil .

Sales of CSPO for the first quarter in 2014 increased by 49% to 506,586 tons for physical uptake and increased by 54% for *GreenPalm* certified palm oil compared to the same period last year.

Currently, 16% of world's palm oil productions are RSPO certified, with a spread consisting over 1.97 million hectares of certified production area. Around 47.85% of world's RSPO certified palm oil comes from Indonesia, followed by 43.95% from Malaysia. RSPO projects that global CSPO production will grow at a CAGR of 6.63% from the current 9.53 million tons to 14.94 million tons in 2020.

Figure 21: Projected CSPO Production by 2030 (Million tons)



Source: RSPO

8.2.4 The Global Oleochemical Market

Oleochemical refers to chemicals derived from animals or plants, petrochemicals refers to chemicals derived from petroleum. Basic chemical components like fatty acids, glycerols and stearic acids are traditionally extracted from petroleum and used to manufacture products including soap, cosmetics and detergent. Since the oil price hike in the late 1970, manufactures have switched to cheaper oleochemical, with CPO and PKO used predominantly in oleochemical-based manufacturing.

Oleochemical such as fatty acids, fatty alcohols, glycerine are utilised as surfactants, emulsifiers, thickeners, lubricants and plasticisers, mainly in non-food applications. They undergoes chemical processes to produce derivatives with numerous types of properties and functions, subsequently applied as building blocks for a wide variety of products, including household products, personal care products, pharmaceuticals and biodiesel. The wide range of functions and applications of oleochemicals is important in the global market, accelerating the growth of the oleochemical industry.

The oleochemical industry is largely concentrated in countries who are key producers of edible oils and fats, including Malaysia, Indonesia, China, US and member countries of the EU. Production and consumption of oleochemical was previously driven by the Western markets. As the oil palm plantation in the Asia region began to develop in the early 1980, the bulk of production and consumption of oleochemical began to shift to the Asia region. The global oleochemicals market was estimated at 14 million tons in the 2013 financial year and it is expected to grow at 6% per year over the next five years to reach 18 million tons. The Asia-Pacific accounts for 68% of the market and this is expected to grow at 8% per year over the next five years. Surfactants, home care and personal care are the largest end use segments.

Malaysia's exports of oleochemical products rose by 4.8% to 2.73 million tons in 2013 from 2.60 million tons in 2012. The increase in exports of oleochemical products was due to higher demand from the EU, China, USA and Japan. The major export markets for oleochemicals were the EU with 0.63 million tons (23.0% of total oleochemical exports),

China 0.47 million tons (15.0%), USA 0.26 million tons (9.7%), Japan 0.21 million tons (7.7%) and India 0.15 million tons (5.3%). Major oleochemical products exports include fatty acids (0.91 million tons or 33.2% of total oleochemical exports), followed by fatty alcohol (0.52 million tons or 19.2%), Methyl Ester (0.51 million tons or 18.9%), soap noodles (0.41 million tons or 15.0%) and Glycerin (0.34 million tons or 12.6%).

Under the NKEA policy, the government aims to shift national production of basic oleochemical to higher value-added products such as agrochemicals, biopolyols, surfactant and glycerol derivatives. This move is expected to capture 14% of global market demand, bringing in revenue of RM25 billion.

8.2.5 Key Industrial Players in Malaysian Oil Palm Industry

(A) Felda Global Venture (FGV)

Felda Global Ventures, the commercial arm of *Federal Land Development Authority (FELDA)*, is one of the largest oil palm plantation companies in the world, managing over 446,656 hectares of land with a market capitalisation of RM16.6 billion as of 31st December 2013. The group's integrated operations span the entire palm oil value chain, with its upstream plantation providing ample feedstock for its downstream ventures. In 2013, the group had a total land bank of 390,234 hectares in Malaysia, with 86% planted with oil palm trees and 3.7% are planted with rubber. FGV reported satisfying FFB production of 5.05 million tons in the same year, an increase of 141 thousand tons compared with the previous year, giving a FFB yield rate of 19.59 tons/ha in 2013.

Revenue

The group had generated more than RM9 billion in revenue purely from the sale of CPO and FFB during the financial year 2013, a shortfall of 3% compared to earnings in the previous year, mainly due to the fall in the global palm oil market. Its downstream palm oil ventures reported revenue close to RM1 billion, which marked an increase of 34.8% compared to the previous year, as the group solidifies its downstream industry via the acquisition of a biodiesel refinery in Kuantan as well as a tocotrienol plant, scheduled to commence operations by 2016.

Oil Palm Plantation Plan

- The group is aiming to reach a more favourable age profile of 12 years for its oil palm plantation by 2019. As of December 2013, FGV reported a total of 31% out of its 335,336 hectares of oil palm plantation had exceeded their prime age and are above 21 years old. Hence, the group plans to replant oil palm trees at a rate of 15,000 hectares/year until 2019.

(B) Sime Darby Plantation

The Sime Darby Plantation, a subsidiary of Sime Darby Berhad, is fully integrated in the oil palm value chain and one of the largest plantation companies in South East Asia. Sime Darby Plantation has enjoyed an average revenue growth rate of 7.3% in the period 2009-2012,

netting a RM14.1 billion for the group. Sime Darby Plantation's total land bank stands at 858,879 hectares⁸, with 312,795 hectares of oil palm plantation scattered all over Malaysia. For the financial year 2013, the group reported FFB production amounting to 6.2 million tons, giving an FFB yield rate of 22.45 tons/hectare. As of 2013, the group reported that more than half of its 312,795 hectares of oil palm plantation are in their prime years, with less than 3% of it exceeding the age of 25 years.

Revenue

The group has generated RM11 billion in revenue from its oil palm plantation in 2013, contributing a quarter to the group's revenue for the same year. For the financial year 2014, in addition to maintaining high palm oil productivity, the group will continue to expand its downstream industry in order to solidify its position in the region.

Oil Palm Plantation Plan

- Sime Darby will continue its effort to replant 3% of its oil palm plantation, consisting of aged oil palm trees with low productivity.
- As a method to reduce its plantation operation cost and to improve productivity, Sime Darby will continue its effort to implement mechanisation to its plantation. More than 135,000 hectares of oil palm plantation had been mechanised as of financial year 2013, which will continue for the next financial year.

(C) Rimbunan Sawit Berhad

Rimbunan Sawit Berhad, a subsidiary of Rimbunan Hijau Group (RH Group), is a oil palm plantation in East Malaysia, with a total of 54,659 hectares of oil palm plantation mainly concentrated in Sabah and Sarawak. As of 2013, the group reported FFB production of 479,480 tons from its 36,867 hectares of mature plot, bringing an average FFB yield of 13 tons per hectare.

Revenue

In 2013, Rimbunan Sawit Berhad generated revenue of RM282 million from its palm oil segment, a shortfall of 10.2% compared to its previous year revenue, as global CPO and PK price dropped 24% from RM 2,862/ton and RM 1,615/ton in 2012 to RM 2,187/ton and RM 1,228/ton in 2013 respectively. Despite the short downfall, the group is confident that global palm oil demand will continue improve, especially from China, India and Europe in the consumption of vegetable oil and biodiesel.

Oil Palm Plantation Plan

- In 2014, it is expected that roughly 5,000 hectares of oil palm trees will be ready for harvest, increasing the current FFB production by an estimated 65,000 tons. To cope with this increasing production, the group had approved the construction of the Bakong palm oil mill, scheduled to be commissioned in the second quarter of 2015.

⁸ Including Malaysia, Indonesia and Liberia

(D) Woodman Sendirian Berhad (Woodman)

Woodman is a Sarawak-based company with multiple business streams, including ship building, coal mining and resort construction, with oil palm plantation as the company's core business. The company commenced oil palm plantation in 1999, and owns a total land bank of 52,000 hectares which is fully planted with oil palm located throughout Sarawak. With three palm oil mills situated in Bintulu, Sarawak, Woodman has the capacity to process 1.2 million tons of FFB/year.

(D) IOI Corporation Berhad (IOIC)

IOIC, a subsidiary of the IOI Group, is a fully integrated palm oil plantation company with a well-established downstream industry. The group has a total oil palm plantation area of 160,626 hectares as of financial year 2013, with 66% of the planted area located in East Malaysia, 25% in Peninsular Malaysia and the remaining 9% in Indonesia. In 2013, IOIC reported total FFB production of 3,408,935 tons from its 139,379 hectares of matured oil palm plantation, giving a FFB yield rate of 24.46 tons/hectare, one of the highest among all oil palm plantations.

Revenue

IOIC reported an operating profit of RM1.08 billion from its upstream plantation segment in the financial year 2013, a decrease of 33.9% from its profit of RM1.64 billion in the previous year, a result of the falling global oil palm prices. However, IOIC downstream industry, namely the oleochemicals segment, has reported an explosive growth of 110% in profit from RM287.1 million in 2012 to RM603.5 million in 2013. The higher profit is mainly due to higher margins from all its sub-segments and higher demand for oleochemical products in the US and EU.

Oil Palm Plantation Plan

- In 2013, IOIC reported that a total of 22,273 hectares (14%) of its oil palm plantation had exceeded its prime age. Hence, IOIC will replant a total of 5,000 to 8,000 hectares of oil palm plantation annually to keep its oil palm age profile healthy.
- IOIC is currently in the negotiation to acquire Unico-Desa, an established palm oil plantation company which is based in Sabah. The takeover will increase IOIC's palm oil plantation area by 12,700 hectares, balancing IOIC's oil palm age profile.
- Its subsidiary in Indonesia, PT Sawit Nabati Agro (SNA Group) will plant around 6,000 hectares of oil palm annually for 3 years (2014-2016) in a bid to increase IOIC oil palm plantation in Indonesia.

8.2.6 Malaysia's Government Standing in Local Oil Palm Industry

Acknowledging the importance of oil palm plantation, the Malaysia government has identified the palm oil segment as a key economic area under the nation's Economic Transformation Program. Under this policy, Malaysia aims to achieve palm oil FFB yield of 26.2 tons/hectare, as well as a palm oil extraction rate of 23% by 2020, which would translate into a total palm oil yield of 6 tons/hectare. This will ensure sufficient domestic supplies to drive future growth of the downstream market and is also projected to generate RM4.6 billion.

In line with keeping a healthy national oil palm plantation age profile, the government has allocated RM 4.4 billion to 161,000 independent smallholders for replantation, covering a total of 365,000 hectares of aged oil palm plantation for the period 2011-2013. Under this scheme, the government will provide a one-off replanting payment of RM 6,000/hectare and a monthly payment of RM 500/household for up to two years to smallholders to compensate for their loss during the replantation period. Private sector and government-linked companies are also expected to spend around RM3.4 billion to replant aged oil palm trees for the same period.

To ensure high FFB output, MPOB will closely monitor the quality of planting materials (seeds, clonal material, seedlings and ramets), particularly for smallholders through the licensing of all nursery operators. To achieve this, MPOB had set up an implementation task force to manage all replantation activities throughout the country. Malaysia's current oil palm seed production capacity is around 87 million seeds per year, exceeding the national requirements of 52 million seeds yearly.

The Malaysian government also heavily emphasises the development of the downstream market, including expansion of the oleochemical industry and the production of bio-fuels. In 2010, Malaysia reported that 99% of its palm oil non-food downstream production constituted basic oleochemicals, with the remaining 1% being oleo-derivatives. This will hinder the growth of the national economy as the capacity of the two basic oleochemicals (fatty acid and fatty alcohol) is higher than global demand, and this gap is not expected to reduce significantly in the near future. To resolve this, the government aims to shift national production from basic oleochemicals to higher value oleo-derivatives from the current 1% market share to 40% by 2020, by focusing on 5 key products (agrochemicals, surfactants, bio lubricants, bio-polyols and glycerol derivatives), which is expected to capture 14% of global market share, at a value of RM25 billion.

In addition to the above, the Malaysian government also aims to commercialize the second generation bio-fuels to leverage on the oil palm biomass generated in the industry. In 2009, Malaysia reported the generation over 60 million tons of oil palm biomass, and is expected to increase as FFB production in the country increases. Under this national development strategy, Malaysia will inject RM3.2 billion over the next 10 years, targeted at building 29 bio-oil plants with a total bio-oil production capacity of 3.8 million tons/year by 2020.

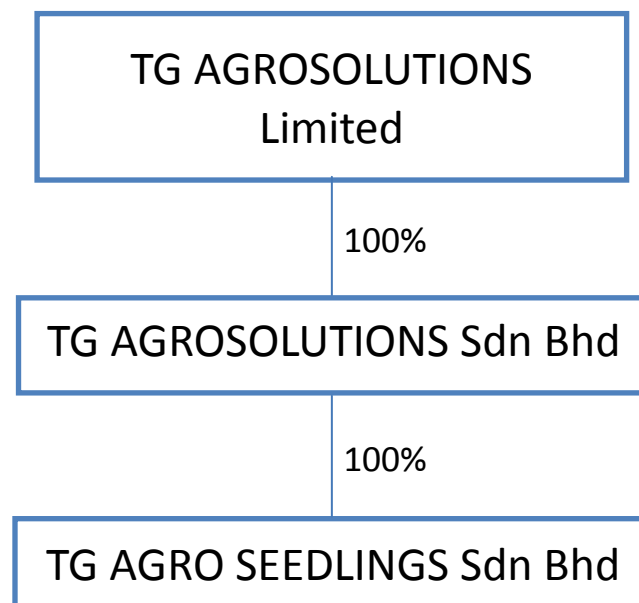
SECTION 9: COMPANY OVERVIEW

9.1 GROUP STRUCTURE

TGA Malaysia entered into the Share Exchange Agreement 1 in which 100% of the shares of TGS were exchanged for 100% of the shares of TGA Malaysia. Each shareholder on record at the date of the transfer received 7 shares of TGA Malaysia for every share they held in TGS.

Subsequently, the Company entered into the Share Exchange Agreement 2 in which 100% of the shares of TGA Malaysia were exchanged for 100% of the Shares of the Company. Each shareholder on record at the date of the transfer received 72 Shares of the Company for every share they held in TGA Malaysia. Consequently, all present and future interests and benefits of TGA Malaysia belong to the Company as of the completion of the Share Exchange Agreement 2.

The financial information of TGS for the year ended 31 December 2013 based on its audited accounts; the financial information of TGS for the period ended 30 November 2014 based on its management accounts and the financial information of the Group on a pro-forma consolidated basis for the period ended 30 November 2014 are provided in Section 12 of this Information Memorandum.



9.2 ABOUT THE COMPANY

In 1996, the founders of TGS started their nursery business under a sole proprietorship. They provided fruit tree seedlings, nursery and landscaping services to their customers in Malaysia. After numerous years of experience and customer satisfaction, the founders invested their funds into a larger scale agricultural rubber tree and oil palm seedling businesses providing proven good yield and healthy seedlings with certification to larger plantation and estate owners.

After years of commitment and hard work gaining the know-how to achieve high survival rates for seedlings, hands-on experience in proper and suitable planting methods in all soil condition and climate behavior with human factors, and the confidence and recognition given by the market, the founders continued to form TGS in 2012 and engaged in a larger scale agricultural business dealing with prominent customers such as RISDA Semaian, Jabatan Pertanian Sarawak, Sarawak Plantation Agriculture Sdn Bhd, Lagenda Aktif Sdn Bhd and Solid Oil Palm Plantations Sdn Bhd

Today, TGS has transformed into a reputable seedling cultivation and distribution business in the States of Sabah and Sarawak, Malaysia. The Company is operating on more than 130 acres of agriculture land in Miri, Sarawak, a State of Malaysia with the capacity to produce not less than 10 million rubber and oil palm seedlings per annum to the plantation industry, with committed and secured contracts from long term buyers and customers. The Company also provides services from logistics to transport to distribute seedlings, fertilizers and planting materials to customers.

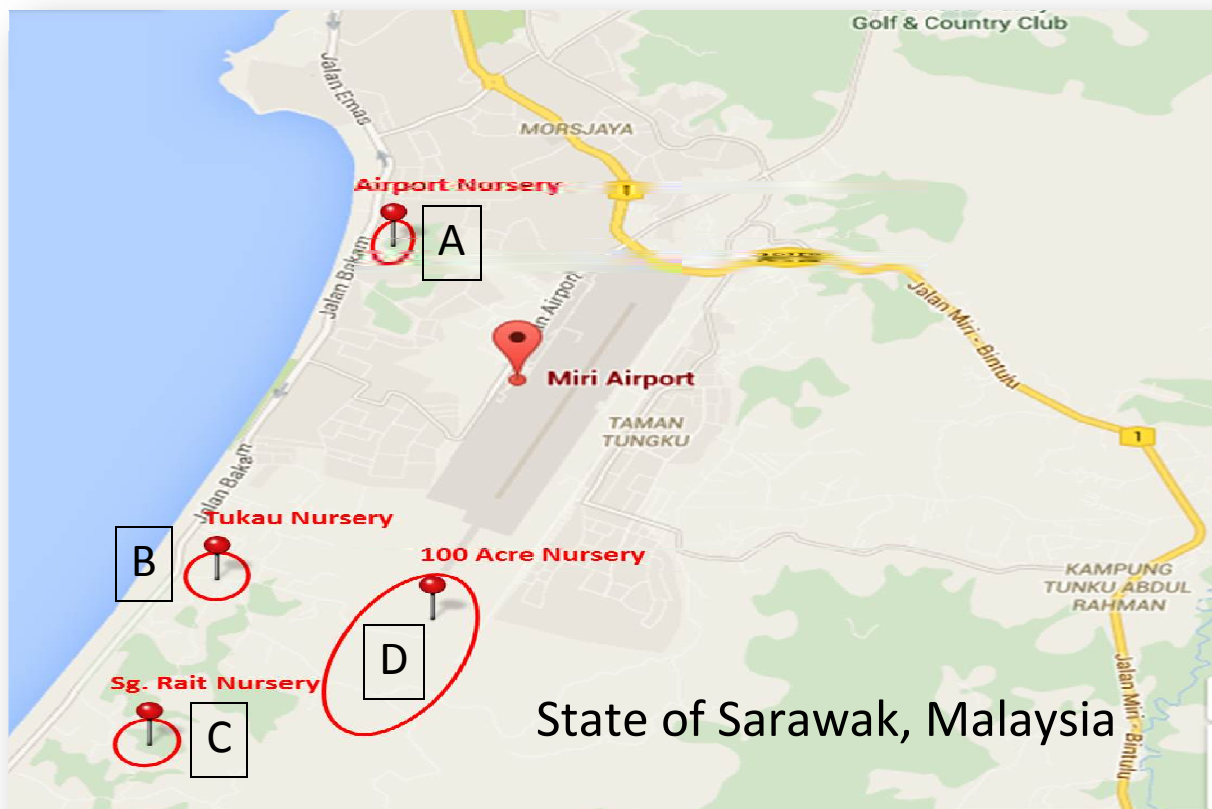
TGS has employed and developed a group of experienced and capable senior management comprising agronomists, nursery management personnel, logistics, planting and replanting management ready to engage in seedlings cultivation and related agricultural activities. As at 24 December 2014, TGS has 71 employees of which 57 are foreign employees.

The Company has a continuous strategic plan to gradually enlarge its market share by providing logistic and transport to distribute seedlings, fertilizers and planting equipment to customers and to participate in planting and replanting activities and to embark into management of rubber and oil palm plantations. The Company will work closely with certified Research and Development institutes to promote new products and to enhance advanced planting methods for the benefit of plantation owners.

With the vision and mission to develop the Company into a full services and full scale agriculture entity, the Company will be able to withstand all challenges in the agriculture industry and to fulfill a bigger role in contributing to the overall sustainability of the nation's agricultural development.

9.2.1 The Location Map of Operating Office and Nurseries in Miri, State of Sarawak, Malaysia

- A Operating Office and Airport Nursery
- B Tukau Nursery
- C Sungai Rait Nursery
- D 100 Acre Nursery



A. Operating Office and Airport Nursery



B. Tukau Nursery



C. Sungai Rait Nursery



D. 100 Acres Nursery



9.3 Related Industry Experience

The founding members of TGS were engaged in the seedling and nursery businesses for more than 18 years when they first incepted this business in 1996. TGS has been in operation since 2012 and is considered by management to have sufficient industry experience to continue operating at its current level. The management of TGS has plans to expand its business into agriculture related businesses including providing logistics services and solutions in the plantation, planting and replanting activities and development of plantation assets. The Company's main priority is to enlarge its market share in the seedling business.

9.4 Board of Directors and their Interests

Director Name	Position	Nationality Citizenship	Shareholding as at the date of this Information Memorandum	
			Direct (%)	Indirect (%)
Tunku Syed Razman bin Tunku Syed Idrus Al-Qadri	Independent Non-Executive Director / Non-Executive Chairman	Malaysian	-	-
Yap Foot Loy*	Executive Director/Chief Executive Director	Malaysian	60,000,000	45,284,000
Ha Bin Khean	Executive Director/Chief Financial Officer	Malaysian	1,932,650	-
Tan Keng Yaw, William	Independent Non-Executive Director	Australian	-	-
Qiao Fu Cong, Anson	Independent Non-Executive Director	China PRC Nationality / Australia Permanent Resident	-	-

* Mr. Yap Foot Loy is deemed interested in such Shares held by:

- (a) his wife, Madam Tan Lai Choo;
- (b) his sons, Yap Way Lon and Yap Way Son; and
- (c) his daughters, Yap Siu Xian and Yap Siu Yein.

Further details on the background of the Directors are found in Section 11 of this Information Memorandum.

9.5 Directors' Interest

A Director may hold any office or place of profit (other than as auditor) in any company within the Group and may contract with the Company either as vendor, purchaser or otherwise. As of the date of this Information Memorandum and as set out below, no contract or arrangement exists where a Director is materially interested.

Neither a Director nor its alternate may vote at any meeting of the Board about any contract or arrangement in which the Director has, whether directly or indirectly, a material personal interest, nor be present while the relevant matter is considered at the meeting.

Under the Constitution of the Company, the remuneration of the Directors (but excluding any remuneration payable to any Director under any executive service contract with the Company or a related body corporate) will from time to time be fixed by the Company in general meeting. The Company's Constitution also provides that the Directors may be paid any expenses properly incurred by them in their role as Director.

9.6 Company Secretary

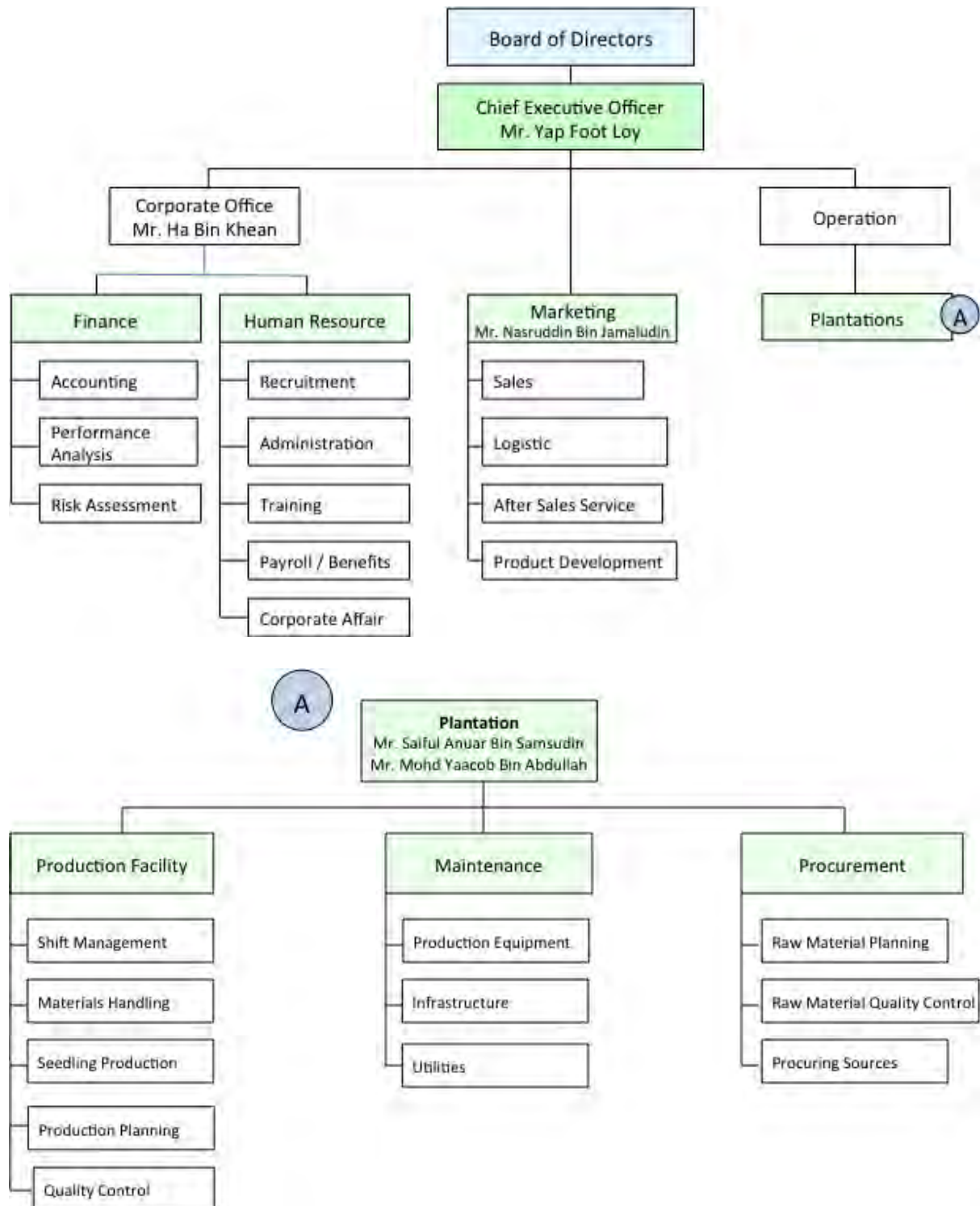
Nicola Matthew has been appointed as the company secretary of the Company, to perform duties as company secretary in accordance to the Company's Constitution

9.7 Substantial Shareholders

The following shareholders hold more than 5% of the voting capital in the Company:

- Yap Foot Loy who holds 60,000,000 Shares (representing 23.81% of the shares in the capital of the Company);
- Tong Gee Pun who holds 34,043,625 Shares (representing 13.51% of the shares in the capital of the Company);
- Tan Lai Choo who holds 20,000,000 Shares (representing 7.94% of the shares in the capital of the Company); and
- Wong Kok Kee who holds 19,830,825 Shares (representing 7.87% of the shares in the capital of the Company).

9.8 Company Organization and Executive Management Team



Executive Management Team	
Chief Executive Director	Yap Foot Loy
Chief Financial Officer	Ha Bin Khean
Head of Sales and Marketing	Nasruddin Bin Jamaludin
Head of Nursery Operations	Saiful Anuar Bin Samsudin
Head of Plantation	Mohd Yaacob Bin Abdullah

Further details on the background of the Directors are found in Section 11 of this Information Memorandum.

SECTION 10: BUSINESS

10.1 Executive Summary

A **plantation** is a long, artificially-established forest, farm or estate, and is developed on a large scale where the crops are grown for commercial purposes, and not for local on-site consumption. Therefore, planting and plantation management requires comprehensive planning and close monitoring.

Before any crop is introduced to the plantation, it begins with soil investigation, rain fall study, land latitude and layout study to determine the type of clone, followed by plantation planning and selection of nurseries with respective source of clone with accreditation by LGM/RRIB.

The plantation planning broadly depends on the weather and climate of the proposed area which usually relies on a 10 year meteorology report as a basis for suitability of any crop later to be planted on a designated plantation location. Sequential events to develop a plantation must be well planned and applied with on-site experiences, for example as the rainy season will not be suitable for clearing of land but it is advantages to start the planting activities to ensure that survival ratio of a new young plant is high. Whilst, seedlings need to be ready when clearing of land has started to take place, terracing and holing shall be completed in accordance to the schedule to avoid backlog which will incur additional cost in herbicide to clear the fast growing of grass which in turn will cause cost overrun; if clearing and holing of land is delayed, the seedlings of crop will experience overgrowth which results in higher mortality rate and additional maintenance cost.

It is important that detailed planning to develop a plantation and close monitoring of schedule of works is implemented to avoid double handling or ineffectiveness of funds used which will have significantly impacted the development cost that will burden the viability of the project. Therefore a series of comprehensive activities with a closely monitored intensive action plan from land clearing, terracing & holing, seedlings cultivation, to planting & daily maintenance of a plantation and even the monitoring of climate patterns are undoubtedly required under the guidance of experienced management and highly committed on field work force.

With experienced senior management and skilled work force, the Company has established a sound system in producing quality seedlings with at a very competitive cost and the ability to deliver promptly in accordance to client's planting plan. As for planting and replanting, the Company has business solutions to eliminate backlog and delay which is one of the major concerns in planting activities.

10.2 COMPETITIVE STRENGTH

- **Experience and Management**

The founding shareholders have more than 30 years of experience in dealing with agricultural activities, and the Company now has a group of professionals who are able to handle and to manage seedling cultivation & harvesting, soil investigation, land clearing methodology, application of equipment, plantation logistic planning, and other activities relating to the plantation industry.

- **Proven Track Record**

The Company has a proven track record in the cultivating and supplying seedling business. LGM has used the Company's seedling plants as the sample plant in exhibitions conducted and organized by the Ministry of Agriculture. The Company has a proven profit track record in its books mainly due to the impressive quality and low mortality rate of seedling which has been beneficial to the capital investment of the clients.

- **Prominent Customers**

The Company has prominent plantation clients who have had long term business dealings with the Company such as RISDA Semaian, Jabatan Pertanian Sarawak, Sarawak Plantation Agriculture Sdn Bhd, Lagenda Aktif Sdn Bhd and Solid Oil Palm Plantations Sdn Bhd. The Company also supplies seedling, and provides necessary services to small plantation owners.

- **Extensive Business Networking**

The Company has built a foundation in business networking not only with customers, it has also participated in many governmental organized events and exhibitions to jointly provide thorough solution in seedling related issues. The Company has worked closely with authorities and institutions such as LGM, RISDA and other organizations in search for more advanced methods in order to benefit this industry.

- **Ever Growing and Supported Industry**

With the ever growing population in the world, the plantation industry has been an extremely important strategic industry and sector in all nations. It is an industry that is always an important agenda in a nation's economic sustainable planning and its strategic planning. In short, no nation would like to be fully dependent on imported agricultural commodities.

10.3 THE GROUP'S PRODUCTS AND SERVICES

There is currently no standard modus operandi in the industry and each operator/contractor/vendor operates separately without synchronized plans and coordination from cultivation of seedlings to works carried out in the plantation site. This has raised a range of difficulties and challenges in the industry including market demand & supply imbalance, timely delivery, mortality rate of seedling, storage area, production cost, seedlings' quality assurance and quality control. The aforesaid are important factors to ensure the production of the right clone for the right plantation site at the right time and ultimately to achieve the best yield and performance.

The Company has positioned itself in offering integrated plantation solutions ranging from cultivation and supply of good quality seedlings to provide advisory in clone selection, transportation and distribution of seedlings, distribution of herbicides and pesticides, and planting & replanting of crops.

10.4 OUR TRACK RECORD, SALES & MARKETING

The Company has been actively carrying out sales & marketing activities, and has participated in many exhibitions to promote its services and experiences. To date, the Company has no less than 80 customers ranging from large prominent plantation corporations to small plantation holders. The top 5 clients who cater for more than 80% of the Company's sales are as follow:

1. RISDA Semaian dan Landskap Sdn. Bhd. (RISDA Semaian)

RISDA Semaian was established at 31 July 1979 and is the subsidiary of RISDA, a main statutory body which deals with rubber plantation in Malaysia. RISDA Semaian is responsible for the preparation and supply of rubber and oil palm seedlings to smallholders who are registered under the RISDA replanting program. RISDA Semaian also offers plantation management work, landscaping, civil works, cleaning services and building maintenance to smallholders as a part of its long term sustainable business growth plan.

2. Jabatan Pertanian Sarawak (Department of Agriculture Sarawak, DoAS)

DoAS was formed in 1924 during the British colonization period, and is responsible for the development of agricultural activities in Sarawak. DoAS offers a wide range of services to the local farmers, which include livestock and veterinary services, inland fisheries licensing services, plant and soil analysis services as well as providing latest R&D information to the local farmers. Together with RISDA, DoAS had been appointed to oversee the replanting and new planting of rubber seedling among smallholders in Sarawak.

3. Sarawak Plantation Agriculture Sdn. Bhd. (SPAD)

SPAD, the subsidiary of Sarawak Plantation Berhad, is one of the pioneers in the oil palm plantation industry in Sarawak. SPAD owns sixteen (16) oil palm estates in Sarawak, with a total planted area of 31,266 hectares as of 31st December 2013. SPAD also owns 2 palm oil mills in Niah and Mukah, with a total designated capacity of 180 metric ton per hour. SPAD mainly involved in the development and cultivation of oil palm plantation in the states of Sarawak.

4. Lagenda Aktif Sdn. Bhd.

Lagenda Aktif is a Sabah registered company which primarily involves in timber harvesting and replanting activities in Sabah. Lagenda Aktif had signed the Sustainable Forest Management License Agreement (SFMLA) with Sabah's government to manage 10,008 hectare of Ulu Sg. Milian Forest Reserves for a period of 50 years in May 2012. Currently, Lagenda Aktif is actively carrying out forest operations at its Industrial Tree Planting (ITP) area such as clear felling, terracing and stacking for their rubber wood planting activities.

5. SOLID Oil Palm Plantations Sdn. Bhd. (SOPP)

SOPP, a subsidiary of SOLID Timber Company Sdn. Bhd. by Dato Ding LianCheon is based in Sibul, Sarawak and holds about 500,000 hectares of concession in Malaysia. SOPP primarily involves in the development and plantation of oil palm in Sarawak, with 4,751.65 hectares out of its 5,100 hectares of lease land are planted with oil palm.

10.5 GROWTH STRATEGY

- The Company will continuously update and enhance its business strategy to penetrate and to capture remaining market share in seedlings cultivation and supply segment whilst providing the full range of services by expanding into logistic, planting& replanting, and plantation assets development.
- The Company shall leverage on the nation's sustainable plantation program and participate direct or indirectly in its new planting &replanting program as part of the Company's continuous expansion and diversification plan.
- As part of the diversification plan, the Company will adopt the lowest capital expenditure on its plantation asset development by optimizing the incentives offered by the nation's sustainable plantation program, such as soft loans and grants offered by government agencies. The plantation grants and soft loan offered by the relevant authorities will be able to cover approximately 60% of the gross development cost of a new plantation asset development, this will contribute and accelerate the performance of the Company and maximize shareholders' value in the medium to long term.

- The Company will work closely with research and development institutes, universities, foundations, world organizations with agricultural activities, food industries, and technology and equipment companies in keeping abreast with new technologies and methodologies to improve the performance and services of the Company

10.6 Government and Industry Support

10.6.1 RUBBER SECTOR

Malaysia has traditionally been a rubber producing country, dating back to the era of British colonization, and remains to be one of the top 5 rubber producing countries in the world. Rubber plantation in Malaysia is dominated by smallholders, whose land size does not exceed 40 acres, and is generally managed within the family. As a support to the smallholders, the government annually provides incentives to them in the form of replanting grants, education and R&D updates via government organizations such as RISDA and FELDA.

In view of the declining latex yield per hectares in rubber plantation in Malaysia due to various factors; the Malaysian government had identified rubber plantation as a key economic area under its Economic Transformation Program (ETP) since September 2010. Under this program, Malaysia aims to improve the national rubber average productivity to 2 ton/hectare by 2020, which is projected to produce two million tons of rubber per year to support the downstream industry. Policies have also been formulated to ensure that the nation's rubber planted areas are maintained at 1.2 million hectares, with 1 million hectares of tappable area.

10.6.2 OIL PALM SECTOR

Acknowledging the importance of oil palm plantation in Malaysia, the Malaysian government has identified the palm oil segment as a key economic area under the nation's Economic Transformation Program. Under this policy, Malaysia aims to achieve oil palm FFB yield of 26.2 tons/hectare, as well as an oil extraction rate of 23% by 2020, which would translate into a total palm oil yield of 6 tons/hectare. This move not only would ensure sufficient domestic supplies to drive future growth of the downstream market, but also projected to generate RM 4.6 billion to the country.

In line with keeping a healthy national oil palm plantation age profile, the government allocated RM 4.4 billion to 161,000 independent smallholders in the country for replantation activities, covering a total of 365,000 hectares of aged oil palm plantation for the period 2011-2013. The government also revised the replanting grant and increased the amount to RM 7,500/hectare for smallholders in Peninsular Malaysia and RM 9,000/hectare for those in Sabah and Sarawak effective from January 2011, while maintaining the monthly payment of RM 500/household for up to two years to the smallholders to compensate their loss during the replantation period. Private sectors and government-linked companies are also expected to spend around RM 3.4 billion to replant aged oil palm trees for the same period, which would ultimately increase the demand of planting materials for oil palm over the next few years.

10.9 Material Agreement

- (a) The Vendors had on 1 December 2014 entered into the Share Exchange Agreement 1 with TGA Malaysia whereby the Vendors exchanged each share they held in TGS for 7 ordinary shares of RM1.00 each in TGA Malaysia in accordance with the terms and conditions therein contained. This agreement has since been completed resulting in TGS becoming a wholly-owned subsidiary of TGA Malaysia.
- (b) The Vendors had on 17 December 2014 entered into the Share Exchange Agreement 2 with the Company whereby the Vendors exchanged each share they held in TGA Malaysia for 72 Shares in the Company in accordance with the terms and conditions therein contained. This agreement has since been completed resulting in TGA Malaysia becoming a wholly-owned subsidiary of the Company.
- (c) 9 Shareholders (including Directors) of the Company (“Escrowed Shareholders”) representing approximately 63.93% of the entire issued and paid-up Shares of the Company, have executed agreements with the Company pursuant to which the Escrowed Shareholders agreed not to dispose of, or agree of offer to dispose of the restricted securities; or do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the restricted securities for a period of 12 months from the date on which quotation of the Company’s securities commences and 24 months from this date in the case of Directors of the Company and their related parties who are Escrowed Shareholders.
- (d) Executive/Director Agreements

Mr. Yap Foot Loy had on 1 December 2014 entered into an employment agreement with TGS as Chief Executive Officer of TGS. The agreement is on normal commercial terms.

Mr. Ha Bin Khean had on 20 November 2014 entered into an employment agreement with TGS as Chief Financial Officer of TGS. The agreement is on normal commercial terms.

SECTION 11: DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Tunku Syed Razman bin Tunku Syed Idrus Al-Qadri	Independent Non-Executive Chairman
Mr. Yap Foot Loy	Executive Director and Chief Executive Officer
Mr. Ha Bin Khean	Executive Director and Chief Financial Officer
Mr. Tan Keng Yaw, William	Independent Non-Executive Director
Mr. Qiao Fu Cong, Anson	Independent Non-Executive Director



HH Tunku Syed Razman Bin Tunku Syed Idrus Al Qadri Independent Non-Executive Director and Non-Executive Chairman

His Highness Tunku Syed Razman Bin Tunku Syed Idrus Al Qadri, DTNS, JP, is the Independent Non-Executive Director and Non-Executive Chairman of the Company.

HH Tunku Syed Razman attended high school in Sekolah Menengah Sains Kuala Pilah and then King George V in Seremban, Negeri Sembilan, and subsequently furthered his studies at Lansdowne College, London, United Kingdom where he obtained a Bachelor Degree in Marketing.

HH Tunku Syed Razman is an avid golfer and he is the patron of The Tampin Golf Association, and presides over many sporting associations of the Tampin District including the Tampin District Hockey Association as well as the Co-Patron for The Negeri Sembilan State Cricket Council. HH Tunku Syed Razman is also very concerned about the environmental wellbeing of the state and is the Patron of the Tunku Syed Razman Environmental Foundation.

HH Tunku Syed Razman is also actively involved in businesses where he is chairman and shareholder of various companies including Greater Tampin Auto Sdn Bhd, Usaha Maju Auto Sdn Bhd, and Citra Majujaya Sdn Bhd, a property development company in Negeri Sembilan.

HH Tunku Syed Razman is a resident of Malaysia, and is aged 52.



Mr. Yap Foot Loy
Executive Director and Chief Executive Officer

Mr. Yap Foot Loy is the Executive Director and Chief Executive Officer of the Company and has almost 30 years of experience in the agriculture industry which began with being the founder of Turn's Green Landscaping & Consultant Enterprise managing plant stocks and landscaping projects. In 1996, he was the proprietor of TG Nursery Enterprise which specializes in wholesale, retail and distribution of fruit trees seedlings in East Malaysia.

In 2012, he set up TGS to tap into the vast growing market of cultivation of rubber and oil palm seedlings, and since then he has grown his business to become one of the largest suppliers of seedlings in East Borneo Island. He has secured prominent clients, namely RISDA, Department of Agriculture of Malaysia, LGM, amongst many other customers to provide seedlings of rubber and oil palm. The Company also provides agriculture related solutions to assist clients to have better yield in the plantation.

Mr. Yap is a resident of Malaysia, and is aged 55.



Mr. Ha Bin Khean
Executive Director and Chief Financial Officer

Mr. Ha Bin Khean is the Executive Director and Chief Financial Officer of the Company, and is a fellow member of the Association of Chartered Certified Accountants (FCCA), as a qualified accountant for the Company. He graduated as a professional accountant with the Association of Chartered Certified Accountants (ACCA), and is a member of the Malaysian Institute of Accountants (MIA).

Mr. Ha worked in several large companies in Malaysia, namely NEC Sales (Malaysia) Sdn Bhd as Account Officer overseeing inventory and account receivables accounting functions. He later worked with Am Securities Sdn Bhd as Finance Manager responsible for daily treasury functions and financial activities. He was then seconded to a Hong Kong stock broking company as Head of Operations & Compliance. He was employed by Ho Wah Genting Poipet Casino Resorts Co. Ltd as Financial Controller and was later promoted to General Manager, in charge of accounts and finance, casino and hotel management.

He was the Head of Finance in CVM Minerals Limited, a listed company in the main board of Hong Kong Stock Exchange. During his tenure at CVM Minerals Limited, he was involved in the entire listing process in Hong Kong from 2007 to 2008.

Mr. Ha has more than 20 years of experiences in account reporting, taxation and corporate exercises.

Mr. Ha is a resident of Malaysia, and is aged 44.



Mr. Tan Keng Yaw, William
Independent Non-Executive Director

Mr. Tan is the Independent Non-Executive Director of the Company, and is the Resident Director. Mr Tan earned his Bachelor of Commerce degree from the University of New South Wales and became an associate member of the Australian Institute of Chartered Accountants.

Mr. Tan has been in Chartered Accounting practice for 25 years. He started his private practice in 1993 which later merged and became part of the Kennedy & Tan, Chartered Accountants. In 2006, Mr Tan moved from Sydney to Shanghai then to Beijing in 2007. He was a legal representative of an Australian company, Signav Pty Ltd from Canberra, where he liaised with all matters between the company and its appointed agent from Beijing and contract manufacturer from Tianjin.

Mr. Tan was also a consultant to Hokay Fitness & Ice Group in Beijing, in relation to company re-structuring and financial planning. Hokay Fitness & Ice Group was operating the biggest chain of fitness clubs and recreational ice rinks around China.

Mr. Tan is a resident in Australia, and is aged 59, and he is also currently the Independent Non-Executive Director of ADVANCETC Limited, a company listed in National Stock Exchange of Australia.



Mr. Qiao Fu Cong, Anson
Independent Non-Executive Director

Mr. Qiao is the Independent Non-Executive Director of the the Company. He earned a Master of Business Administration (MBA) from Charles Sturt University Australia in 2003. He obtained Bachelor Degree in Economics from Beijing Economic Science University.

Mr. Qiao was employed as International Marketing Director in Shandong Branden Medical Devices Company Limited in 2002, and under his leadership and implemented strategic, the company became global supplier of silicone products of Cardinal Health Inc. USA in 2005.

In 2012, Mr. Qiao moved to Adelaide from Beijing, he is a Legal Director of IFBC Pty Ltd, a Australian company where he liaised with all matters between the company and the China investors, he provided professional consultant services to China investors in matters relating to real estate and mining industries.

Mr. Qiao is a Permanent Resident in Australia, and is aged 42.

SENIOR MANAGEMENT

Mr. Nasruddin Bin Jamaludin
Mr. Saiful Anuar Bin Samsudin
Mr. Mohd Yaacob Bin Abdullah

Head of Sales and Marketing
Head of Nursery Operations
Head of Plantation



Mr. Nasruddin Bin Jamaludin
Head of Sales and Marketing

Mr. Nasruddin Bin Jamaludin, a Malaysian aged 51, is the Head of Sales and Marketing of TGS. He graduated with a Bachelor of Science Degree from the New Hampshire College. He was with Rashid Husain Securities Sdn Bhd and TTDI Development Sdn Bhd previously prior joining TGS. He has wide exposure in different industry operations through his previous positions in share brokering, construction, real estate development and business development.

His extensive networking has contributed significantly towards the marketing and sales strategy, and has enabled TGS to secure major contracts from major players in the industry, namely RISDA and the Department of Agriculture.



Mr. Saiful Anuar Bin Samsudin
Head of Nursery Operations

Mr. Saiful Anuar Bin Samsudin, a Malaysian aged 37, is the Head of Nursery Operations for TGS, and possesses a Diploma in Banking from Universiti Teknologi Mara, Segamat, Johor. Prior to joining TGS, he was attached to TM Sales & Services Sdn Bhd as a customer service

officer and he was a Regional Account Executive for TMR Urusharta Sdn Bhd responsible for servicing and managing client accounts.

Mr. Saiful joined TGS as General Manager in 2012 to head the Nursery Operations. He is in charge of the management of all the plantations of the Group. His critical role as a General Manager is to ensure the planting schedule meet the forecasted demand of the market. On-time delivery schedule, manpower management, and streamlining seedling planting techniques are amongst some of his key responsibilities.



Mr. Mohd Yaacob Bin Abdullah
Head of Plantation

Mr. Mohd Yaacob Bin Abdullah, a Malaysian aged 68 is the Head of Plantation for TGS. He has more than 30 years of experience in agriculture and vast experience in nursery and plantation management. He started his career as an assistant, managing palm oil estates. Thereafter, he became a nursery officer, assistant manager and estate manager for several companies and plantations, mainly responsible for managing palm oil and timber estates, to developing and managing seedlings nurseries.

Mr. Mohd Yaacob specializes in planting, replanting and in nursery of palm oil. His experience includes office and field management, labor control, field maintenance and cost saving measurements for plantation.

SECTION 12: FINANCIAL INFORMATION

Historical Financial Data

As the Company was incorporated on 28 November 2014, it has no substantial operating or trading history. The financial data of TGS, which became a subsidiary of the Company in December 2014 is considered relevant.

Set out below is the summary of the following financial information:

- Financial information of TGS for the year ended 31 December 2013 based on its audited accounts;
- Financial information of TGS for the year ended 31 December 2013 based on its adjusted accounts;
- Financial information of TGS for the period ended 30 November 2014 based on its management accounts; and
- Financial information of the Group on a pro-forma consolidated basis for the period ended 30 November 2014, considered to be a combination of entities under common control for accounting purposes and as if they were combined as of the beginning of the period regardless of the actual date of the transaction.

Complete set of audited financial statement and most recently available management financial statements for the Company and its subsidiary, are available for inspection at the Company's registered office. A summary of the same are as set out next.

(1 RM = \$0.344 AUD as at 1 December 2014)

Extract of financial statement of TGS

1. EXTRACT OF INCOME STATEMENT FOR

Description	12 Months Audited Accounts Ended 31.12.2013	12 Months Adjusted Accounts Ended 31.12.2013	11 Months Management Accounts Ended 30.11.2014
	RM	RM	RM
Revenue	11,182,203	14,923,542	9,915,168
Cost of Sales	(9,999,725)	(10,079,418)	(4,556,841)
Gross Profit	1,182,478	4,844,124	5,358,327
Administration and Operating Expenses	(668,807)	(589,114)	(1,145,704)
Profit before Taxation	513,671	4,255,010	4,212,623
Income Tax Expenses	(117,864)	(1,474,099)	(1,028,155)
Profit / (Loss) after Taxation	395,807	2,780,911	3,184,468

During the financial period, TGS discovered that revenue for financial year 2013 was under recognised due to reclassification error, prior year adjustments had been made accordingly.

2. EXTRACT OF BALANCE SHEET

	Audited Accounts As at 31.12.2013	Adjusted Accounts As at 31.12.2013	Management Accounts As at 30.11.2014
	RM	RM	RM
Non- Current Assets			
Property, Plant & Equipment	393,089	393,089	730,336
	393,089	393,089	730,336
Current Assets			
Inventories	464,295	464,295	831,704
Trade Receivables	949,807	4,691,145	6,252,915
Amount Due from Directors	1,226,759	1,226,759	-
Other Receivables, Deposits and Prepayment	210,694	210,694	12,794
Cash & Bank Balances	477,622	477,622	1,227,926
	3,329,177	7,070,515	8,325,339
Current Liabilities			
Trade Payables	3,150,869	3,150,869	2,941,469
Other Payables and Accruals	12,800	12,800	-
Amount due to Directors	-	-	1,438,980
Hire Purchase Payables	41,652	41,652	90,912
Tax Liabilities	108,780	1,465,015	2,298,680
	3,314,101	4,670,336	6,770,041
Net Current Assets / (Liabilities)	15,076	2,400,179	1,555,298
	408,165	2,793,268	2,285,634
<u>Financed / (Represented) by:-</u>			
Shareholders' Equity			
Share Capital	2	2	500,000
Retained Earnings	392,985	2,778,088	1,662,556
	392,987	2,778,090	2,162,556
Non-Current Liability			
Hire Purchase Payables	-	-	107,900
Deferred Tax Liabilities	15,178	15,178	15,178
	15,178	15,178	123,078
	408,165	2,793,268	2,285,634

Extract of the Consolidated Balance Sheet from Audit Reviewed Pro-Forma Financial Statements as at 30 November 2014

	Group
	RM
Non- Current Assets	
Property, Plant & Equipment	730,336
Goodwill	1,500,232
	2,230,568
Current Assets	
Inventories	831,704
Trade Receivables	6,252,915
Other Receivables, Deposits and Prepayment	12,794
Cash & Bank Balances	1,227,934
	8,325,347
Current Liabilities	
Trade Payables	2,941,469
Amount due to Directors	1,438,980
Hire Purchase Payables	90,912
Tax Liabilities	2,298,680
	6,770,041
Net Current Assets / (Liabilities)	1,555,306
	3,785,874
<u>Financed / (Represented) by:-</u>	
Shareholders' Equity	
Share Capital	3,662,796
Retain Earnings	-
	3,662,796
Non-Current Liability	
Hire Purchase Payables	107,900
Deferred Tax Liabilities	15,178
	123,078
	3,785,874

Working Capital

As of the date of this Information Memorandum, the Directors are of the opinion that the Company has sufficient working capital to support its existing business as stated in this Information Memorandum. Notwithstanding the foregoing, the Directors intend to expand the Company's business and such expansion plans require the deployment of significant additional capital. Such capital is not available to the Company solely as a result of profits earned through its existing operations and the Directors intend that the Company will seek to raise new equity capital through a new issue of shares in the future subject to the Listing Rules, the Corporations Act and the Company's constitution.

Group Cash Flow & 11 Months Expenses

As of 30 November 2014, the Group has cash and cash equivalents AUD422,407, receivables of AUD2,151,003, and incurred operating expenses of average AUD35,829 per month for the past 11 months.

Based on this level of expenditure and the current availability of cash and liquid assets and on the assumption that no further revenue is realized for the next 24 months, and provided there are no significant increases in operating costs, the Group will be able to meet its expenses and continue operations by utilizing its existing resources.

Changes in Financial Position

The Directors assert that to the best of their knowledge, there have been no adverse material changes to the financial or trading position of the Group since the date of the last available management accounts, for the period ended 30 November 2014.

On 1 December 2014, the Vendors entered into the Share Exchange Agreement 1 with TGA Malaysia whereby the Vendors exchanged each share they held in TGS for 7 ordinary shares of RM1.00 each in TGS Malaysia in accordance with the terms and conditions therein contained. This agreement has since been completed resulting in TGA Malaysia holding 100% of the entire issued and paid-up share capital of TGS.

On 17 December 2014, the Vendors entered into the Share Exchange Agreement 2 with the Company whereby the Vendors exchanged each share they held in TGA Malaysia for 72 Shares in the Company in accordance with the terms and conditions therein contained. This agreement has since been completed resulting in TGA Malaysia becoming a wholly-owned subsidiary of the Company.

Lock-up Agreements

In accordance with the NSX Listing Rules, 9 Shareholders, including Directors and their related parties ("Escrowed Shareholders"), representing approximately 63.93% of the entire issued and paid-up Shares of the Company have entered into Restricted Securities Agreements with the NSX.

Under the Restricted Securities Agreements, to the extent not inconsistent with applicable law, each Escrowed Shareholder will agree not to effect any public or private sale or distribution of their Shares of the Company, or any securities, options or rights convertible into or exchangeable or exercisable for such Shares for, in the case of directors and their related parties, a period of 24 months, and in the case of other Escrowed Shareholders, a period of 12 months, from the date on which quotation of the Company's securities commences. See Section 5 for more information.

SECTION 13: CORPORATE GOVERNANCE

The composition of the Board of Directors of the Company may be altered from time to time by ordinary resolution passed at a general meeting of the Company. One third of the Directors in office must retire at each annual general meeting. The Directors to retire will be those who have been longest in office since their last election. No Director shall hold office for more than three years, or past the third annual general meeting following its appointment or election, whichever is longer. Unless otherwise disqualified under the Act or the Constitution, a Director who retires or whose office is vacated will be eligible for re-election to the Board. There is no mandatory retirement age for Directors and there is no share qualification necessary to be held by Directors. The Board is currently of the view that the composition of the Board is appropriate for the Company at this stage of its development.

SECTION 14: ADDITIONAL INFORMATION

Consents and Disclaimers

Southasia Advisory Sdn Bhd has given and has not withdrawn its written consent to be named in this Information Memorandum in the form and context in which it is named.

Tan Goh & Associates has given and has not withdrawn its written consent to be named in this Information Memorandum in the form and context in which it is named.

Boardroom Pty Ltd has given and has not withdrawn its written consent to be named in this Information Memorandum in the form and context in which it is named.

Danny Loo & Co has given and has not withdrawn its written consent to be named in this Information Memorandum in the form and context in which it is named.

Walker Wayland NSW has given and has not withdrawn its written consent to be named in this Information Memorandum in the form and context in which it is named.

Interests of Advisors

Southasia Advisory Sdn Bhd is the nominated corporate adviser to the Company including for the purposes of its listing on the NSX, in respect of which it will receive the monthly retainer fees of RM20,000 from the Company for 3 months. Mr. Chong Wee Chong, the responsible officer of Southasia Advisory Sdn Bhd is a shareholder of the Company and currently holds 2,500,000 Shares in the Company.

Boardroom Pty Ltd is the Company's registry services provider. Boardroom Pty Ltd provides such services on standard commercial terms and conditions.

Tan, Goh & Associates, the Company's Malaysian legal advisers for the purposes of its listing on the NSX, in respect of which it will receive RM80,000 (excluding service tax and disbursements) for work performed on standard commercial terms.

Watson Mangioni Lawyers Pty Limited, the Company's Australian legal advisers for the purposes of its listing on the NSX, in respect of which it will receive A\$18,000 (excluding GST and disbursements) for work performed in accordance with usual time based charge out rates and on standard commercial terms.

Other than set out above or elsewhere in this Information Memorandum, no person named in this Information Memorandum as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Information Memorandum holds at the date of this Information Memorandum, nor has held in the two years before the date of this Information Memorandum, an interest in the Company. Nor has anyone paid or agreed to pay, or given or agreed to give, any benefit to such persons in connection with the NSX compliance listing and this Information Memorandum.

Privacy

The Company collects personal information from investors for the purposes of maintaining its share register and administering interests in the Company. Protecting the privacy of Investors is a key part of the Company's normal operations.

The Company does not disclose personal information to any outside third party organization, unless it is contracted to the Company to provide administrative services or activities on the Company's behalf. In this case, the Company ensures that the third party is bound by the same privacy rules which itself follows.

SECTION 15: DEFINITION

“ASIC”	means the Australian Securities and Investment Commission;
“Company”	means TG AgroSolutions Limited a limited liability company incorporated in Australia on 28 November 2014 with Australian Company No (603 108 925);
“Corporations Act”	means the Australian Corporations Act 2001 (Commonwealth of Australia);
“FELCRA”	means FELCRA Berhad;
“FELDA”	means the Federal Land Development Authority;
“FGV”	means Felda Global Ventures Holdings Berhad;
“Group”	means the Company, TGA Malaysia and TGS;
“LGM”	means the Malaysian Rubber Board (<i>Lembaga Getah Malaysia</i>);
“Listing Rules”	means the listing rules of the NSX;
“NSX”	means the National Stock Exchange of Australia;
“Rimbunan Hijau”	means the Rimbunan Hijau Group;
“RRIM”	means the Rubber Research Institute of Malaysia;
“RISDA”	means the Rubber Industry Smallholders Development Authority;
“Share Exchange Agreement 1”	means the Share Exchange Agreement dated 1 December 2014 entered into between the Vendors and TGA Malaysia in which the Vendors exchanged their shares in TGS for shares in TGA Malaysia;
“Share Exchange Agreement 2”	means the Share Exchange Agreement dated 17 December 2014 entered into between the Vendors and the Company in which the Vendors exchanged their shares in TGA Malaysia for shares in the Company;
“Shares”	means 252,000,000 fully-paid ordinary shares of the Company, having the rights as set forth in the Constitution of the Company;

“Sime Darby”	means Sime Darby Berhad;
“TGA Malaysia”	means TG AgroSolutions Sdn. Bhd. (Company No. 1116802-W) a company incorporated in Malaysia and having its registered address at A-301, Suite 2, Block A, Kelana Square, No. 17, Jalan SS7/26, 47301 Petaling Jaya, Selangor which is a wholly-owned subsidiary of the Company as a result of the Share Exchange Agreement 2;
“TGS”	means TG Agro Seedlings Sdn. Bhd. (Company No. 1010480-W) a company incorporated in Malaysia and having its registered address at A-301, Suite 2, Block A, Kelana Square, No. 17, Jalan SS7/26, 47301 Petaling Jaya, Selangor which is a wholly-owned subsidiary of the TGA Malaysia as a result of the Share Exchange Agreement 1;
“Vendors”	means the then shareholders of TGS namely, Yap Foot Loy, Tan Lai Choo, Wong Kok Kee and Tong Gee Pun;
“Woodman”	means Woodman Sdn Bhd;

SECTION 16: GLOSSARY OF TECHNICAL TERMS

CAGR	: Compound Annual Growth Rate
CPKO	: Crude Palm Kernel Oil
CSPO	: Certified Sustainable Palm Oil
EMA	: Europe, Middle East and Africa
ETP	: Economic Transformation Program
FFB	: Fresh Fruit Bunch
FP	: Finished Palm Oil Product, which includes soap, detergent and cosmetics.
GRG	: General Rubber Goods
ha	: Hectare
IRG	: Industrial Rubber Goods
IRSG	: International Rubber Study Group
NKEA	: National Key Economic Area
NR	: Natural Rubber
MRB	: Malaysian Rubber Board
MPOB	: Malaysian Palm Oil Board
OER	: Oil Extraction Rate
PPO	: Processed Palm Oil, or known as Refined, Bleached and Deodorized Palm Oil (RBDPO)
RSPO	: Roundtable on Sustainable Palm Oil
SEA	: South East Asia
USD	: US Dollar