

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF RHONE MA HOLDINGS BERHAD (“RHONE MA HOLDINGS” OR THE “COMPANY”) DATED 29 NOVEMBER 2016 (“ELECTRONIC PROSPECTUS”)

(Unless otherwise indicated, specified or defined in this notice, the definitions in the Prospectus shall apply throughout this notice)

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad’s (“**Bursa Securities**”) website at www.bursamalaysia.com (“**Website**”).

Availability and Location of Paper / Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper / printed copy of the Prospectus directly from the Company, Public Investment Bank Berhad (“**PIVB**”) or Tricor Investor & Issuing House Services Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus, subject to availability, from the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective investors should note that the Application Forms are not available in electronic format.

Jurisdictional Disclaimer

This distribution of the Electronic Prospectus and the sale of the units are subject to Malaysian law. Bursa Securities, PIVB and Rhone Ma Holdings take no responsibility for the distribution of the Electronic Prospectus and / or the sale of the units outside Malaysia, which may be restricted by law in other jurisdictions. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any units, to any person outside Malaysia or in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

Close of Application

Applications will be accepted from 10.00 a.m. on 29 November 2016 and will close at 5.00 p.m. on 6 December 2016 or for such further period or periods as the Directors of Rhone Ma Holdings in their absolute discretion may decide.

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. Users’ access to the website and the use of the contents of the Website and / or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained in the Website.

The contents of the Electronic Prospectus are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind, and shall not at any time be relied upon as such.



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Lot 18A & 18B, Jalan 241
Seksyen 51A
46100 Petaling Jaya
Selangor Darul Ehsan

Tel : (603) 7873 7355
Fax : (603) 7873 9209

www.rhonema.com



RHONE MA HOLDINGS BERHAD

PROSPECTUS

P R O S P E C T U S



RHONE MA HOLDINGS BERHAD

(Company No. 1116225-A)
(Incorporated in Malaysia under the Companies Act, 1965)

PUBLIC ISSUE OF 42,122,000 NEW ORDINARY SHARES OF RM0.50 EACH IN RHONE MA HOLDINGS BERHAD ("SHARES") AT AN ISSUE PRICE OF RM0.75 PER SHARE PAYABLE IN FULL UPON APPLICATION COMPRISING:

- (I) 8,300,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- (II) 7,822,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE ELIGIBLE DIRECTORS AND EMPLOYEES OF OUR COMPANY AND OUR SUBSIDIARIES ("GROUP") AND OTHER PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP;
- (III) 16,600,000 NEW SHARES AVAILABLE FOR APPLICATION BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY, MALAYSIA; AND
- (IV) 9,400,000 NEW SHARES AVAILABLE FOR APPLICATION BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS,

IN CONJUNCTION WITH OUR LISTING ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD.

Principal Adviser, Sole Underwriter and Sole Placement Agent



PUBLIC INVESTMENT BANK BERHAD (20027-W)

A Participating Organisation Of Bursa Malaysia Securities Berhad
(Wholly-owned Subsidiary Of Public Bank Berhad)

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

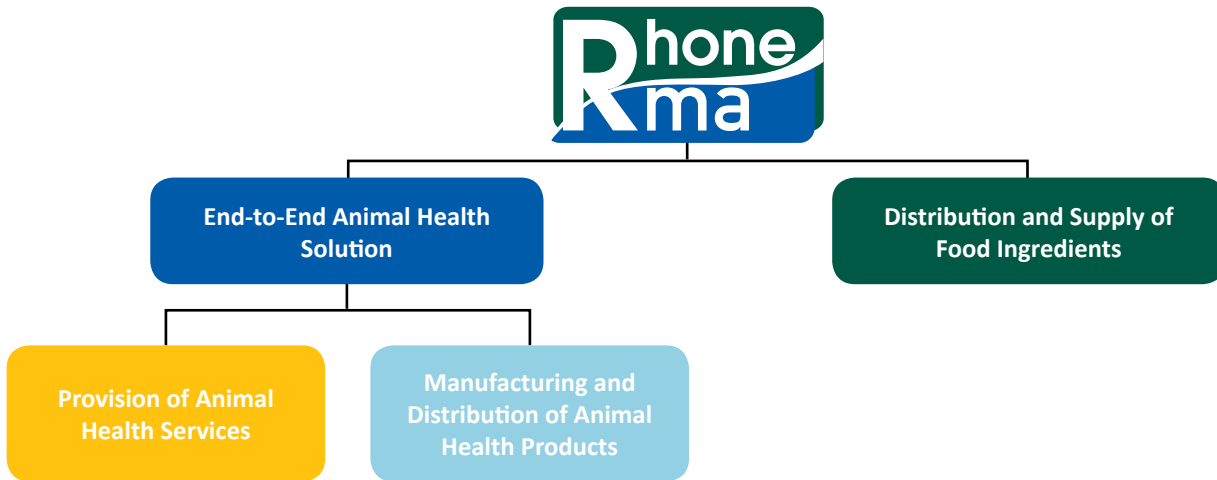
THERE ARE CERTAIN RISK FACTORS WHICH PROSPECTIVE INVESTORS SHOULD CONSIDER. PLEASE TURN TO SECTION 4 OF THIS PROSPECTUS FOR "RISK FACTORS".

THIS PROSPECTUS IS DATED 29 NOVEMBER 2016



OUR BUSINESS

Our Group is primarily an end-to-end animal health solution provider, integrating the provision of animal health services as well as the manufacturing and distribution of animal health products focused mainly on the livestock industry. In addition, our Group is also involved in the distribution and supply of food ingredients.



The animal health services provided by our Group consist of the provision of veterinary advisory and consultation services, diagnostic laboratory analyses as well as research and development (“R&D”) services whereas the animal health products provided by our Group include vaccines, pharmaceuticals and feed additives which are mainly sourced from third party international manufacturers. Our Group also manufactures selected pharmaceuticals and feed additives at our own Good Manufacturing Practice (“GMP”)-compliant plant.

End-to-End Animal Health Solution



- A programme launched as part of our continuing efforts as an end-to-end animal health solution provider
- An approach to animal health solutions where animal health services and products are customised to the needs and requirements of each customer

Provision of Animal Health Services



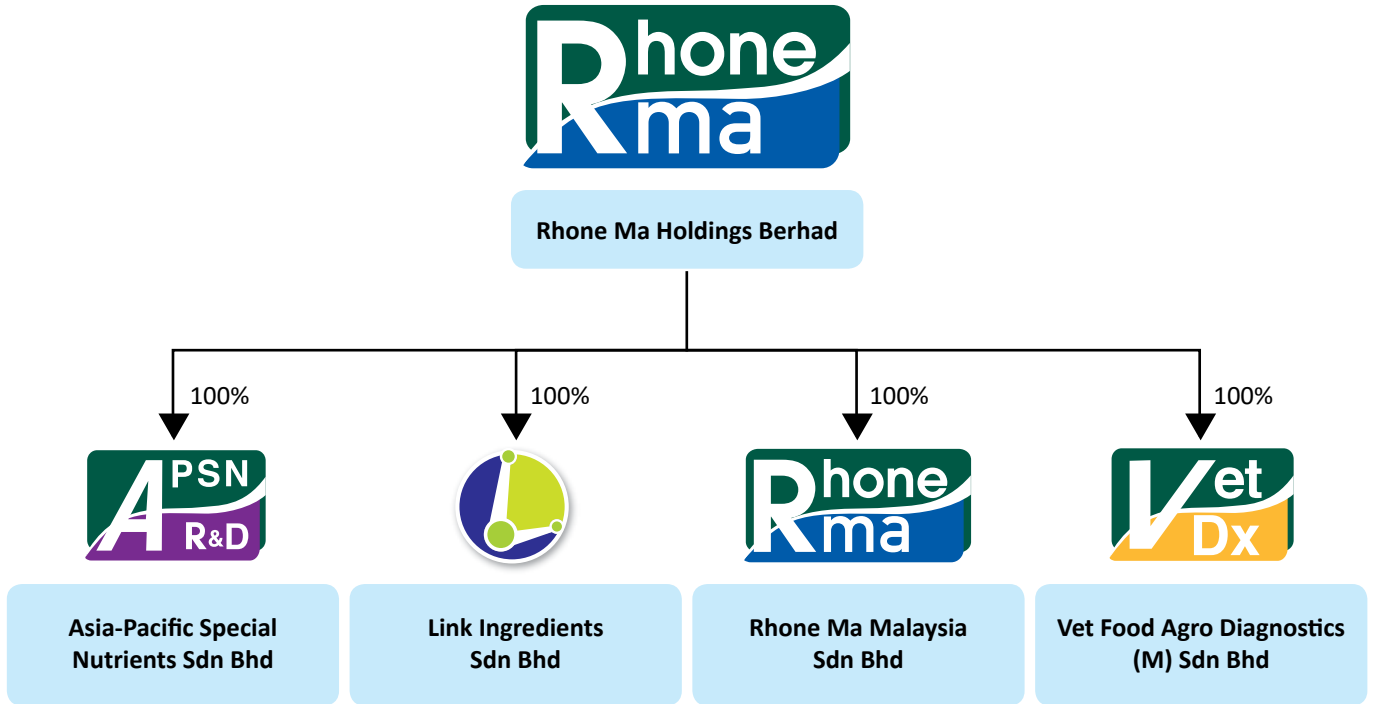
Manufacturing and Distribution of Animal Health Products



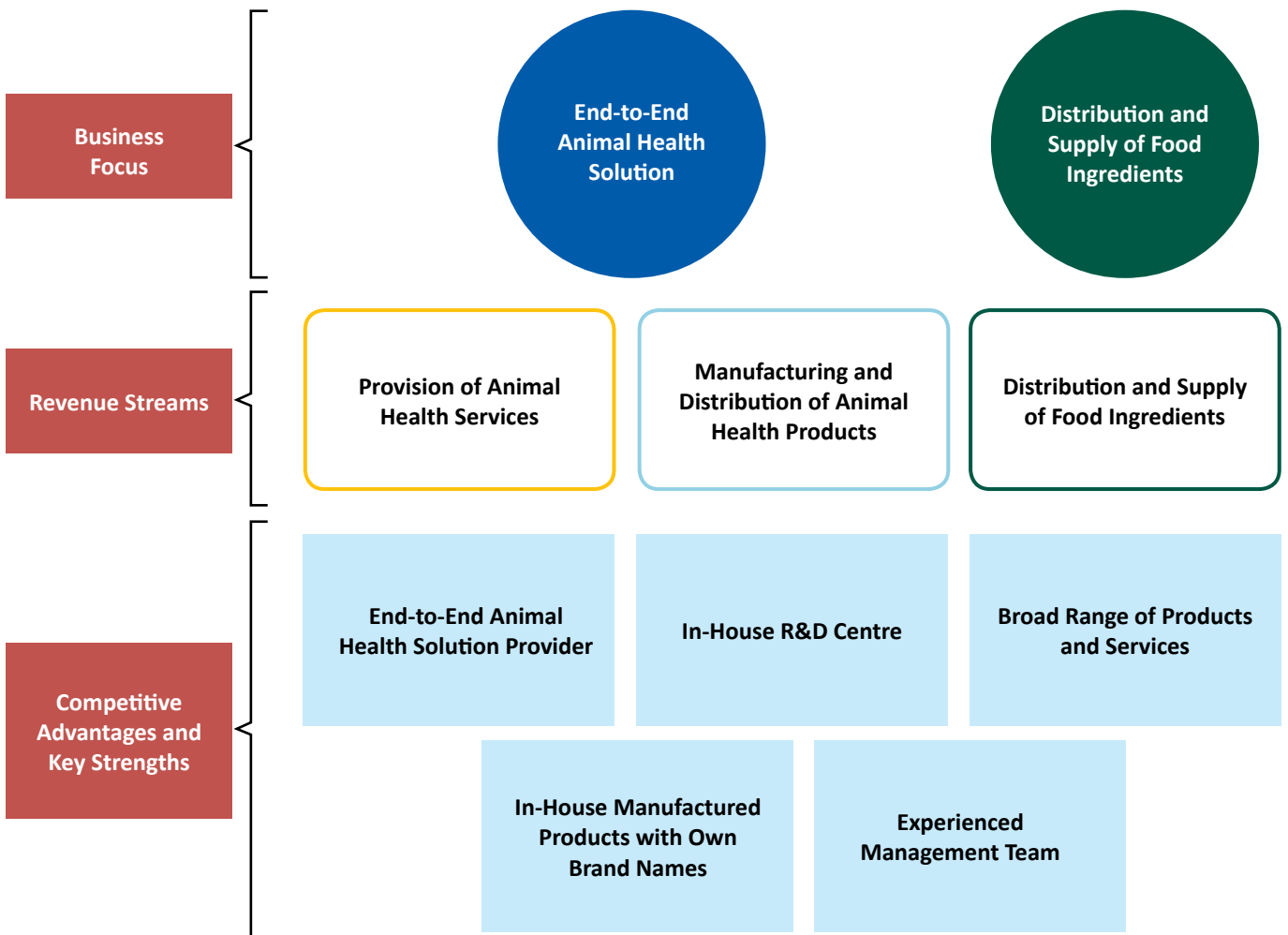
Distribution and Supply of Food Ingredients



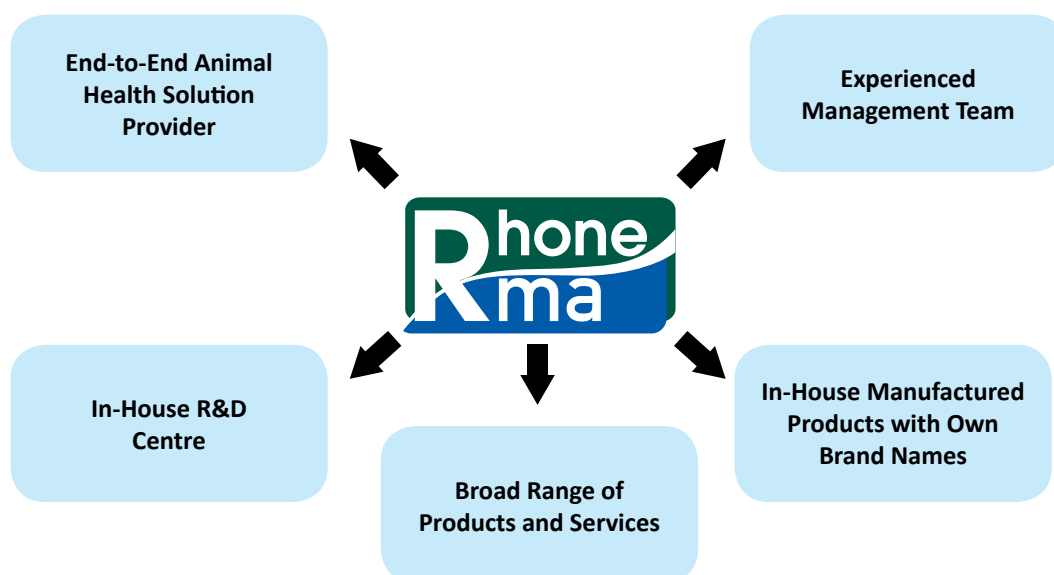
OUR GROUP



OUR GROUP'S BUSINESS MODEL



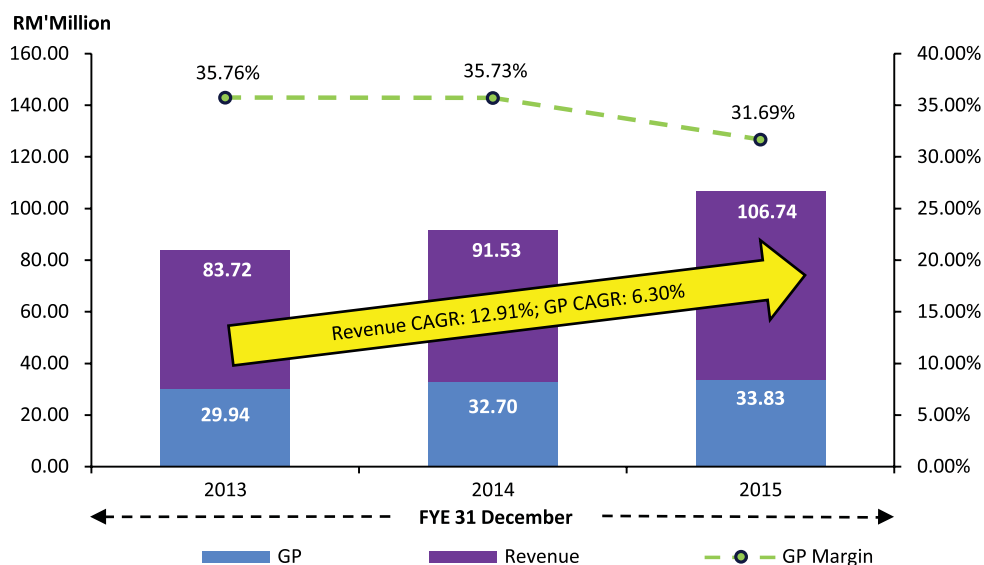
OUR COMPETITIVE ADVANTAGES AND KEY STRENGTHS



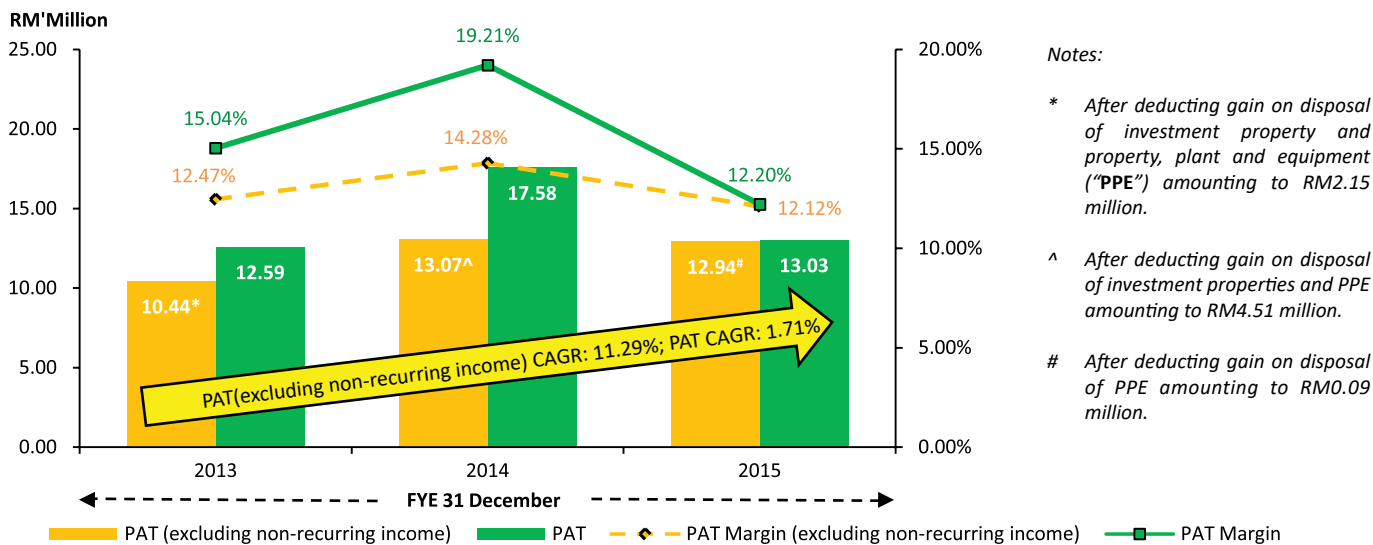
<p>End-to-End Animal Health Solution Provider</p>	<ul style="list-style-type: none"> • We provide customised animal health solution to address the problems and meet the needs and requirements of each customer via our Total Solution Provider programme • Our end-to-end animal health solution would provide convenience and at the same time ensure faster and more reliable services are provided to our customers
<p>In-House R&D Centre</p>	<ul style="list-style-type: none"> • Our in-house R&D centre provides us the platform to expand our product range and allows our Group to continuously develop new products as well as to improve our existing products • We are able to respond faster to the changing customer preferences and new market developments with our ability to undertake in-house R&D activities • Since the establishment of our in-house R&D centre, we have successfully developed eleven (11) pharmaceuticals and thirteen (13) feed additives
<p>Broad Range of Products and Services</p>	<ul style="list-style-type: none"> • We have an extensive range of animal health products which consists of more than 300 types of products including vaccines, pharmaceuticals and feed additives for livestock and companion animals • We provide an extensive range of technical services comprising veterinary advisory and diagnostic laboratory analysis
<p>In-House Manufactured Products with Own Brand Names</p>	<ul style="list-style-type: none"> • We are able to develop and manufacture a range of pharmaceuticals and feed additives that are marketed under our own brand names and conform to the standards required by the relevant authorities • The offering of in-house manufactured products under our own brand names allows our Group to build brand equity and create brand loyalty
<p>Experienced Management Team</p>	<ul style="list-style-type: none"> • Our Group has been jointly spearheaded by our Group Managing Director, Dr. Lim Ban Keong, Group Marketing & Technical Director, Dr. Yip Lai Siong and Group Sales Director, Foong Kam Weng, all of whom have contributed to the growth and development of our Group • The management team is supported by key personnel, comprising individuals with relevant experience in dealing with animal health products and food ingredients, providing veterinary advisory services, diagnostic laboratory analysis, R&D and accounting and finance related functions

OUR FINANCIAL PERFORMANCE FOR THE PAST THREE (3) FINANCIAL YEARS UP TO THE FYE 31 DECEMBER 2015

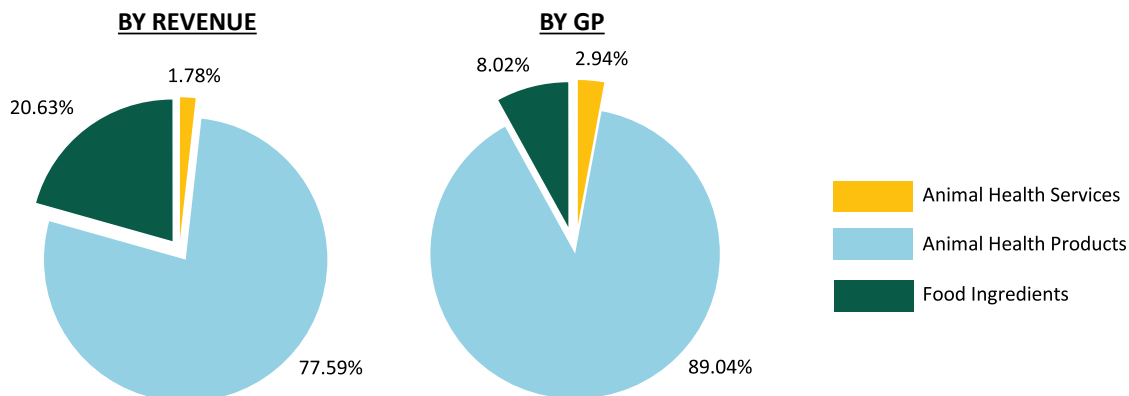
REVENUE AND GROSS PROFIT ("GP")



PROFIT AFTER TAX ("PAT")

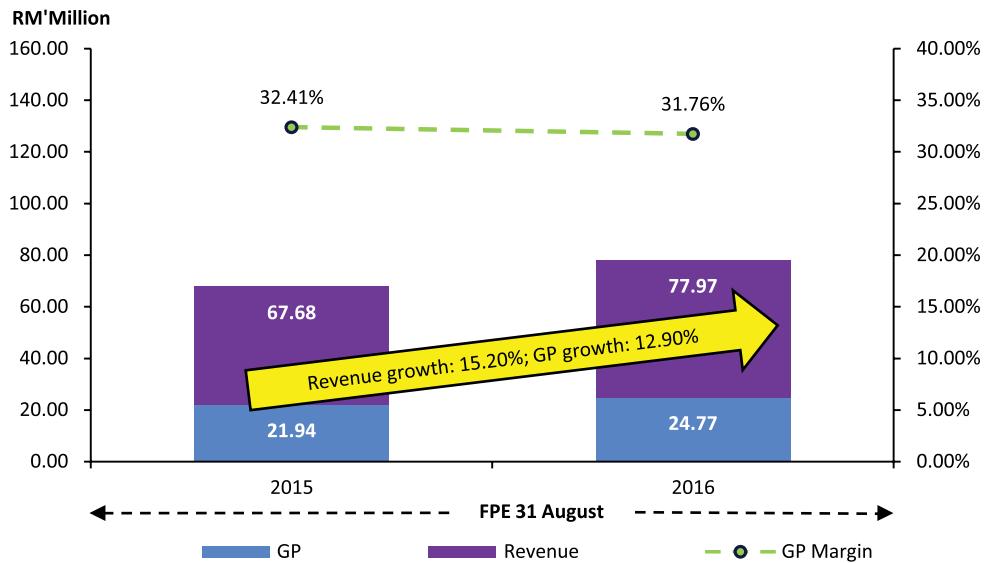


OUR FINANCIAL SEGMENTATION FOR THE FYE 31 DECEMBER 2015

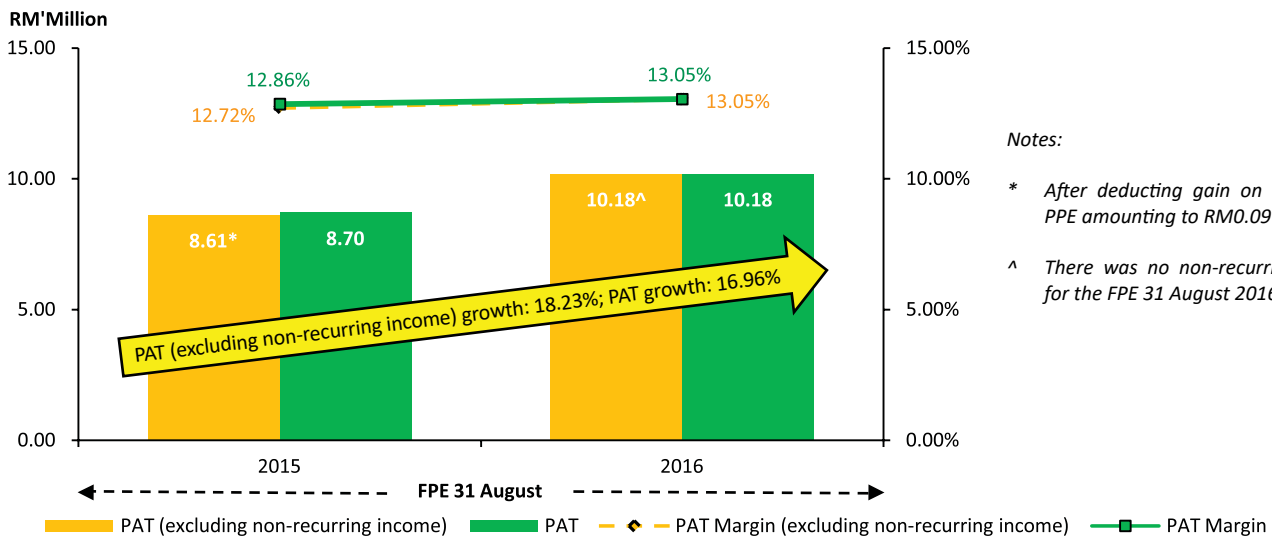


OUR FINANCIAL PERFORMANCE FOR THE FPE 31 AUGUST 2015 AND THE FPE 31 AUGUST 2016

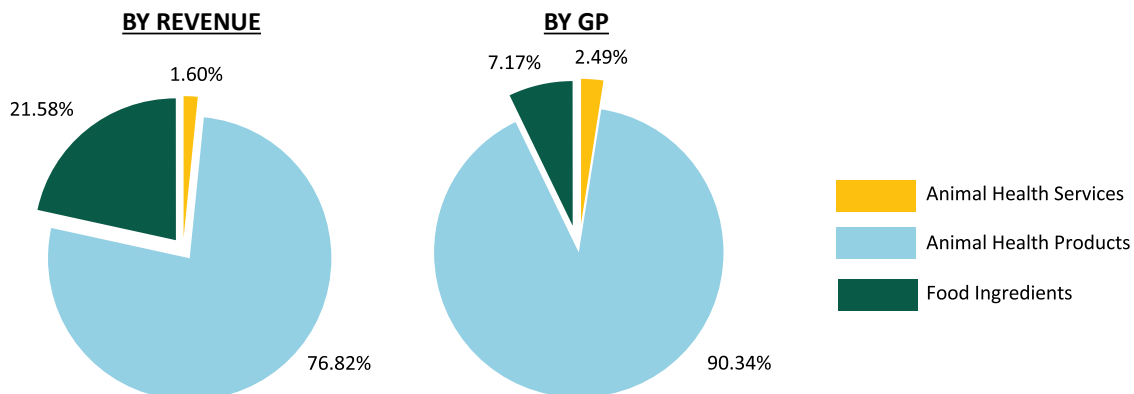
REVENUE AND GP



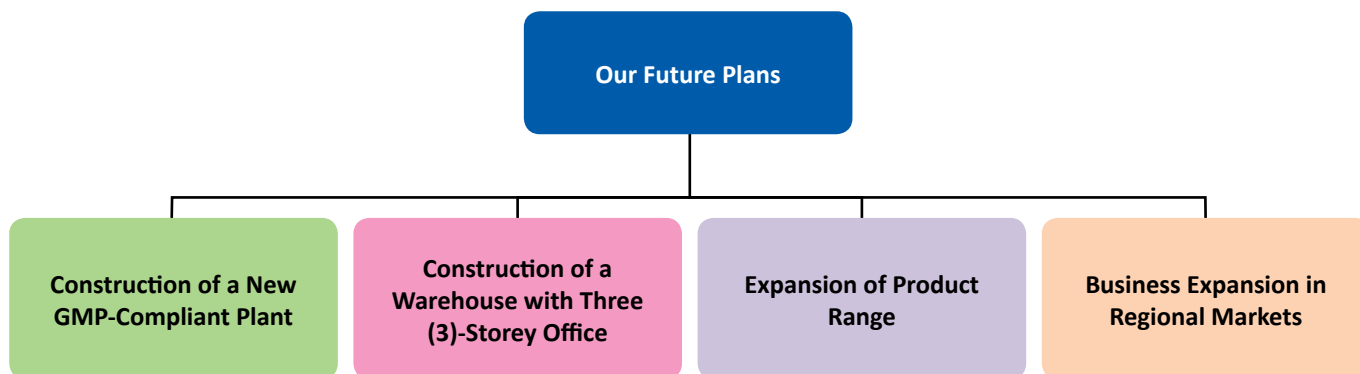
PAT



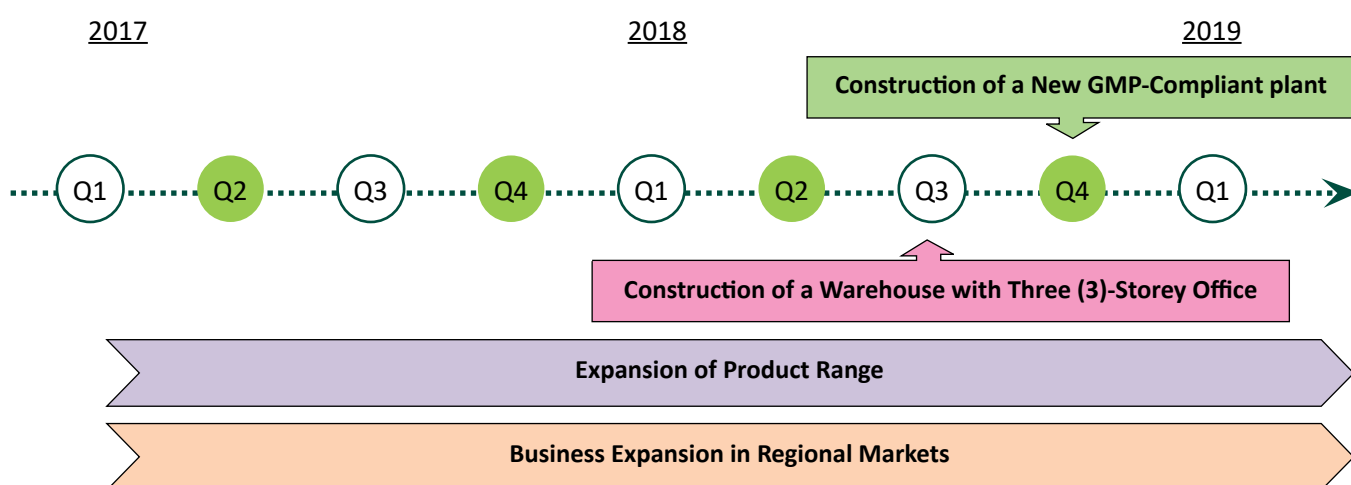
OUR FINANCIAL SEGMENTATION FOR THE FPE 31 AUGUST 2016



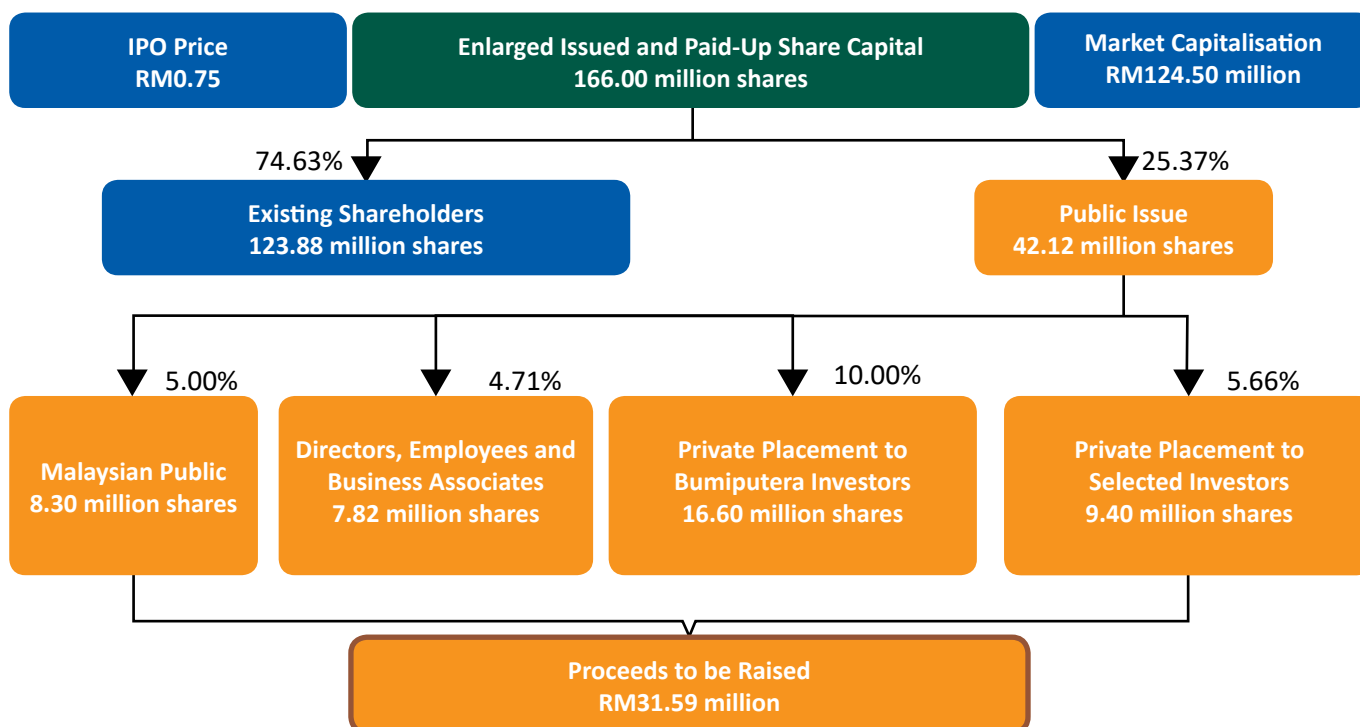
OUR FUTURE PLANS



EXPECTED COMPLETION



OUR GENERAL INFORMATION



ANIMAL HEALTH SERVICES

Routine



Routine farm visits



Technical consultation



Product introduction and training



In-house training

Specific



Diagnostic laboratory services



Disease investigation, control and monitoring



Vaccination, medication programme and nutritional consultation

Advisory



Vaccination equipment



Troubleshooting of closed house system and farm management



Disease prevention and improvement of livestock production performance



Farm accreditation scheme consultation

ANIMAL HEALTH PRODUCTS

VACCINES



PHARMACEUTICALS



FEED ADDITIVES



IN-HOUSE MANUFACTURED PRODUCTS WITH OWN BRAND NAMES

				
Farmsafe	Nystatin FG	Relief Oatmeal Shampoo	Rhomicosin 25 LQ	Rhomicosin 20 FG

RESPONSIBILITY STATEMENTS

OUR DIRECTORS AND PROMOTERS (AS DEFINED HEREIN) HAVE SEEN AND APPROVED THIS PROSPECTUS. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS PROSPECTUS. HAVING MADE ALL REASONABLE ENQUIRIES AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THAT THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS, WHICH IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS PROSPECTUS FALSE OR MISLEADING.

PUBLIC INVESTMENT BANK BERHAD (20027-W) (“**PIVB**”), BEING THE PRINCIPAL ADVISER, SOLE UNDERWRITER AND SOLE PLACEMENT AGENT ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING OUR INITIAL PUBLIC OFFERING (“**IPO**”).

STATEMENTS OF DISCLAIMER

THE SECURITIES COMMISSION MALAYSIA (“**SC**”) HAS APPROVED THE ISSUE, OFFER OR INVITATION IN RESPECT OF OUR IPO AND A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. THE APPROVAL AND REGISTRATION OF THIS PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS OUR IPO OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE SECURITIES BEING OFFERED IN RESPECT OF OUR IPO FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT IN OUR COMPANY. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY BEFORE APPLYING FOR OUR SHARES.

THE VALUATION UTILISED FOR THE PURPOSE OF THE LISTING EXERCISE SHOULD NOT BE CONSTRUED AS AN ENDORSEMENT BY THE SC ON THE VALUE OF THE SUBJECT ASSETS FOR ANY OTHER PURPOSE.

OUR COMPANY HAS OBTAINED THE APPROVAL FROM BURSA MALAYSIA SECURITIES BERHAD (“**BURSA SECURITIES**”) FOR THE LISTING OF AND QUOTATION FOR OUR ENTIRE ENLARGED ISSUED AND PAID-UP SHARE CAPITAL OF RM0.50 EACH IN OUR COMPANY (“**SHARES**”). OUR ADMISSION TO THE OFFICIAL LIST OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF OUR IPO, OUR COMPANY OR OUR SHARES.

BURSA SECURITIES IS NOT LIABLE FOR ANY NON-DISCLOSURE IN THIS PROSPECTUS BY US AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS. BURSA SECURITIES MAKES NO REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF THIS PROSPECTUS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THIS PROSPECTUS.

A COPY OF THIS PROSPECTUS, TOGETHER WITH THE APPLICATION FORMS (AS DEFINED HEREIN), HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES MALAYSIA, WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

OTHER STATEMENTS

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS PROSPECTUS IS DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 (“**CMSA**”).

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE, FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

YOU SHOULD NOT TAKE THE AGREEMENT BY THE SOLE UNDERWRITER TO UNDERWRITE OUR IPO SHARES (AS DEFINED HEREIN) AS AN INDICATION OF THE MERITS OF OUR SHARES.

THIS PROSPECTUS IS PREPARED AND PUBLISHED SOLELY FOR OUR IPO UNDER THE LAWS OF MALAYSIA. OUR SHARES BEING OFFERED IN OUR IPO ARE OFFERED SOLELY ON THE BASIS OF THE INFORMATION CONTAINED AND REPRESENTATIONS MADE IN THIS PROSPECTUS. OUR DIRECTORS, PROMOTERS, PRINCIPAL ADVISER, SOLE UNDERWRITER AND SOLE PLACEMENT AGENT HAVE NOT AUTHORISED ANYONE TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS. ANY INFORMATION OR REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY OUR DIRECTORS, PROMOTERS, PRINCIPAL ADVISER, SOLE UNDERWRITER AND SOLE PLACEMENT AGENT, ANY OF THEIR RESPECTIVE DIRECTORS, OR ANY OTHER PERSONS INVOLVED IN OUR IPO.

THIS PROSPECTUS HAS NOT BEEN AND WILL NOT BE MADE TO COMPLY WITH THE LAWS OF ANY JURISDICTION OTHER THAN MALAYSIA, AND HAS NOT BEEN AND WILL NOT BE LODGED, REGISTERED OR APPROVED PURSUANT TO OR UNDER ANY APPLICABLE SECURITIES OR EQUIVALENT LEGISLATION OR WITH OR BY ANY REGULATORY AUTHORITY OR OTHER RELEVANT BODY OF ANY JURISDICTION OTHER THAN MALAYSIA.

WE WILL NOT, PRIOR TO ACTING ON ANY ACCEPTANCE IN RESPECT OF OUR IPO, MAKE OR BE BOUND TO MAKE ANY ENQUIRY AS TO WHETHER YOU HAVE A REGISTERED ADDRESS IN MALAYSIA AND WILL NOT ACCEPT OR BE DEEMED TO ACCEPT ANY LIABILITY IN RELATION THERETO WHETHER OR NOT ANY ENQUIRY OR INVESTIGATION IS MADE IN CONNECTION THEREWITH.

IT SHALL BE YOUR SOLE RESPONSIBILITY IF YOU ARE OR MAY BE SUBJECT TO THE LAWS OF COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA, TO CONSULT YOUR LEGAL AND / OR OTHER PROFESSIONAL ADVISERS AS TO WHETHER OUR IPO WOULD RESULT IN THE CONTRAVENTION OF ANY LAW OF SUCH COUNTRIES OR JURISDICTIONS.

FURTHER, IT SHALL ALSO BE YOUR SOLE RESPONSIBILITY TO ENSURE THAT YOUR APPLICATION FOR OUR IPO WOULD BE IN COMPLIANCE WITH THE TERMS OF OUR IPO AND WOULD NOT BE IN CONTRAVENTION OF ANY LAW OF COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA TO WHICH YOU MAY BE SUBJECTED TO. WE WILL FURTHER ASSUME THAT YOU HAD ACCEPTED OUR IPO IN MALAYSIA AND WILL AT ALL APPLICABLE TIMES BE SUBJECTED ONLY TO THE LAWS OF MALAYSIA IN CONNECTION THEREWITH.

THIS PROSPECTUS MAY NOT BE USED AS AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY JURISDICTION OR IN ANY CIRCUMSTANCES IN WHICH SUCH AN OFFER OR INVITATION IS NOT AUTHORISED OR IS UNLAWFUL. THIS PROSPECTUS SHALL ALSO NOT BE USED TO MAKE AN OFFER OF OR AN INVITATION TO BUY OUR SECURITIES TO ANY PERSON TO WHOM IT IS UNLAWFUL TO DO SO. OUR BOARD, PROMOTERS, PRINCIPAL ADVISER, SOLE UNDERWRITER AND SOLE PLACEMENT AGENT REQUIRE YOU TO INFORM YOURSELF AND TO OBSERVE SUCH RESTRICTIONS.

HOWEVER, WE RESERVE THE RIGHT, IN OUR ABSOLUTE DISCRETION TO TREAT ANY ACCEPTANCE AS INVALID IF WE BELIEVE THAT SUCH ACCEPTANCE MAY VIOLATE ANY LAW OR APPLICABLE LEGAL OR REGULATORY REQUIREMENTS.

ELECTRONIC PROSPECTUS

THIS PROSPECTUS CAN BE VIEWED OR DOWNLOADED FROM BURSA SECURITIES' WEBSITE AT www.bursamalaysia.com. THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE COPY OF THIS PROSPECTUS REGISTERED WITH THE SC ARE THE SAME.

YOU MAY OBTAIN A COPY OF THE ELECTRONIC PROSPECTUS FROM THE WEBSITE OF PUBLIC BANK BERHAD AT www.pbebank.com, CIMB INVESTMENT BANK BERHAD AT www.eipocimb.com, CIMB BANK BERHAD AT www.cimbclicks.com.my, RHB BANK BERHAD AT www.rhbgroup.com.my, AFFIN BANK BERHAD AT www.affinOnline.com, AFFIN HWANG INVESTMENT BANK BERHAD AT trade.affinhwang.com AND MALAYAN BANKING BERHAD AT www.maybank2u.com.my.

THE INTERNET IS NOT A FULLY SECURE MEDIUM. YOUR INTERNET SHARE APPLICATION (AS DEFINED HEREIN) MAY BE SUBJECT TO RISKS IN DATA TRANSMISSION, COMPUTER SECURITY THREATS SUCH AS VIRUSES, HACKERS AND CRACKERS, FAULTS WITH COMPUTER SOFTWARE AND OTHER EVENTS BEYOND THE CONTROL OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION (AS DEFINED HEREIN). THESE RISKS CANNOT BE BORNE BY THE INTERNET PARTICIPATING FINANCIAL INSTITUTION. IF YOU DOUBT THE VALIDITY OR INTEGRITY OF AN ELECTRONIC PROSPECTUS, YOU SHOULD IMMEDIATELY REQUEST FROM OUR COMPANY OR THE ISSUING HOUSE, A PAPER / PRINTED COPY OF THIS PROSPECTUS. IF THERE IS ANY DISCREPANCY BETWEEN THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE PAPER / PRINTED COPY OF THE PROSPECTUS, THE CONTENTS OF THE PAPER / PRINTED COPY OF THIS PROSPECTUS WHICH ARE IDENTICAL TO THE COPY OF THE PROSPECTUS REGISTERED WITH THE SC SHALL PREVAIL.

IN RELATION TO ANY REFERENCE IN THIS PROSPECTUS TO THIRD PARTY INTERNET SITES (REFERRED TO AS “**THIRD PARTY INTERNET SITES**”), WHETHER BY WAY OF HYPERLINKS OR BY WAY OF DESCRIPTION OF THE THIRD PARTY INTERNET SITES, YOU ACKNOWLEDGE AND AGREE THAT:

- (1) WE DO NOT ENDORSE AND ARE NOT AFFILIATED IN ANY WAY TO THE THIRD PARTY INTERNET SITES. ACCORDINGLY, WE ARE NOT RESPONSIBLE FOR THE AVAILABILITY OF OR THE CONTENT OR ANY DATA, FILES OR OTHER MATERIAL PROVIDED IN THE THIRD PARTY INTERNET SITES. YOU BEAR ALL RISKS ASSOCIATED WITH THE ACCESS TO OR USE OF THE THIRD PARTY INTERNET SITES;
- (2) WE ARE NOT RESPONSIBLE FOR THE QUALITY OF PRODUCTS OR SERVICES IN THE THIRD PARTY INTERNET SITES, PARTICULARLY IN FULFILLING ANY OF THE TERMS OF ANY OF YOUR AGREEMENTS WITH THE THIRD PARTY INTERNET SITES. WE ARE ALSO NOT RESPONSIBLE FOR ANY LOSS OR DAMAGE OR COST THAT YOU MAY SUFFER OR INCUR IN CONNECTION WITH OR AS A RESULT OF DEALING WITH THE THIRD PARTY INTERNET SITES OR THE USE OR RELIANCE ON ANY DATA, FILE OR OTHER MATERIAL PROVIDED BY SUCH PARTIES; AND
- (3) ANY DATA, FILE OR OTHER MATERIAL DOWNLOADED FROM THE THIRD PARTY INTERNET SITES IS DONE AT YOUR OWN DISCRETION AND RISK. WE ARE NOT RESPONSIBLE, LIABLE OR UNDER OBLIGATION FOR ANY DAMAGE TO YOUR COMPUTER SYSTEM OR LOSS OF DATA RESULTING FROM THE DOWNLOADING OF ANY SUCH DATA, INFORMATION, FILES OR OTHER MATERIAL.

WHERE AN ELECTRONIC PROSPECTUS IS HOSTED ON THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION, YOU ARE ADVISED THAT:

- (1) THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS ONLY LIABLE IN RESPECT OF THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS, TO THE EXTENT OF THE CONTENTS OF THE ELECTRONIC PROSPECTUS ON THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION WHICH MAY BE VIEWED VIA YOUR WEB BROWSER OR OTHER RELEVANT SOFTWARE. THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS NOT RESPONSIBLE FOR THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS WHICH HAS BEEN OBTAINED FROM THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION AND SUBSEQUENTLY COMMUNICATED OR DISSEMINATED IN ANY MANNER TO YOU OR OTHER PARTIES;
- (2) WHILE ALL REASONABLE MEASURES HAVE BEEN TAKEN TO ENSURE THE ACCURACY AND RELIABILITY OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS, THE ACCURACY AND RELIABILITY OF AN ELECTRONIC PROSPECTUS CANNOT BE GUARANTEED BECAUSE THE INTERNET IS NOT A FULLY SECURE MEDIUM; AND
- (3) THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS NOT LIABLE (WHETHER IN TORT OR CONTRACT OR OTHERWISE) FOR ANY LOSS, DAMAGE OR COST, YOU OR ANY OTHER PERSON MAY SUFFER OR INCUR DUE TO, AS A CONSEQUENCE OF OR IN CONNECTION WITH ANY INACCURACIES, CHANGES, ALTERATIONS, DELETIONS OR OMISSIONS IN RESPECT OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS WHICH MAY ARISE IN CONNECTION WITH OR AS A RESULT OF ANY FAULT WITH THE WEB BROWSERS OR OTHER RELEVANT SOFTWARE, ANY FAULT ON YOU OR ANY THIRD PARTY'S PERSONAL COMPUTER, OPERATING SYSTEM OR OTHER SOFTWARE, VIRUSES OR OTHER SECURITY THREATS, UNAUTHORISED ACCESS TO INFORMATION OR SYSTEMS IN RELATION TO THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION, AND / OR PROBLEMS OCCURRING DURING DATA TRANSMISSION WHICH MAY RESULT IN INACCURATE OR INCOMPLETE COPIES OF INFORMATION BEING DOWNLOADED OR DISPLAYED ON YOUR PERSONAL COMPUTER.

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INDICATIVE TIMETABLE

The following events are intended to take place on the following tentative dates:

Event	Date
Opening date of application for our IPO Shares	10.00 a.m., 29 November 2016
Closing date of application for our IPO Shares	5.00 p.m., 6 December 2016
Balloting of applications	8 December 2016
Despatch of notices of allotment to successful Applicants	16 December 2016
Listing on the Main Market	19 December 2016

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGE WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE APPLICATION PERIOD WILL OPEN AT 10.00 A.M. ON 29 NOVEMBER 2016 AND WILL REMAIN OPEN UNTIL 5.00 P.M. ON 6 DECEMBER 2016 OR SUCH FURTHER DATE OR DATES AS OUR DIRECTORS AND SOLE UNDERWRITER IN THEIR ABSOLUTE DISCRETION MAY MUTUALLY DECIDE.

IF THE CLOSING DATE OF THE APPLICATION IS EXTENDED, THE DATES FOR THE BALLOTING, ALLOTMENT AND LISTING OF OUR ENTIRE ISSUED AND PAID-UP SHARE CAPITAL ON THE MAIN MARKET WOULD BE EXTENDED ACCORDINGLY AND WE WILL NOTIFY THE PUBLIC VIA AN ADVERTISEMENT IN WIDELY CIRCULATED ENGLISH AND BAHASA MALAYSIA DAILY NEWSPAPERS WITHIN MALAYSIA.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references in this Prospectus to “our Company” and “Rhone Ma Holdings” are to Rhone Ma Holdings Berhad, references to “our Group” are to our Company and our subsidiaries collectively and references to “we”, “us”, “our” and “ourselves” are to our Company, and save where the context otherwise requires, and our subsidiaries. Unless the context otherwise requires, references to “Management” are to our Directors and key management personnel as at the date of this Prospectus, and statements to our beliefs, expectations, estimates and opinions are those of our Management.

This Prospectus includes statistical data provided by various third parties and cites third party projections regarding growth and performance of the industry in which we operate. This data is taken or derived from information published by industry sources and publicly available sources. In each such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originates from us. In particular, certain information in this Prospectus is extracted or derived from the independent market research report prepared by Protégé Associates Sdn Bhd (“IMR Report”). We believe that the statistical data and projections cited in this Prospectus are useful in helping you understand the major trends in the industry in which we operate. However, neither we nor our advisers have independently verified these data.

We and our advisers do not make any representation as to the correctness, accuracy or completeness of such data. You should not place undue reliance on the statistical data. Similarly, third party projections, including the projections from the IMR Report, cited in this Prospectus are subject to uncertainties that could cause actual data to differ materially from the projected figures. We give no assurance that the projected figures will be achieved.

The information on our website, or any website directly and indirectly linked to such website does not form part of this Prospectus and should not be relied upon.

Certain abbreviations, acronyms and technical terms used are defined in the “Definitions” section in this Prospectus. Words denoting the singular shall, where applicable, include the plural and *vice versa*. Words denoting the masculine gender shall, where applicable, include the feminine and / or neuter genders, and *vice versa*. Any reference to persons shall include a company or a corporation, unless otherwise specified.

Any reference in this Prospectus to any legislation is a reference to that legislation as for the time being amended or re-enacted.

Any discrepancy in the tables between the amounts listed and the totals in this Prospectus are due to rounding.

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FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Management's current view with respect to future events and are not a guarantee of future performance. Forward-looking statements can be identified by the use of forward-looking terminology such as the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

- (i) demand for our products and services;
- (ii) our business strategies;
- (iii) our plans and objectives for future operations; and
- (iv) our future earnings, cash flows and liquidity.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

- (i) the economic, political and investment environment in Malaysia and globally; and
- (ii) government policy, legislation or regulation.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed elsewhere in Section 4 of this Prospectus on risk factors. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus. We expressly disclaim any obligation or undertaking to release publicly any update or revision to any forward-looking statement contained in this Prospectus to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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DEFINITIONS

The following terms in this Prospectus bear the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:

Acquisition of Asia-Pacific Special Nutrients	: Acquisition by Rhone Ma Holdings of the entire equity interest of Asia-Pacific Special Nutrients, comprising 1,000,002 Asia-Pacific Special Nutrients Shares for a purchase consideration of RM1,000,002 which will be reflected as amount owing by Rhone Ma Holdings to Rhone Ma Malaysia
Acquisition of Link Ingredients	: Acquisition by Rhone Ma Holdings of the entire equity interest of Link Ingredients, comprising 250,000 Link Ingredients Shares for a purchase consideration of RM250,000 which will be reflected as amount owing by Rhone Ma Holdings to Rhone Ma Malaysia
Acquisition of Rhone Ma Malaysia	: Acquisition by Rhone Ma Holdings of the entire equity interest of Rhone Ma Malaysia, comprising 2,450,002 Rhone Ma Malaysia Shares for a purchase consideration of RM61,938,999 satisfied via the issuance of 123,877,998 new Shares at par
Acquisition of Vet Food Agro Diagnostics	: Acquisition by Rhone Ma Holdings of the entire equity interest of Vet Food Agro Diagnostics, comprising 30,000 Vet Food Agro Diagnostics Shares for a purchase consideration of RM30,000 which will be reflected as amount owing by Rhone Ma Holdings to Rhone Ma Malaysia
Acquisitions	: Acquisition of Asia-Pacific Special Nutrients, Acquisition of Link Ingredients, Acquisition of Vet Food Agro Diagnostics and Acquisition of Rhone Ma Malaysia, collectively
Act	: Companies Act 1965, as amended from time to time and shall include any re-enactment thereof
ADA	: Authorised Depository Agent
ADA Code	: ADA (Broker) Code
Applicant(s)	: Applicant(s) for the subscription of our IPO Shares by way of Application Forms or by way of Electronic Share Application or by way of Internet Share Application
Application Form(s)	: Printed application form(s) for the application for subscription of our IPO Shares
Articles of Association	: Articles of Association of our Company, as may be amended from time to time
Asia-Pacific Special Nutrients	: Asia-Pacific Special Nutrients Sdn Bhd (707628-A)
Asia-Pacific Special Nutrients Shares	: Ordinary shares of RM1.00 each in Asia-Pacific Special Nutrients
ATM(s)	: Automatic Teller Machine(s)
Authorised Financial Institution(s)	: Authorised financial institution(s) participating in the Internet Share Application, with respect to payments for our IPO Shares made available for application under the Public Issue
BASB	: Blue Advantage Sdn Bhd (1116480-U)
Board	: Board of Directors

DEFINITIONS (Cont'd)

Bumiputera Investors	:	Bumiputera investors including individuals, companies, societies, co-operatives and institutions, collectively
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
CAGR	:	Compounded annual growth rate
CCM	:	Companies Commission of Malaysia
CDS	:	Central Depository System
CDS Account	:	Account established by Bursa Depository for a depositor for the recording of deposits or withdrawals of securities and for dealings in such securities by the depositor
CMSA	:	Capital Markets and Services Act 2007, as amended from time to time and shall include any re-enactment thereof
Dato' Hamzah	:	Dato' Hamzah Bin Mohd Salleh
Director(s)	:	Director(s) of Rhone Ma Holdings
Dr. Lim	:	Dr. Lim Ban Keong
Dr. Raymond Choo	:	Dr. Raymond Choo Pow Yoon
Dr. Yip	:	Dr. Yip Lai Siong
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
EPS	:	Earnings per share
ESA or Electronic Share Application	:	Application for the subscription of our IPO Shares through a Participating Financial Institution's ATM
EUR	:	Euro
Feed Board	:	Feed Board established under the Feed Act 2009
FPE	:	Financial period ended
FYE	:	Financial year ended
GP	:	Gross profit
Group or Rhone Ma Holdings Group	:	Rhone Ma Holdings and its Subsidiaries, collectively
GST	:	Goods and Services Tax
IMR Report	:	Independent Market Research Report titled "Strategic Analysis of the Animal Health and Nutrition Market and An Overview of the Food Ingredients Market in Malaysia" prepared by Protégé Associates Sdn Bhd (675767-H)

DEFINITIONS (Cont'd)

Internal Restructuring	:	Internal restructuring of Rhone Ma Malaysia involving the acquisition of the remaining 40% equity interest in Link Ingredients not already owned by Rhone Ma Malaysia and the entire equity interest in Vet Food Agro Diagnostics for a total purchase consideration of RM3,655,865 satisfied via cash
Internet Participating Financial Institution(s)	:	Participating organisation(s) in the Internet Share Application, as listed in Section 17.6 of this Prospectus
Internet Share Application	:	Application for the Public Issue through an Internet Participating Financial Institution
IP	:	Intellectual property
IPO	:	Initial public offering of the Shares comprising the Public Issue only
IPO Price	:	RM0.75 for each IPO Share
IPO Share(s) or Public Issue Share(s)	:	42,122,000 new Shares to be issued pursuant to the Public Issue
ISO	:	International Organization for Standardization
Issuing House or Tricor	:	Tricor Investor & Issuing House Services Sdn Bhd (11324-H)
Link Ingredients	:	Link Ingredients Sdn Bhd (771113-W)
Link Ingredients Shares	:	Ordinary shares of RM1.00 each in Link Ingredients
Listing	:	Admission into the Official List and the listing of and quotation for our entire issued and paid-up share capital, comprising 166,000,000 Shares on the Main Market
Listing Exercise	:	The exercise undertaken by our Company comprising the Internal Restructuring, Acquisitions, IPO and Listing, collectively
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time
LPD	:	12 October 2016, being the latest practicable date prior to the issuance of this Prospectus
Main Market	:	Main Market of Bursa Securities
Malaysian Public	:	Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
Management	:	Directors and key management personnel of our Group
Market Day	:	Any day between Monday and Friday (inclusive) which is not a public holiday and when Bursa Securities is open for trading of securities
Merial Group	:	Merial SAS and its group of companies, collectively
MITI	:	Ministry of International Trade and Industry, Malaysia
N/A	:	Not available or not applicable
NA	:	Net assets

DEFINITIONS (Cont'd)

NBV	:	Net book value
NL	:	Net liabilities
NPRA	:	National Pharmaceutical Regulatory Agency (<i>formerly known as National Pharmaceutical Control Bureau</i>) of the Ministry of Health Malaysia
Official List	:	A list specifying all securities listed on Bursa Securities
Participating Financial Institution(s)	:	Participating financial institution(s) for Electronic Share Application as listed in Section 17.5 of this Prospectus
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PE Multiple	:	Price earnings multiple
Pink Form Allocation	:	7,822,000 IPO Shares reserved for subscription by the eligible Directors and employees of our Group and other persons who have contributed to the success of our Group
PIVB or Principal Adviser or Sole Underwriter or Sole Placement Agent	:	Public Investment Bank Berhad (<i>20027-W</i>)
PRC	:	People's Republic of China
Promoters	:	BASB, Dr. Lim, Foong Kam Weng and Dr. Yip, collectively
Prospectus	:	This Prospectus dated 29 November 2016 in relation to the IPO
Prospectus Guidelines	:	Prospectus Guidelines issued by the SC, as amended from time to time and shall include any re-enactment thereof
Public	:	All persons or members of the public but excluding our Directors, substantial shareholders and persons connected or associated with them (as defined in the Listing Requirements)
Public Issue	:	Public issue by Rhone Ma Holdings of 42,122,000 new Shares at the IPO Price, payable in full upon application, subject to the terms and conditions of this Prospectus
Recurrent Transactions	:	Recurrent related party transactions that are of revenue or trading in nature and which are necessary for day-to-day operations of our Group entered into between our Group and our related parties, which involve the interests, direct or indirect, of our substantial shareholders, directors of our Group, key management personnel and / or persons connected to them
Rhone Ma Holdings or Company	:	Rhone Ma Holdings Berhad (<i>1116225-A</i>)
Rhone Ma Malaysia	:	Rhone Ma Malaysia Sdn Bhd (<i>525887-W</i>)
Rhone Ma Malaysia Shares	:	Ordinary shares of RM1.00 each in Rhone Ma Malaysia
RM and sen	:	Ringgit Malaysia and sen, respectively

DEFINITIONS (Cont'd)

Roquette Group	:	Roquette group of companies comprising amongst others, Roquette Singapore Pte Ltd, Roquette Freres and Roquette Riddhi Siddhi Private Limited
R&D	:	Research and development
SC	:	Securities Commission Malaysia
SC Equity Guidelines	:	Equity Guidelines issued by the SC, as amended from time to time and shall include any re-enactment thereof
Share(s)	:	Ordinary share(s) of RM0.50 each in Rhone Ma Holdings
SICDA	:	Securities Industry (Central Depositories) Act 1991, as amended from time to time and shall include any re-enactment thereof
SME	:	Small and medium sized enterprises
Sq. ft.	:	Square feet
Subsidiaries	:	Rhone Ma Malaysia, Asia-Pacific Special Nutrients, Link Ingredients and Vet Food Agro Diagnostics, collectively
TSP	:	Total Solution Provider
Underwriting Agreement	:	Underwriting agreement dated 11 October 2016 entered into between Rhone Ma Holdings and the Sole Underwriter
USA	:	United States of America
USD	:	United States Dollar
Vet Food Agro Diagnostics	:	Vet Food Agro Diagnostics (M) Sdn Bhd (560721-X)
Vet Food Agro Diagnostics Shares	:	Ordinary shares of RM1.00 each in Vet Food Agro Diagnostics

Technical References

Anthelmintic	:	A type of drug that is used to treat infections by parasitic worms
Antifungal(s)	:	A type of animal health product that is used in the treatment of fungal infection
Antimicrobial	:	A type of animal health product that is used in the treatment and prevention of bacterial infection
CGM	:	Corn gluten meal
Coccidiosis	:	A parasitic disease of the intestinal tract of animals caused by coccidial protozoa
CSFV	:	Classical Swine Fever Virus, a virus that causes contagious swine disease which results in mortality
DNA	:	Deoxyribonucleic acid

DEFINITIONS (Cont'd)

Enzyme(s)	: A pro-nutrient to improve digestion of nutrient, leading to better nutrient utilisation
GMP	: Good Manufacturing Practice. Compliance to GMP is a pre-requisite for the application of a manufacturing licence and product registration of our pharmaceuticals. GMP certificate is issued by NPRA as an endorsement that the local manufacturer complies with the current GMP requirements for the purpose of exportation of locally manufactured registered products
Hypodermic syringe(s)	: A hollow needle commonly used with a syringe for injection and extraction of fluids
IBV	: Infectious Bronchitis Virus, a virus that causes contagious disease which infects chickens
Microbials	: Microorganisms or minute life forms
Microbiology	: The study of microorganisms such as bacteria, protozoal parasites, viruses and fungi
Mold inhibitor	: A mixture that is used to prevent mold from growing in the animal feed
Molecular biology	: The study of biology on a molecular level including the structure, function and makeup of biologically important molecules such as DNA, RNA and proteins
Morphology	: A branch of biology that deals with the form of living organisms and with relationships between their structures
Multiplex PCR	: A molecular biology technique for amplification of multiple genes simultaneously
Mycotoxin	: A secondary metabolite produced by fungus (including mushrooms, moulds and yeasts) that are capable of causing diseases and death in humans and animals
NDV	: Newcastle Disease Virus, a virus that causes contagious disease which affects the respiratory, digestive and nervous systems of domestic and wild avian species
OHSAS	: Occupational Health and Safety Assessment Series
ORF	: A part of a reading frame in a DNA sequence that has the potential to code for a protein or peptide
PCR	: Polymerase chain reaction
Premix	: A product consist of ready-mixed elements or materials
Probiotics	: A type of live beneficial microorganisms that are usually administered to promote growth and enhance the performance of poultry and livestock animals
QMS	: Quality Management System
RNA	: Ribonucleic acid
Serology	: The science that deals with the properties and reactions of serum

1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name / (Designation)	Address	Occupation	Nationality
Dato' Hamzah <i>(Independent Non-Executive Chairman)</i>	B17-04 Mont Kiara Aman 4 Jalan Kiara 2 50480 Kuala Lumpur	Company Director	Malaysian
Dr. Lim <i>(Group Managing Director)</i>	17 Jalan BK 6B/9 Bandar Kinrara 47100 Puchong Selangor Darul Ehsan	Company Director	Malaysian
Foong Kam Weng <i>(Executive Director / Group Sales Director)</i>	17 Jalan BU 5/2 The Effingham Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Dr. Yip <i>(Executive Director / Group Marketing & Technical Director)</i>	6 Jalan Kenanga SD9/3A Sri Damansara 52200 Kuala Lumpur	Company Director	Malaysian
Martin Jeyaratnam A/L Thiagaraj <i>(Independent Non-Executive Director)</i>	No. 23 Jalan SS 20/14 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Rahanawati Binti Ali Dawam <i>(Independent Non-Executive Director)</i>	No. 8 Jalan 28A Cheras Baru 56100 Kuala Lumpur	Advocate & Solicitor	Malaysian
Teoh Chee Yong <i>(Independent Non-Executive Director)</i>	35 Jalan Anggerik Vanilla 31/100F 40460 Shah Alam Selangor Darul Ehsan	Company Director	Malaysian

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1. CORPORATE DIRECTORY (Cont'd)**AUDIT AND RISK MANAGEMENT COMMITTEE**

Name	Designation	Directorship
Teoh Chee Yong	Chairman	Independent Non-Executive Director
Martin Jeyaratnam A/L Thiagaraj	Member	Independent Non-Executive Director
Rahanawati Binti Ali Dawam	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Martin Jeyaratnam A/L Thiagaraj	Chairman	Independent Non-Executive Director
Teoh Chee Yong	Member	Independent Non-Executive Director
Dr. Lim	Member	Group Managing Director

NOMINATING COMMITTEE

Name	Designation	Directorship
Rahanawati Binti Ali Dawam	Chairman	Independent Non-Executive Director
Martin Jeyaratnam A/L Thiagaraj	Member	Independent Non-Executive Director
Teoh Chee Yong	Member	Independent Non-Executive Director

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1. CORPORATE DIRECTORY (Cont'd)

- COMPANY SECRETARIES** : Tai Yit Chan (MAICSA 7009143)
56, Jalan SS 22/29
Damansara Jaya
47400 Petaling Jaya
Selangor Darul Ehsan
- Tan Ai Ning (MAICSA 7015852)
7-8-1, Menara Hartamas
Jalan Sri Hartamas 3
50480 Kuala Lumpur
- Tel: (603) 7720 1188
Fax: (603) 7720 1111
- REGISTERED OFFICE** : Lot 6.05, Level 6, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
- Tel: (603) 7720 1188
Fax: (603) 7720 1111
- CORPORATE OFFICE** : Lot 18A & 18B, Jalan 241
Seksyen 51A
46100 Petaling Jaya
Selangor Darul Ehsan
- Tel: (603) 7873 7355
Fax: (603) 7873 9209
Email: customercareline@rhonema.com
Website: www.rhonema.com
- AUDITORS AND REPORTING ACCOUNTANTS** : BDO (AF0206)
Chartered Accountants
Level 8
BDO @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
- Tel: (603) 2616 2888
Fax: (603) 2616 2970
- SOLICITORS FOR OUR IPO** : Cheang & Ariff
Advocates & Solicitors
39 Court @ Loke Mansion
273A, Jalan Medan Tuanku
50300 Kuala Lumpur
- Tel: (603) 2691 0803
Fax: (603) 2692 8533
- INDEPENDENT MARKET RESEARCHER** : Protégé Associates Sdn Bhd (675767-H)
Suite C-06-06 Plaza Mont' Kiara
2, Jalan Kiara
Mont' Kiara
50480 Kuala Lumpur
- Tel: (603) 6201 9301
Fax: (603) 6201 7302

1. CORPORATE DIRECTORY (Cont'd)

INDEPENDENT VALUERS : Henry Butcher Malaysia (SEL) Sdn Bhd (495503-K)
No. 36-1, 2 & 3, Jalan 15/4D
47500 Subang Jaya
Selangor Darul Ehsan

Tel: (603) 5631 5555
Fax: (603) 5632 7155

Henry Butcher Malaysia (NS) Sdn Bhd (553971-D)
No. 11, Ground Floor
Jalan Tunku Hassan
70000 Seremban
Negeri Sembilan Darul Khusus

Tel: (606) 761 8681
Fax: (606) 761 8687

PRINCIPAL BANKERS : Public Bank Berhad (6463-H)
Petaling Jaya New Town Branch
1, 3 & 5, Jalan 52/2
46200 Petaling Jaya
Selangor Darul Ehsan

Tel: (603) 7956 9924
Fax: (603) 7956 1580

HSBC Bank Malaysia Berhad (127776-V)
No. 2, Leboh Ampang
50100 Kuala Lumpur

Tel: (603) 2075 3000
Fax: (603) 2070 1146

HSBC Amanah Malaysia Berhad (807705-X)
No. 2, Leboh Ampang
50100 Kuala Lumpur

Tel: (603) 2075 3000
Fax: (603) 2070 1146

ISSUING HOUSE : Tricor Investor & Issuing House Services Sdn Bhd
(11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Tel: (603) 2783 9299
Fax: (603) 2783 9222

SHARE REGISTRAR : Boardroom Corporate Services (KL) Sdn Bhd (3775-X)
Lot 6.05, Level 6, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

Tel: (603) 7720 1188
Fax: (603) 7720 1111

1. CORPORATE DIRECTORY (Cont'd)

PRINCIPAL ADVISER, SOLE UNDERWRITER AND SOLE PLACEMENT AGENT : Public Investment Bank Berhad (20027-W)
25th Floor, Menara Public Bank
146, Jalan Ampang
50450 Kuala Lumpur

Tel: (603) 2166 9382
Fax: (603) 2166 9386

LISTING SOUGHT : Main Market

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2. INFORMATION SUMMARY

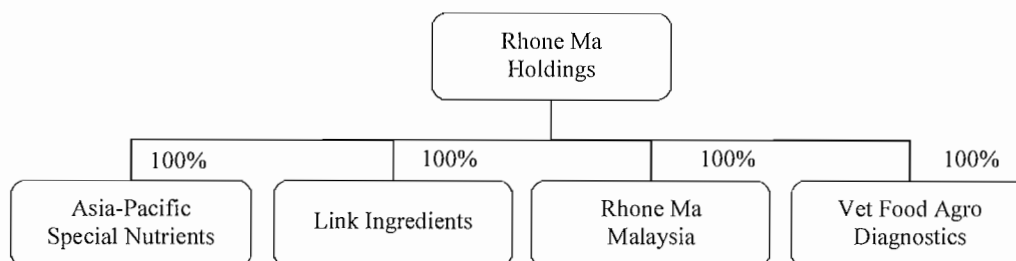
THIS SECTION IS ONLY A SUMMARY OF THE SALIENT INFORMATION FROM THIS PROSPECTUS AND MAY NOT CONTAIN ALL THE INFORMATION ABOUT OUR GROUP AND OUR IPO WHICH MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE ENTIRE PROSPECTUS CAREFULLY PRIOR TO DECIDING WHETHER TO INVEST IN OUR SHARES.

2.1 History and Business Overview

Our Company was incorporated in Malaysia under the Act on 4 November 2014 as a private limited company under the name of Rhone Ma Holdings Sdn Bhd and was subsequently converted to a public company limited by shares on 5 June 2015.

We are an investment holding company and are engaged in the provision of management services. Through our Subsidiaries, we are involved in the provision of end-to-end animal health solution and the distribution and supply of food ingredients. The provision of end-to-end animal health solution comprises the provision of veterinary advisory and consultation services, diagnostic laboratory analyses, R&D activities as well as manufacturing and distribution of animal health products.

As at the LPD, our Subsidiaries and our Group's corporate structure is as follows:



The history of our Group can be traced back to 2000 with the establishment of Rhone Ma Malaysia by Dr. Raymond Choo and Foong Kam Weng to venture into marketing, trading and distribution of animal health products and the provision of veterinary advisory services pursuant to a management buy-out of the animal health division of Rhodia Malaysia Sdn Bhd.

In 2002, our Group ventured into the provision of diagnostic laboratory analysis via Vet Food Agro Diagnostics to offer a wide range of diagnostic laboratory analyses for the veterinary, agriculture and food industries.

In 2005, Asia-Pacific Special Nutrients was incorporated to undertake R&D activities related to animal health, food safety and agriculture. This provides us the platform to expand our product range and allows us to develop new animal health products as well as to improve our existing products. Asia-Pacific Special Nutrients was awarded the BioNexus Status in 2007 and was granted 100% tax exemption on the statutory income for a period of ten (10) years.

Subsequently, our Group launched the TSP programme in 2009 that enables our Group to integrate the core strengths of our Group which include the provision of veterinary advisory services, diagnostic laboratory analyses and R&D activities with the availability of more than 300 types of animal health products to meet the needs and requirements of each customer. For the FYE 31 December 2013, FYE 31 December 2014, FYE 31 December 2015 and FPE 31 August 2016, the sales of third party animal health products contributed 91.74%, 90.89%, 88.33% and 84.11% of our Group's total revenue respectively.

We expanded our business operations and commenced our business in the distribution and supply of food ingredients to food manufacturers in Malaysia through Link Ingredients in 2011.

Details on the history and business overview of our Group are set out in Sections 5.1 and 6 of this Prospectus.

2. INFORMATION SUMMARY (Cont'd)

2.2 Competitive Advantages and Key Strengths

Our Directors believe that our competitive advantages and key strengths are as follows:

- (i) end-to-end animal health solution provider;
- (ii) in-house R&D centre;
- (iii) broad range of products and services;
- (iv) in-house manufactured products with own brand names; and
- (v) experienced management team.

Further details on our competitive advantages and key strengths are set out in Section 6.1.4 of this Prospectus.

2.3 Future Plans and Strategies

We have in place a business and expansion plan moving forward, which is focused in the following areas:

- (i) construction of a new GMP-compliant plant;
- (ii) construction of a warehouse with three (3)-storey office;
- (iii) expansion of product range; and
- (iv) business expansion in regional markets.

Further details on our future plans and strategies are set out in Section 6.22.1 of this Prospectus.

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2. INFORMATION SUMMARY (Cont'd)

2.4 Financial Highlights

2.4.1 Combined Statements of Profit or Loss and Other Comprehensive Income

The table below sets out a summary of the audited combined financial information for the past three (3) financial years up to the FYE 31 December 2015 and FPE 31 August 2016 as well as the unaudited combined financial information for the FPE 31 August 2015. The following historical audited combined financial information should be read in conjunction with the Management's Discussion and Analysis of Financial Condition, Results of Operations and Prospects as set out in Section 12 of this Prospectus and the Accountants' Report as set out in Section 13 of this Prospectus.

	Audited			Unaudited	Audited
	FYE 31 December			FPE 31 August	
	2013 ^(a) RM	2014 ^(b) RM	2015 ^(b) RM	2015 ^(b) RM	2016 ^(b) RM
Revenue	83,715,427	91,528,835	106,735,836	67,683,312	77,968,788
Cost of sales	(53,779,304)	(58,826,517)	(72,910,323)	(45,746,293)	(53,202,458)
GP	29,936,123	32,702,318	33,825,513	21,937,019	24,766,330
Other income	2,745,663	5,111,825	726,792	490,666	692,993
Distribution costs	(8,674,577)	(6,897,502)	(6,757,336)	(4,582,295)	(5,312,965)
Administration expenses	(8,606,907)	(9,655,755)	(10,649,125)	(6,475,594)	(7,128,981)
Finance costs	(97,847)	(128,284)	(187,227)	(101,402)	(163,319)
PBT	15,302,455	21,132,602	16,958,617	11,268,394	12,854,058
Tax expense	(2,710,067)	(3,554,038)	(3,932,875)	(2,567,496)	(2,677,344)
PAT	12,592,388	17,578,564	13,025,742	8,700,898	10,176,714
PAT	12,592,388	17,578,564	13,025,742	8,700,898	10,176,714
Tax expense	2,710,067	3,554,038	3,932,875	2,567,496	2,677,344
PBT	15,302,455	21,132,602	16,958,617	11,268,394	12,854,058
Finance costs	97,847	128,284	187,227	101,402	163,319
Interest income	(18,423)	(20,751)	(39,083)	(20,542)	(97,116)
Depreciation	1,240,279	1,168,986	1,462,536	998,932	904,054
EBITDA	16,622,158	22,409,121	18,569,297	12,348,186	13,824,315
Number of ordinary shares in issue	166,000,000	166,000,000	166,000,000	166,000,000	166,000,000
Gross EPS (RM)	0.09	0.13	0.10	0.10 ^(c)	0.12 ^(c)
Net EPS (RM)	0.08	0.11	0.08	0.08 ^(c)	0.09 ^(c)
GP margin (%)	35.76	35.73	31.69	32.41	31.76
PBT margin (%)	18.28	23.09	15.89	16.65	16.49
PAT margin (%)	15.04	19.21	12.20	12.86	13.05
EBITDA margin (%)	19.86	24.48	17.40	18.24	17.73
Effective tax rate (%)	17.71	16.82	23.19	22.78	20.83

Notes:

(a) Includes the financial results of Rhone Ma Malaysia, Asia-Pacific Special Nutrients, Link Ingredients and Vet Food Agro Diagnostics.

2. INFORMATION SUMMARY (Cont'd)

(b) Includes the financial results of Rhone Ma Holdings, Rhone Ma Malaysia, Asia-Pacific Special Nutrients, Link Ingredients and Vet Food Agro Diagnostics.

(c) Annualised to twelve (12) months for comparison purposes.

2.4.2 Pro Forma Consolidated Statements of Financial Position

Our pro forma consolidated statements of financial position as set out below have been prepared for illustrative purposes only to show the effects on the pro forma consolidated statements of financial position of our Group as at 31 August 2016 had the Listing Exercise been completed on that date and that the current structure of our Group has been in existence throughout the financial years / periods under review.

Our pro forma consolidated statements of financial position should be read in conjunction with the Reporting Accountants' Letter on the Compilation of Pro Forma Consolidated Financial Information as set out in Section 11.4 of this Prospectus.

	Audited as at 31 August 2016 RM	Pro forma I After Internal Restructuring and the Acquisitions RM	Pro forma II After Pro forma I, Public Issue and utilisation of proceeds RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	-	23,422,959	47,922,959
Other investment	-	4,200	4,200
	-	23,427,159	47,927,159
Current Assets			
Inventories	-	21,472,078	21,472,078
Trade and other receivables	362,877 [^]	29,824,984	29,824,984
Current tax asset	-	99,476	99,476
Cash and bank balances	4,914	12,893,767	14,985,267
	367,791	64,290,305	66,381,805
TOTAL ASSETS	367,791	87,717,464	114,308,964
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	1	61,939,000	83,000,000
Share premium	-	-	9,430,500
Reorganisation debit balance [#]	-	(59,488,997)	(59,488,997)
(Accumulated losses) / Retained earnings	(595,139)	63,331,320	59,431,320
TOTAL EQUITY	(595,138)	65,781,323	92,372,823
LIABILITIES			
Non-Current Liabilities			
Borrowings	-	4,117,947	4,117,947
Deferred tax liabilities	-	302,040	302,040
	-	4,419,987	4,419,987

2. INFORMATION SUMMARY (Cont'd)

	Audited as at 31 August 2016 RM	Pro forma I After Internal Restructuring and the Acquisitions RM	Pro forma II After Pro forma I, Public Issue and utilisation of proceeds RM
Current Liabilities			
Trade and other payables	962,929	14,026,530	14,026,530
Borrowings	-	2,017,674	2,017,674
Current tax liabilities	-	1,471,950	1,471,950
	962,929	17,516,154	17,516,154
TOTAL LIABILITIES	962,929	21,936,141	21,936,141
TOTAL EQUITY AND LIABILITIES	367,791	87,717,464	114,308,964
(NL) / NA	(595,138)	65,781,323	92,372,823
Number of ordinary shares assumed in issue	2	123,878,000	166,000,000
(NL) / NA per Share (RM)	(297,569)	0.53	0.56

Notes:

^ *Relates to prepayment for Listing expenses.*

Reorganisation debit balance is derived from the difference of new shares issued by Rhone Ma Holdings to acquire Rhone Ma Malaysia and the reversal of the issued and paid-up shares capital of Rhone Ma Malaysia pursuant to the reorganisation. Kindly refer to Paragraph 2.1.1, Section 11.4 of the Prospectus for further details on the reorganisation debit balance.

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2. INFORMATION SUMMARY (Cont'd)

2.4.3 Pro Forma Consolidated Statement of Cash Flows

The following is our pro forma consolidated statement of cash flows for the FPE 31 August 2016, which has been prepared for illustrative purposes only on the assumption that the current structure of our Group has been in existence throughout the financial years / periods under review.

Our pro forma consolidated statement of cash flows should be read in conjunction with the Reporting Accountants' Letter on the Compilation of Pro Forma Consolidated Financial Information as set out in Section 11.4 of this Prospectus.

	FPE 31 August 2016 RM
CASH FLOWS FROM OPERATING ACTIVITIES	
PBT	12,854,058
Adjustments for:	
Depreciation of property, plant and equipment	904,054
Inventories written off	117,107
Inventories written back	(75,115)
Interest expense	163,319
Interest income	(97,116)
Property, plant and equipment written off	900
Unrealised gain on foreign currency exchange	(130,725)
Loss on disposal of property, plant and equipment	1,026
Operating profit before working capital changes	13,737,508
Changes in working capital	
Increase in inventories	(1,743,361)
Increase in trade and other receivables	(2,012,669)
Decrease in trade and other payables	(3,455,096)
Cash generated from operations	6,526,382
Tax paid	(2,360,461)
Net cash from operating activities	4,165,921
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of additional interest in a subsidiary	(1,323,746)
Acquisition of subsidiary for cash	(2,332,119)
Purchase of property, plant and equipment	(25,196,016)
Proceeds from disposal of property, plant and equipment	3,774
Interest received	97,116
Net cash used in investing activities	(28,750,991)

2. INFORMATION SUMMARY (Cont'd)

	FPE 31 August 2016 RM
CASH FLOWS FROM FINANCING ACTIVITIES	
Repayment of borrowings	(1,877,959)
Interest paid	(163,319)
Proceeds from issuance of shares	1
Proceeds from IPO	31,591,500
Payment of estimated listing expenses	(5,000,000)
Net cash from financing activities	24,550,223
Net decrease in cash and cash equivalents	(34,847)
Cash and cash equivalents at beginning of financial period	15,020,114
Cash and cash equivalents at end of financial period	14,985,267

Please refer to Sections 11 and 13 of this Prospectus for further details on our financial information.

2.5 Principal Statistics Relating to Our IPO**2.5.1 Our Share Capital**

	RM
Authorised share capital	
1,000,000,000 ordinary shares of RM0.50 each	500,000,000
Issued and credited as fully paid-up share capital	
123,878,000 ordinary shares of RM0.50 each	61,939,000
To be issued pursuant to the Public Issue	
42,122,000 ordinary shares of RM0.50 each	21,061,000
Enlarged issued and paid-up share capital upon Listing	
166,000,000 ordinary shares of RM0.50 each	83,000,000

2.5.2 Issue Price per IPO Share

Issue price per IPO Share	RM0.75
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2.5.3 Total Market Capitalisation upon Listing

Total market capitalisation based on our IPO Price of RM0.75 per Share and the enlarged share capital of 166,000,000 Shares	RM124,500,000
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Please refer to Section 3 of this Prospectus for detailed information of our IPO.

2. INFORMATION SUMMARY (Cont'd)

2.6 Risk Factors

There are a number of risk factors (which may not be exhaustive), both specific to our Group and relating to the general business environment, which may impact the operating performance and financial position of our Group. Before investing in our Shares, you should read this entire Prospectus carefully, taking into consideration the following summary of key risk factors:

2.6.1 Risks in Relation to Our Business

- (i) Dependency on our key management and technical personnel;
- (ii) Dependency on major suppliers;
- (iii) Dependency on a major customer;
- (iv) Non-renewal or revocation of permits and / or regulatory licences;
- (v) Registration of products;
- (vi) Gestation period of the new GMP-compliant plant;
- (vii) Breakdown of machineries;
- (viii) Substandard raw material supplied;
- (ix) Product contamination;
- (x) Infringement of IP rights;
- (xi) Credit risk and default in payment by our customers;
- (xii) Adequacy of insurance coverage;
- (xiii) Disruption in shipment;
- (xiv) Foreign currency fluctuation risk; and
- (xv) Financial risks.

2.6.2 Risks in Relation to Our Industry

- (i) Outbreak of disease;
- (ii) Dependency on the livestock industry;
- (iii) Competition;
- (iv) Lack of qualified professionals in the animal health and nutrition market;
- (v) Political, economic and regulatory risk; and
- (vi) R&D risk.

2. INFORMATION SUMMARY (Cont'd)

2.6.3 Risks in Relation to Our Shares and Our IPO

- (i) Delay or abortion of our Listing;
- (ii) No prior market for our Shares and possible volatility of our Share price;
- (iii) Control by Promoters;
- (iv) Dividend payments;
- (v) Future fund raising exercises may dilute shareholders' equity and / or restrict our operations; and
- (vi) Forward-looking statements.

The details of the aforementioned risks are provided in the section on risk factors contained in Section 4 of this Prospectus. If you are unsure about any of the information contained in the section on risk factors, you should consult your stockbrokers, bank managers, solicitors, accountants or other professional advisers.

2.7 Utilisation of Proceeds

We expect the proceeds from the Public Issue of approximately RM31.59 million to be fully utilised by our Group in the following manner:

Details of the utilisation of proceeds	Amount of proceeds		Estimated timeframe for utilisation from the date of Listing
	RM'000	%	
Capital expenditure	24,500	77.55	Within twenty four (24) months
Working capital	2,092	6.62	Within twenty four (24) months
Estimated listing expenses	5,000	15.83	Within three (3) months
Total	31,592	100.00	

Further details on the utilisation of the gross proceeds are set out in Section 3.8 of this Prospectus.

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3. PARTICULARS OF OUR IPO

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF OUR IPO AND AN INVESTMENT IN OUR SHARES. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD IMMEDIATELY CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS BEFORE APPLYING FOR OUR IPO SHARES.

3.1 Opening and Closing of Applications

Application for our IPO Shares will open at 10.00 a.m. on 29 November 2016 and will remain open until 5.00 p.m. on 6 December 2016 or such other date or dates as our Directors and the Sole Underwriter in their absolute discretion may mutually decide.

3.2 Indicative Timetable

The indicative timetable of events leading up to our Listing is as follows:

Event	Tentative Dates
Opening date of application for our IPO Shares	10.00 a.m., 29 November 2016
Closing date of application for our IPO Shares	5.00 p.m., 6 December 2016
Balloting of applications	8 December 2016
Despatch of notices of allotment to successful Applicants	16 December 2016
Listing on the Main Market	19 December 2016

If the closing date of the application is extended, the dates for the balloting, allotment and listing of our entire issued and paid-up share capital on the Main Market would be extended accordingly and we will notify the public via an advertisement in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia.

3.3 Details of Our IPO

3.3.1 Public Issue

Our Public Issue of 42,122,000 new Shares, representing approximately 25.37% of our enlarged issued and paid-up share capital, at an issue price of RM0.75 per Share is subject to the terms and conditions of this Prospectus and will be allotted in the following manner:

(i) Malaysian Public

8,300,000 Public Issue Shares, representing 5.00% of our enlarged issued and paid-up share capital will be made available for application by the Malaysian Public to be allocated via balloting, of which 50.00% will be set aside for the Bumiputera Public (“**Public Tranche**”).

(ii) Eligible Directors and Employees of Our Group and Other Persons who have Contributed to the Success of Our Group

7,822,000 Public Issue Shares, representing approximately 4.71% of our enlarged issued and paid-up share capital will be made available for application by the eligible Directors and employees of our Group and other persons who have contributed to the success of our Group.

3. PARTICULARS OF OUR IPO (Cont'd)

The criteria for the allocation of the Public Issue Shares to the eligible Directors and employees of our Group and other persons who have contributed to the success of our Group, as approved by the Board are as follows:

- (a) Eligible Directors and employees of our Group
- Full time employee of at least eighteen (18) years old;
 - Seniority;
 - Length of service;
 - Category of employee;
 - Job performance; and
 - Other criteria deemed fit by our Management.
- (b) Other persons who have contributed to the success of our Group
- Length of relationship;
 - Volume and frequency of transactions with our Group; and
 - Other criteria deemed fit by our Management.

The summary of allocation of 7,822,000 Public Issue Shares as described above is as set out below:

Eligible person	No. of eligible persons	No. of Public Issue Shares allocated
Eligible Directors	4	350,000
Eligible employees	Up to 90	1,500,000
Other persons who have contributed to the success of our Group	Up to 256	5,972,000
Total	Up to 350	7,822,000

Eligible Directors

The details of allocation of the Public Issue Shares to the eligible Directors are as follows:

Eligible Directors	Designation	No. of Public Issue Shares allocated
Dato' Hamzah	Independent Non-Executive Chairman	100,000
Martin Jeyaratnam A/L Thiagaraj	Independent Non-Executive Director	100,000
Rahanawati Binti Ali Dawam	Independent Non-Executive Director	50,000
Teoh Chee Yong	Independent Non-Executive Director	100,000
Total		350,000

3. PARTICULARS OF OUR IPO (Cont'd)

(iii) Bumiputera Investors Approved by MITI

16,600,000 Public Issue Shares, representing 10.00% of our enlarged issued and paid-up share capital will be made available for application by way of private placement to Bumiputera Investors approved by MITI (“**MITI Tranche**”).

The MITI Tranche shall be subject to the following reallocation provisions:

- (a) any of the Public Issue Shares not subscribed by the Bumiputera Investors under the MITI Tranche shall be made available for application by the Bumiputera Public who are applicants under the Public Tranche;
- (b) if there are insufficient Bumiputera Public applicants under the Public Tranche for reallocation of unsubscribed Public Issue Shares pursuant to paragraph (a) above, such unsubscribed Public Issue Shares shall be made available for the application by the Malaysian Public; and
- (c) subsequently, any unsubscribed Public Issue Shares by the Malaysian Public pursuant to paragraph (b) above will be made available for subscription by the eligible Directors and employees of our Group and other persons who have contributed to the success of our Group. Thereafter, any unsubscribed Public Issue Shares by the eligible Directors and employees of our Group and other persons who have contributed to the success of our Group will be made available for subscription by the selected investors by way of private placement.

The Public Issue Shares under the MITI Tranche will not be underwritten by the Sole Underwriter.

(iv) Selected Investors by Way of Private Placement

9,400,000 Public Issue Shares, representing approximately 5.66% of our enlarged issued and paid-up share capital will be made available for application by way of private placement to selected investors.

The Public Issue Shares for placement to selected investors will not be underwritten by the Sole Underwriter as irrevocable undertakings will be procured from the respective selected investors.

The basis of allocation for our Public Issue Shares takes into account the desirability of distributing the Public Issue Shares to a reasonable number of Applicants with a view of broadening our shareholders base to meet the public spread requirements and to establish a liquid and adequate market for our Shares.

There is no minimum subscription amount to be raised from the Public Issue. All the Public Issue Shares pursuant to Sections 3.3.1 (i) and 3.3.1 (ii) above will be fully underwritten by the Sole Underwriter, save for the 350,000 Public Issue Shares allocated to the eligible Directors as irrevocable undertakings have been obtained from the eligible Directors to subscribe for the Public Issue Shares allocated to them in full through the Pink Form Allocation.

There is no over-allotment or ‘greenshoe’ option that will result in an increase in the amount of Public Issue Shares.

3. PARTICULARS OF OUR IPO (Cont'd)

Any portion of the Public Issue Shares available for application by the eligible employees of our Group and other persons who have contributed to the success of our Group which are not subscribed by the eligible employees of our Group and other persons who have contributed to the success of our Group will be made available for subscription by the Malaysian Public.

Thereafter, any Public Issue Shares not subscribed by the Malaysian Public will be made available for subscription by the selected investors by way of private placement.

Any further Public Issue Shares not subscribed for after the above re-allocations (save for the 350,000 Public Issue Shares allocated to the eligible Directors as irrevocable undertakings have been obtained from the eligible Directors to subscribe for the Public Issue Shares allocated to them in full through the Pink Form Allocation) will be underwritten by the Sole Underwriter in accordance with the terms of the Underwriting Agreement. The salient terms of the Underwriting Agreement are set out in Section 3.10 of this Prospectus.

3.3.2 Listing on Bursa Securities

Bursa Securities had on 2 November 2016, approved the admission of our Company to the Official List and the listing of and quotation for our entire enlarged issued and paid-up share capital of RM83,000,000 comprising 166,000,000 Shares on the Main Market.

3.4 Share Capital

	RM
Authorised share capital	
1,000,000,000 ordinary shares of RM0.50 each	500,000,000
Issued and credited as fully paid-up share capital	
123,878,000 ordinary shares of RM0.50 each	61,939,000
To be issued pursuant to the Public Issue:	
42,122,000 ordinary shares of RM0.50 each	21,061,000
Enlarged issued and paid-up share capital upon our Listing	
166,000,000 ordinary shares of RM0.50 each	83,000,000
IPO Price	0.75
Market capitalisation upon our Listing	124,500,000

We have only one (1) class of shares, being ordinary shares of RM0.50 each. Our Public Issue Shares will upon allotment, rank equally in all respects with one another and all other existing issued and paid-up ordinary shares forming part of the share capital of our Company, including voting rights and the rights to all dividends and other distributions that may be declared subsequent to the date of allotment of our Public Issue Shares.

Subject to any special rights attaching to any shares which we may issue in the future, our shareholders shall, in proportion to the amount paid-up on the shares held by them, be entitled to share in the whole of the profits paid out by our Company as dividends and other distributions and in respect of any surplus in the event of liquidation of our Company, in accordance with our Articles of Association and the provisions of the Act.

3. PARTICULARS OF OUR IPO (Cont'd)

Any resolution set out in the notice of our general meeting or in any notice of resolution shall be voted by poll. At any of our general meeting, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for each Share held. A proxy may but need not be a member of our Company and the provisions of Sections 149(1)(a) and (b) of the Act shall not apply to the Company.

3.5 Purposes of Our IPO

The purposes of our IPO are as follows:

- (i) to provide our Group with financial flexibility by accessing the capital market to raise fund for future business expansion and growth;
- (ii) to provide an opportunity for the Malaysian investing public and institutions, including the eligible Directors and employees of our Group and other persons who have contributed to the success of our Group to participate in the equity and continuing growth of our Group; and
- (iii) to gain recognition and enhance the stature of our Group through our listing status in order to assist our Group in the marketing of our products and services and to widen our market share in the animal health and nutrition market and food ingredients market in Malaysia.

3.6 Basis of Arriving at Our IPO Price

Our IPO Price of RM0.75 per IPO Share was determined and agreed upon by our Directors and PIVB as the Principal Adviser, Sole Underwriter and Sole Placement Agent, after taking into consideration the following factors:

- (i) our Group's operating and financial performance as outlined in Sections 11 and 12 of this Prospectus;
- (ii) our Group's net EPS of RM0.08 based on our audited combined PAT of RM13.03 million for the FYE 31 December 2015 and annualised net EPS of RM0.09 based on our audited combined PAT of RM10.18 million for the FPE 31 August 2016 and our enlarged issued and paid-up share capital of 166,000,000 Shares which translates into a net PE Multiple of approximately 9.38 times and 8.33 times respectively;
- (iii) future plans, strategies and prospects of our Group as outlined in Section 6.22 of this Prospectus;
- (iv) our pro forma consolidated NA as at 31 August 2016 of RM92.37 million or RM0.56 per Share based on our enlarged issued and paid-up share capital of 166,000,000 Shares and after taking into consideration the utilisation of proceeds from the Public Issue;
- (v) outlook of the animal health and nutrition market and food ingredients market in Malaysia as set out in Section 7 of this Prospectus; and
- (vi) prevailing market conditions which include, amongst others, current market trends and investors' sentiments.

You should note that the market price of our Shares upon and subsequent to our Listing is subject to vagaries of the market forces and other uncertainties, which may affect the price of our Shares being traded. You should also bear in mind the Risk Factors set out in Section 4 of this Prospectus and form your own views on the valuation of our IPO Shares before deciding to invest in our Shares.

3. PARTICULARS OF OUR IPO (Cont'd)

3.7 Dilution

Dilution is the amount by which our IPO Price to be paid by Applicants / subscribers and / or purchasers of our IPO Shares in this IPO exceeds our pro forma consolidated NA per Share after our IPO.

Our pro forma consolidated NA per Share as at 31 August 2016 before adjusting for the gross proceeds from our IPO and based on the issued and paid-up share capital of 123,878,000 Shares was approximately RM0.53 per Share.

Pursuant to the Public Issue of 42,122,000 new Shares at the IPO Price of RM0.75, our pro forma consolidated NA per Share as at 31 August 2016 (after adjusting for the gross proceeds and deducting the estimated listing expenses) based on the enlarged issued and paid-up share capital upon our Listing, would have been approximately RM0.56 per Share. This represents an immediate increase in the pro forma consolidated NA per Share of RM0.03 per Share to our existing shareholders and an immediate dilution in the pro forma consolidated NA per Share of RM0.19 per Share or approximately 25.33% to our new investors.

The following table illustrates the dilution per Share as at 31 August 2016:

	RM	RM
IPO Price		0.75
Pro forma consolidated NA per Share based on the issued and paid-up share capital of 123,878,000 Shares	0.53	
Increase in the pro forma consolidated NA per Share	0.03	
Pro forma consolidated NA per Share based on the enlarged issued and paid-up share capital upon our Listing ^(a)		0.56
Dilution in the pro forma consolidated NA per Share to new investors ^(b)		0.19
Dilution in the pro forma consolidated NA per Share to new investors as a percentage of our IPO Price		25.33%

Notes:

(a) After adjusting for the IPO proceeds and deducting the estimated listing expenses.

(b) The dilution in the pro forma consolidated NA per Share is arrived at based on the difference between IPO Price and the pro forma consolidated NA per Share based on the enlarged issued and paid-up share capital upon our Listing and is computed solely for illustrative purposes.

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3. PARTICULARS OF OUR IPO (Cont'd)

The following table summarises the total number of Shares acquired and the average effective cash cost per Share paid by our Directors, Promoters and substantial shareholders for our Shares for the past three (3) years prior to the date of this Prospectus as well as new investors who will subscribe for our IPO Shares pursuant to our IPO:

	Before our IPO No. of Shares	After our IPO No. of Shares	Total consideration RM	Average cost per Share RM
<u>Director, Promoter and substantial shareholder</u>				
Dr. Lim	3,716,300	3,716,300	1,858,150	0.50
<u>Directors</u>				
Dato' Hamzah	-	100,000	75,000	0.75
Martin Jeyaratnam A/L Thiagaraj	-	100,000	75,000	0.75
Rahanawati Binti Ali Dawam	-	50,000	37,500	0.75
Teoh Chee Yong	-	100,000	75,000	0.75
<u>Promoter and substantial shareholder</u>				
BASB	84,856,400	84,856,400	42,428,200	0.50
<u>Other substantial shareholders</u>				
Chew Chong Hock	8,671,500	8,671,500	4,335,750	0.50
Tan Leong Ann	8,671,500	8,671,500	4,335,750	0.50
Ker Boon Tong	8,671,500	8,671,500	4,335,750	0.50
Dr. Raymond Choo*	6,193,900	6,193,900	3,096,950	0.50
<u>Other shareholders</u>				
Other existing shareholders	3,096,900	3,096,900	1,548,450	0.50
New investors from Public Issue	-	41,772,000	31,329,000	0.75

Note:

* Dr. Raymond Choo will cease to be our substantial shareholder upon Listing due to dilution of his shareholding upon Listing.

Save as disclosed in the table above, there is no material acquisition of any existing Shares that involved cash in our Company by our Directors, senior management, substantial shareholders or persons connected to them, or in which they have the right to acquire, during the past three (3) years prior to the date of this Prospectus.

3. PARTICULARS OF OUR IPO (Cont'd)

3.8 Utilisation of Proceeds

The total gross proceeds of approximately RM31.59 million from the Public Issue will be utilised by our Group in the following manner:

Details of the utilisation of proceeds	Amount of proceeds		Estimated timeframe for utilisation from the date of Listing
	RM'000	%	
Capital expenditure	24,500	77.55	Within twenty four (24) months
Working capital	2,092	6.62	Within twenty four (24) months
Estimated listing expenses	5,000	15.83	Within three (3) months
Total	31,592	100.00	

Further details of the utilisation of proceeds are set out in the ensuing paragraphs:

(a) Capital Expenditure

Our Group intends to utilise approximately RM24.50 million of the IPO proceeds for capital expenditure requirements associated with our business expansion plans for the next two (2) years mainly focused on the provision of end-to-end animal health solution as disclosed in the ensuing paragraphs. Further details on our future plans and strategies are set out in Section 6.22.1 of the Prospectus.

(i) Construction of a New GMP-Compliant Plant

The maximum production capacity of our production equipment for the manufacturing of powder-based products at our existing GMP-compliant plant is 636.93 tonnes per year whereas the actual production output and production utilisation of our production equipment for the manufacturing of powder-based products for the FYE 31 December 2015 are 614.60 tonnes and 96.49% respectively. This represents an increase of approximately 91.11% in our production output as compared to the FYE 31 December 2013. In view of the increasing demand for our powder-based products, we intend to construct a new GMP-compliant plant to manufacture powder-based products as the current capacity of our production equipment for the manufacturing of powder-based products is close to 100% utilisation. The powder-based products that are intended to be manufactured in the new GMP-compliant plant are amongst others, Nystatin FG, Rhonamox 50 WSP, Rhonamox 50 FG, Rhomicosin 20 FG, Imequyl 50 FG and Efendazole 8%.

The new GMP-compliant plant will be located within Nilai Utama Enterprise Park, an industrial development estate in Nilai, Seremban, Negeri Sembilan Darul Khusus. Our Group has considered the following factors for locating the new GMP-compliant plant in Nilai, Seremban, Negeri Sembilan Darul Khusus in view that our existing head office and GMP-compliant plant is located in Petaling Jaya, Selangor Darul Ehsan whereas the proposed warehouse will be located in Kapar, Klang, Selangor Darul Ehsan:

- (i) Nilai Utama Enterprise Park is a purpose-built industrial estate well-equipped with infrastructures. The size of our existing land located within the industrial park is suitable for the construction of the GMP-compliant plant and our manufacturing operations;

3. PARTICULARS OF OUR IPO (Cont'd)

- (ii) products manufactured in the new GMP-compliant plant will be distributed directly to our customers and are not required to be sent to our head office and / or proposed warehouse before distribution;
- (iii) geographical location of the majority of our customers who are predominantly located in the Central region of Peninsular Malaysia. Nilai Utama Enterprise Park is easily accessible via major highways such as PLUS highway and LEKAS highway which is convenient for the distribution of our products;
- (iv) possibility of disruptions to our manufacturing process such as power outages and water supply disruptions if the manufacturing plants are located within the same vicinity. As such, our Group has decided to locate two (2) GMP-compliant plants in different areas, namely Nilai, Seremban, Negeri Sembilan Darul Khusus and Petaling Jaya, Selangor Darul Ehsan to prevent any disruptions to our manufacturing process; and
- (v) the industrial land was acquired by our Group in 2009 with a total purchase consideration of approximately RM2.15 million. The price of the land was within our budgeted cost and lower than those located within the vicinity of our head office.

We intend to utilise RM11.00 million of our IPO proceeds to part finance the construction of the new GMP-compliant plant. The total estimated gross floor area of the new GMP-compliant plant will only be available upon finalisation of the design of the new GMP-compliant plant in the fourth (4th) quarter of 2016. The total gross floor area of our existing GMP-compliant manufacturing plant is approximately 8,060 sq. ft. The total estimated cost of construction including cost of furnishing and fitting amounting to approximately RM13.00 million. The remaining funds required for the construction of the GMP-compliant plant will be financed through internally generated funds and / or bank borrowings.

Satisfactory GMP compliance is one of the requirements for the application of a manufacturing licence and product registration of our pharmaceuticals with the Drug Control Authority of the Ministry of Health Malaysia. Having a GMP-compliant plant ensures that the products manufactured by our Group are safe and of quality. The basic requirements of GMP include, amongst others, the following:

- (i) all manufacturing processes are clearly defined and are systematically reviewed;
- (ii) critical steps of manufacturing process and significant changes made to the manufacturing process are validated;
- (iii) all necessary facilities for GMP are provided which include:
 - (a) qualified, trained and / or experienced personnel;
 - (b) adequate premise and space;
 - (c) suitable equipment and services;
 - (d) correct materials, containers and labels;
 - (e) manufacturing process and instructions are approved and in accordance with GMP guidelines; and

3. PARTICULARS OF OUR IPO (Cont'd)

- (f) suitable storage facility and transportation.

Kindly refer to Section 6.10.3 of the Prospectus for further details on GMP.

As at the LPD, we have appointed a consultant for the overall project management in relation to the construction of the new GMP-compliant plant. We are currently in the designing stage which is expected to be finalised and approved by our management team and appointed GMP consultant in the fourth (4th) quarter of 2016 and the submissions to the relevant authorities will be made thereafter. The construction of the GMP-compliant plant is expected to commence in the second (2nd) quarter of 2017, subject to obtaining approval from the relevant authorities which amongst others, includes approval for the planning permission and building plans from Majlis Perbandaran Nilai and approval for the layout plans from NPRA. The construction of the new GMP-compliant plant is estimated to be completed within eighteen (18) months from the commencement date of the construction.

(ii) Purchase of Machineries and Equipment

Our Group had on 8 June 2016, entered into a sales contract with AMH Technologies Sdn Bhd of approximately RM6.03 million for the design and supply of active and carrier ingredients handling, mixing and packaging system which will be located in the new GMP-compliant plant. We intend to utilise RM7.00 million for the purchase of machineries and equipment to be used in the new GMP-compliant plant.

The number and type of machineries and equipment to be purchased in accordance with the sales contract are as follows:

Type of machineries and equipment	Quantity
Small bag tipping station	2
Big bag unloading station	4
Intermediate bulk container ("IBC") bin filling and weighing system	6
IBC bin	12
IBC blender	2
Docking stations	4
IBC bin and recipe management system	1
Semi auto open mouth bagging system	2
Automatic filling machine 2 - 5kg	1
Automatic filling machine 100 - 500g	1
Alpha IBC clean-in-place washing system	1
Automation control system	1

The purchase of machineries and equipment does not include the purchase of any R&D machineries and equipment as all R&D activities will be carried out at our existing R&D centre located at our head office.

We have taken into consideration the following factors in the selection of the machineries and equipment:

- (i) production output and capacity;

3. PARTICULARS OF OUR IPO (Cont'd)

- (ii) technical specifications of the machineries and equipment which are GMP-compliant; and
- (iii) availability of post-sales service support.

The new GMP-compliant plant is intended to manufacture powder-based products. As disclosed in Section 6.3 of the Prospectus, the maximum production capacity of our production equipment for the manufacturing of powder-based products is approximately 636.93 tonnes per year and actual production utilisation of our production equipment for the manufacturing of powder-based products for the FYE 31 December 2015 is approximately 96.49%.

Upon full commissioning and commencement of operations of the new GMP-compliant plant, our maximum production capacity for powder-based products is estimated to increase by approximately four (4) times the existing maximum production capacity based on our management long-term aspiration for the new production output in view that the production of our powder-based products have increased by approximately 91.11% from 321.60 tonnes in the FYE 31 December 2013 to 614.60 tonnes in the FYE 31 December 2015.

The new machineries and equipment to be purchased will allow our Group to produce approximately 9.00 tonnes of powder-based products per day based on the daily operating hours of eight (8) hours. Accordingly, the maximum production capacity of the new machineries and equipment is estimated to be approximately 2,556 tonnes per year, which is approximately four (4) times the existing maximum production capacity, based on the estimation that the machineries and equipment will be in operation for 284 days per year.

Any difference arising from the utilisation of proceeds for the purchase of machineries and equipment will be adjusted accordingly with our working capital requirements.

(iii) Construction of a Warehouse with Three (3)-Storey Office

Our Group intends to build a warehouse with three (3)-storey office with a total estimated gross floor area of approximately 50,000 sq. ft. on a piece of vacant industrial land in Kapar, Klang, Selangor Darul Ehsan to cater to our increasing storage needs for both animal health products and food ingredients. We intend to use the warehouse as our main distribution centre to facilitate import of the products which will then be distributed to our customers.

Further, our Group currently engages two (2) third party logistics companies for its warehouse facilities in Klang, Selangor Darul Ehsan and rents a warehouse in Petaling Jaya, Selangor Darul Ehsan. Upon completion of the construction of the warehouse, we intend to terminate the warehouse facilities of the third party logistics companies and tenancy agreement. This is expected to result in rental savings of approximately RM0.41 million per annum.

We intend to utilise RM6.50 million of our IPO proceeds to part finance the construction of the warehouse with three (3)-storey office. The total estimated cost of construction including the cost of furnishing and fitting amounting to approximately RM8.50 million. The remaining funds required for the construction of the warehouse with three (3)-storey office will be financed through internally generated funds and / or bank borrowings.

3. PARTICULARS OF OUR IPO (Cont'd)

As at the LPD, we have appointed a consultant for the overall project management in relation to the construction of the new warehouse with three (3)-storey office. We are currently in the designing stage which is expected to be finalised in the fourth (4th) quarter of 2016 and the submissions to the relevant authorities will be made thereafter. The construction of the new warehouse with three (3)-storey office is expected to commence in the first (1st) quarter of 2017 subject to obtaining approval from the relevant authorities which amongst others, includes approval for the planning permission and building plans from Majlis Perbandaran Klang. The construction is estimated to be completed within eighteen (18) months from the commencement date of the construction.

(b) Working Capital

Our requirement for working capital will increase in tandem with our future plans. As such, we expect to utilise approximately RM2.09 million from our IPO proceeds as additional working capital to finance our Group's future operations which is in line with the expected commencement of the operations of our new GMP-compliant plant. The allocation for working capital will be used for day-to-day operations, including but not limited to payment of payroll expenses as well as defrayment of selling and distribution expenses for promotional, trade exhibitions, advertising and marketing activities. Any difference arising from the utilisation of proceeds for the purchase of machineries and equipment will be adjusted accordingly with our working capital requirements.

(c) Estimated Listing Expenses

The estimated expenses and fees incidental to our Listing amounting to approximately RM5.00 million shall be borne by our Company, the details of which are as follows:

Expenses	RM'000
Professional fees	2,800
Brokerage, placement fees and underwriting commission	1,000
Printing of Prospectus and advertising fees	550
Issuing house	100
Fees to the authorities	300
Miscellaneous expenses and contingencies	250
Total	5,000

We will bear all expenses and fees incidental to our Listing, which include professional fees, brokerage, placement fees and underwriting commission, authorities' fees, advertising and other fees, the aggregate of which is estimated to be approximately RM5.00 million. Any difference arising from the utilisation as set out above will be adjusted accordingly with our working capital requirements.

We intend to place the proceeds from the Public Issue (including accrued interest, if any) or the balance thereof as deposits with banks or other licensed financial institutions in Malaysia pending the eventual utilisation of the proceeds for the above intended purposes.

The financial impact of the utilisation of our Listing proceeds from the Public Issue on our pro forma consolidated statements of financial position is as set out in Section 11.2 of this Prospectus.

3. PARTICULARS OF OUR IPO (Cont'd)

3.9 Brokerage, Placement Fees and Underwriting Commission

3.9.1 Brokerage

Brokerage fees are payable by us in respect of the Public Issue Shares at the rate of 1.00% on our IPO Price for successful applications which bear the stamps of PIVB and other participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or the Issuing House.

3.9.2 Placement Fees

The placement fees are payable by our Company to the Sole Placement Agent at a rate of 2.00% of the value of the Public Issue Shares based on our IPO Price for Public Issue Shares placed out to places identified by the Sole Placement Agent and at a rate of 0.50% of the value of the Public Issue Shares based on our IPO Price for Public Issue Shares placed out to places identified by our Group and are subject to GST.

3.9.3 Underwriting Commission

The underwriting commission is payable by our Company at a rate of 2.00% of our IPO Price multiplied by the number of Public Issue Shares underwritten by the Sole Underwriter and are subject to GST.

3.10 Salient Terms of the Underwriting Agreement

We have entered into the Underwriting Agreement with the Sole Underwriter to underwrite up to 15,772,000 Public Issue Shares as set out in Sections 3.3.1 (i) and 3.3.1 (ii) above, which excludes the 350,000 IPO Shares allocated to the eligible Directors as irrevocable undertakings have been obtained from the eligible Directors to subscribe for the IPO Shares allocated to them in full through the Pink Form Allocation.

The following salient terms are reproduced from the Underwriting Agreement. The capitalised terms used in this section shall have the meaning as ascribed thereto in the Underwriting Agreement.

- (i) Unless waived by the Sole Underwriter (in which case any condition precedent or any part thereof so waived shall be deemed to have been satisfied), the obligations of the Sole Underwriter under the Underwriting Agreement shall be conditional upon the fulfilment and / or satisfaction of the following:
 - (a) the approvals of the SC and MITI in connection with the Listing, which were obtained vide SC's letter dated 29 August 2016 and MITI's letter dated 28 July 2016 remaining valid and have not been revoked or amended and all the conditions imposed therein which have to be complied by the Company prior to Listing, have been complied by the Company;
 - (b) the receipt by PIVB of all relevant documentation and placement monies in respect of the private placement of 16,600,000 Public Issue Shares to Bumiputera Investors approved by the MITI and 9,400,000 Public Issue Shares to selected investors;
 - (c) all other necessary approvals and consents required in relation to the Public Issue and the Public Issue Shares including but not limited to governmental approvals having been obtained and are in full force and effect;
 - (d) the issue of the Public Issue Shares having been approved by the shareholders of the Company via a resolution;

3. PARTICULARS OF OUR IPO (Cont'd)

- (e) the issue and subscription of the Public Issue Shares in accordance with the provisions of the Underwriting Agreement is not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including the SC and Bursa Securities);
 - (f) the Prospectus having been lodged with the Registrar of Companies and registered with the SC together with all the required documents in accordance with the CMSA, the Act and the relevant laws and regulations;
 - (g) the Sole Underwriter receiving a copy certified by a director or secretary of the Company to be a true resolution of the Board of Directors of the Company approving the Listing, the Prospectus and the Underwriting Agreement, the issue and offer of the Public Issue Shares and authorising a person or persons to sign the Underwriting Agreement on behalf of the Company; and
 - (h) the Sole Underwriter having been satisfied that arrangements have been made by the Company to ensure payment of the expenses referred to in Clause 15 (Costs and Expenses) thereof.
- (ii) In the event any of the conditions set forth in Clause 5.1 of the Underwriting Agreement are not satisfied on or before the Closing Date, the Sole Underwriter shall, subject as mentioned below in this clause, be entitled to forthwith terminate the Underwriting Agreement by notice in writing given to the Company whereupon the following shall take place within three (3) Market Days of the receipt of such notice:
- (a) the Company shall make payment of the Underwriting Commission to the Sole Underwriter; and
 - (b) each party shall return all other monies (in the case of the Sole Underwriter, after deducting the Underwriting Commission due and owing to the Sole Underwriter hereunder) paid to the other under the Underwriting Agreement (except for monies paid by the Company for the payment of the expenses as provided hereunder);
- and thereafter, the Underwriting Agreement shall be terminated and of no further force and effect and none of the parties shall have a claim against the other, save and except in respect of any antecedent breaches. The Sole Underwriter reserves the right to waive or modify any of the conditions aforesaid and such waiver or modification shall not prejudice the Sole Underwriter's rights under the Underwriting Agreement.
- (iii) Notwithstanding anything herein contained, the Sole Underwriter may by notice in writing to the Company given at any time before the Closing Date or the Extended Closing Date, as the case may be, terminate, cancel and withdraw its commitment to underwrite the Underwritten Shares if:
- (a) any of the approvals of the SC and / or Bursa Securities for the Listing is revoked, withdrawn or procured but subject to the conditions not acceptable to the Sole Underwriter;
 - (b) there is any material breach by the Company of any of the representations, warranties, covenants or undertakings contained in Clauses 3 (Representations and Warranties by the Company) and 4 (Covenants and Undertakings by the Company), which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated in the notice given to the Company; or

3. PARTICULARS OF OUR IPO (Cont'd)

- (c) there is a material failure on the part of the Company to perform any of its obligations herein contained; or
- (d) there is withholding of information of a material nature by the Company which is required to be disclosed pursuant to the Underwriting Agreement which, in the reasonable opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the Public Issue, or the distribution or sale of the Public Issue Shares; or
- (e) there shall have occurred, or happened any material and adverse change in the business or financial condition of the Group or the occurrence of any event rendering any of the representations and warranties of the Company under the Underwriting Agreement inaccurate, untrue or incorrect at the relevant date; or
- (f) the imposition of any moratorium, suspension or material restriction on trading in securities generally on Main Market of Bursa Securities due to exceptional financial circumstances or otherwise which, in the reasonable opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the Public Issue, or the distribution or sale of the Public Issue Shares; or
- (g) a material adverse change in the stock market condition occurs, and for the purposes of this clause, a material adverse change in the stock market condition shall be deemed to have occurred if the FTSE Bursa Malaysia KLCI Index (“**Index**”) is, at the close of normal trading on Bursa Securities, on any Market Day:
 - (i) on or after the date of the Underwriting Agreement; and
 - (ii) prior to the close of the offering of the Public Issue, lower than 85.00% of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least three (3) consecutive Market Days or any other adverse change in the market conditions which the parties mutually agree to be sufficiently material and adverse to render it to be a terminating event; or
- (h) there shall have occurred, or happened any of the following circumstances:
 - (i) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or
 - (ii) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Sole Underwriter (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents),

3. **PARTICULARS OF OUR IPO *(Cont'd)***

which, would have or can reasonably be expected to have, a material adverse effect on, and / or materially prejudice the business or the operations of the Group as a whole, the success of the Public Issue which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms.

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4. RISK FACTORS

BEFORE INVESTING IN OUR SHARES, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCE AND THE PROSPECTS OF OUR GROUP, IN ADDITION TO OTHER INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS. THE RISKS SET OUT BELOW ARE NOT AN EXHAUSTIVE LIST OF ALL THE RISKS THAT COULD AFFECT US OR RISKS THAT MAY DEVELOP IN THE FUTURE. ADDITIONAL KNOWN OR UNKNOWN RISKS MAY HAVE A MATERIAL AND ADVERSE EFFECT ON US OR OUR SHARES IN THE FUTURE.

If you are in any doubt as to the information contained in this section, you should consult your stockbrokers, bank managers, solicitors, accountants or other professional advisers.

4.1 Risks in Relation to Our Business

4.1.1 Dependency on Our Key Management and Technical Personnel

The continuing success, growth and expansion of our Group will depend significantly on the knowledge, experience and continued services of our key management and technical personnel. Therefore, the loss of any of our key management and technical personnel without suitable and timely replacement could have a material adverse impact on our ability to compete and expand our business operations effectively.

4.1.2 Dependency on Major Suppliers

For the FPE 31 August 2016, purchases from the Merial Group and the Roquette Group accounted for 43.65% and 22.97% of our total purchases respectively. As such, we are dependent on the Merial Group and the Roquette Group for the supply of animal health products and food ingredients respectively. Any disruptions in supply from these major suppliers may adversely affect our business operations and financial performance.

Our Group has entered into distribution agreements with Merial SAS (in respect of the Merial Group) and Roquette Singapore Pte Ltd (in respect of the Roquette Group) to ensure continuing supply from these major suppliers during the tenure of the agreements. We are the sole distributor of Merial Group in Malaysia for its non-avian products and in Malaysia, Brunei and Singapore for its avian products and one of the distributors of Roquette Group's products in Malaysia. The key terms of the distribution agreements, amongst others, are as follows:

- (i) Merial SAS may terminate the agreement by giving three (3) months' prior notice if Rhone Ma Malaysia is no longer managed and controlled by Dr. Lim, Foong Kam Weng, Dr. Yip, Dr. Raymond Choo and Chan Chew Yen. These five (5) persons are deemed to have control of Rhone Ma Malaysia if they own, directly and / or indirectly, fifty percent (50%) of Rhone Ma Malaysia's voting shares. As such, the loss of any and / or all of these persons as our shareholders may result in the termination of the agreement. These persons are expected to have control via their total direct and indirect shareholdings of approximately 57.09% in our Company, which in turn is the holding company of Rhone Ma Malaysia upon completion of our Listing. However, there can be no assurance that they will not sell or transfer their respective shareholdings in our Company subsequent to the Listing. Further, in the event of the demise of any and / or all of these persons, Merial SAS may terminate the agreement as the Company no longer fulfills the condition of the distribution agreement.

4. RISK FACTORS (Cont'd)

- (ii) Merial SAS can terminate the agreement without any compensation to Rhone Ma Malaysia by giving ninety (90) days' prior notice if the parties cannot establish the minimum quantity of the products to be purchased from Merial SAS every year for two (2) years continuously. In the event that there is disagreement with Merial SAS on the establishment of such minimum quantity for two (2) years continuously, the agreement may be terminated and we will no longer be granted exclusive right to market and sell Merial products in Malaysia.
- (iii) Merial SAS can terminate the agreement by giving a thirty (30) days' prior notice or delete specific product(s) from the agreement without any compensation to Rhone Ma Malaysia, if Rhone Ma Malaysia cannot meet certain percentage of the minimum quantity of the products to be purchased from Merial SAS every year set for the product(s) on a given period.
- (iv) Roquette Singapore Pte Ltd may terminate the agreement at any time and without prior notice in the event of serious misconduct by Link Ingredients or a change in Link Ingredients' legal structure, management or financial situation.

Kindly refer to Section 6.14 of the Prospectus for further details on the salient terms of the distribution agreements with Merial SAS and Roquette Singapore Pte Ltd. In the event that the distribution agreements are terminated, our financial performance may be adversely affected as revenue contributed by the sales of products purchased from the Merial Group and the Roquette Group accounted to approximately 48.05% and 19.75% of our total revenue for the FPE 31 August 2016.

4.1.3 Dependency on a Major Customer

For the FYE 31 December 2013, FYE 31 December 2014, FYE 31 December 2015 and FPE 31 August 2016, our major customer had contributed approximately 11.26%, 13.65%, 10.92% and 9.94% of our Group's total revenue respectively. The loss of this major customer, if not replaced, may adversely affect our financial condition and results of operation. Nevertheless, this major customer only accounts for approximately 5.12%, 3.96%, 4.81% and 3.37% of the total PBT of our Group for the FYE 31 December 2013, FYE 31 December 2014, FYE 31 December 2015 and FPE 31 August 2016 respectively.

Despite the absence of long-term contracts with this major customer, it has been our customer since the commencement of our food ingredients business in 2011. As at the LPD, we have more than 660 customers of which 414 customers have had dealings with our Group in each of the past three (3) financial years up to the FYE 31 December 2015. Further, over 130 of our customers have had dealings with us from as early as 2005.

4.1.4 Non-Renewal or Revocation of Permits and / or Regulatory Licences

Our Group requires approvals, major licences and permits to carry out our business operations. Details of the approvals, major licences and permits obtained by our Group are set out in Section 6.17 of this Prospectus. In the event that we do not obtain the required approvals, major licences and permits and / or such approvals, major licences and permits are not renewed or are revoked, we will not be able to carry on our business operations and this would adversely impact our business and financial performance.

4. RISK FACTORS (Cont'd)

Rhone Ma Malaysia has been in the business of importing and distributing feed additives since 2001 and manufacturing feed additives since 2009 whereas Asia-Pacific Special Nutrients commenced business in the trading of feed additives in 2013. Further, Link Ingredients commenced business in the trading of CGM in 2015. Pursuant to the Feed (Licence to Import Feed or Feed Additive) Regulations 2012 which provides that a person must have a valid licence issued by the Feed Board in order to import any feed or feed additives and the Feed (Manufacture and Sale of Feed or Feed Additive) Regulations 2012 which provides that no person shall manufacture or sell feed or feed additive unless registered with the Feed Board, Rhone Ma Malaysia had on 27 March 2013 made its first application to the Feed Board for a licence to import feed additives and to be registered as a manufacturer and seller of feed additives. Asia-Pacific Special Nutrients had on 27 March 2013 and 29 August 2014 made its first applications to the Feed Board to be registered as a seller of feed additives and for a licence to import feed additives respectively. Further, Link Ingredients had on 13 July 2015 made its first application to the Feed Board for a licence to import CGM. As at the LPD, all applications to the Feed Board which are for new import licences and registrations under the Feed Act 2009 are pending approval save for the import licences and seller registration certificates for some of the feed additives imported by Rhone Ma Malaysia and Asia-Pacific Special Nutrients and the import licence for CGM imported by Link Ingredients, which have been obtained.

There was a delay in the submission by Rhone Ma Malaysia and Asia-Pacific Special Nutrients to the Feed Board as our Group was not able to obtain the necessary approval letters from the Quarantine Services and Import / Export Section of the Department of Veterinary Services (“**Quarantine Section**”) (for feed additives which contain animal based protein) required for our onward submission to the Feed Board within the timeframe as stipulated under the regulations due to the delay in receiving the necessary veterinary health certificates from some suppliers as well as the inability of several suppliers in providing the necessary veterinary health certificates as these documents are not required in the suppliers’ country of origin. Nevertheless, no fines or penalty have been imposed by the Feed Board on our Group for the delay in the submission of the applications.

As at the LPD, our Group has complied with all the necessary requirements imposed by the Feed Board for the applications save for the approval letters from the Quarantine Section for some of our applications which have yet to be obtained as our Group has not been able to procure the necessary veterinary health certificates from several suppliers as these documents are not required in the suppliers’ country of origin. We are still in discussions with the officers from the Quarantine Section on the documents to be submitted.

The delay in obtaining the required regulatory licences from and registration with the Feed Board is due mainly to the continuous changes in the requirements for the supporting documents in relation to the application. Hence, the Feed Board had requested our Group to submit additional supporting documents as a result of the changes in the requirements. Further, pursuant to a meeting held between the representatives of our Group and the Feed Board in April 2015 (“**Meeting**”), our Group was informed that there were voluminous applications submitted to the Feed Board and pending process which has resulted in the delay in obtaining the licences and registration. As at the LPD, no indicative timeframe was provided by Feed Board for the approval of our applications.

4. RISK FACTORS (Cont'd)

Nevertheless, the Feed Board has been issuing temporary notifications to our Group which is renewable on a three (3)-monthly basis since 2013 for Rhone Ma Malaysia and Asia-Pacific Special Nutrients and since 2015 for Link Ingredients. Pursuant to the Meeting, we were also informed that although the applications by Rhone Ma Malaysia and Asia-Pacific Special Nutrients were submitted after the time frame provided under the regulations, the temporary notifications allowed our Group to import, manufacture and / or sell the feed additives until we obtain the licence to import feed additives and being registered as a manufacturer and / or seller of feed additives.

Rhone Ma Malaysia has received its latest temporary notification dated 5 August 2016 which is expiring on 31 December 2016 from the Feed Board that allows Rhone Ma Malaysia to continue to import, manufacture and / or sell the feed additives specified in the notification letter prior to obtaining the licence to import feed additives and being registered as a manufacturer and seller of feed additives. Asia-Pacific Special Nutrients has received its latest temporary notification dated 5 August 2016 which is expiring on 31 December 2016 from the Feed Board that allows Asia-Pacific Special Nutrients to continue to import and / or sell feed additives specified in the notification letter prior to obtaining the licence to import feed additives and being registered as a seller of feed additives. Link Ingredients has also received its latest temporary notification dated 5 August 2016 which is expiring on 31 December 2016 from the Feed Board that allows Link Ingredients to continue to sell CGM as specified in the notification letter prior to being registered as a seller of CGM. These temporary notifications were first granted to Rhone Ma Malaysia and Asia-Pacific Special Nutrients with effect from 25 March 2013 respectively whereas Link Ingredients was granted its first temporary notification with effect from 13 July 2015.

As at the LPD, our Group has a total of 137 animal health products of which we are required to be registered as a manufacturer and / or seller of these products with the Feed Board under the Feed Act 2009. Rhone Ma Malaysia and Asia-Pacific Special Nutrients had on 4 August 2016 and 16 August 2016 received the seller registration certificates from the Feed Board for 22 animal health products. These products accounted for approximately 6.59% of our total revenue for the FYE 31 December 2015. Nevertheless, we have not been registered as the manufacturer and / or seller for the remaining 115 animal health products and these products accounted for approximately 16.18% of our total revenue for the FYE 31 December 2015. In addition, 111 out of the 137 animal health products also require import licence under the Feed Act 2009. As at the LPD, we have obtained import licence for thirty nine (39) animal health products and such animal health products accounted for approximately 10.93% of our total revenue for the FYE 31 December 2015 whereas the remaining seventy two (72) animal health products which are still pending approval for import licence under the Feed Act 2009 accounted for approximately 7.01% of our total revenue for the FYE 31 December 2015. Save for these 111 animal health products, the remaining animal health products imported by our Group do not require import licence from the Feed Board under the Feed Act 2009. Please refer to Section 6.17 of this Prospectus for details of the import licences and notification letters.

4. RISK FACTORS (Cont'd)

In the event that our applications are not approved and the temporary notifications are not renewed by the Feed Board upon their expiry, our business operations and financial performance may be adversely affected as we may not be able to continue with our business activities to import, manufacture and / or sell the feed additives. Our Group is committed in complying with the prevailing requirements of the Feed (Licence to Import Feed or Feed Additive) Regulations 2012 and the Feed (Manufacture and Sale of Feed or Feed Additive) Regulations 2012 by regularly engaging with the representatives of Feed Board. We are of the view that we would be able to renew the temporary notifications upon their expiry and / or to obtain the required licences and / or register with the Feed Board if the relevant submissions and required documents are in order. Nevertheless, our Group confirms that we will not import and / or carry out any sale of feed additives in the event that the licence to import, manufacture and / or sell feed additives is not obtained.

4.1.5 Registration of Products

We are required to register some of our products which include, amongst others, veterinary biologics, veterinary vaccines and pharmaceutical products with the relevant authorities such as Department of Veterinary Services and Drug Control Authority. Some of the product registrations are subject to periodic renewal and registrations are subject to conditions imposed by the relevant authorities which may vary from time to time. If we fail to register and / or renew the products registration, we will not be able to sell the aforesaid products which may result in a material adverse impact on our business and financial performance.

Some of our products are sold to resellers and distributors who may be required to hold certain licences, permits or approvals from the relevant authorities in various jurisdictions in order for them to sell the products to their customers. Failure by such resellers and distributors to obtain or renew the necessary licences, permits or approvals from the relevant authorities may result in the resellers or distributors having to cease distribution of our products, which may in turn have a material adverse impact on our business and financial performance.

4.1.6 Gestation Period of the New GMP-Compliant Plant

As disclosed in Sections 3.8(a)(i) and 6.22.1(i) of the Prospectus, we intend to construct a new GMP-compliant plant in Nilai, Seremban, Negeri Sembilan Darul Khusus to manufacture powder-based products. In the event that we are unable to obtain or obtain on a timely manner, the manufacturer's licence and / or register the products to be manufactured in the new manufacturing plant, we may not be able to commence operations on time or at all of the new manufacturing plant upon completion of construction. This may adversely affect the business operations and financial performance of our Group.

For illustration purposes only, the potential financial impact that may affect our Group assuming that the construction of the new manufacturing plant had been completed as at 31 December 2015 and that no additional revenue will be generated from the new manufacturing plant since it has not commence operations are as follows:

- additional full year depreciation charge of the new manufacturing plant of approximately RM1.20 million; and
- additional interest expense to be incurred on amount to be funded via borrowings from financial institutions of approximately RM0.10 million to construct the new manufacturing plant.

4. RISK FACTORS (Cont'd)

4.1.7 Breakdown of Machineries and Equipment

Our manufacturing plant is susceptible to interruptions caused by defects or breakdowns of machineries and equipment. In such event, this would affect the production of our in-house manufactured products and result in an adverse impact on our business operations.

4.1.8 Substandard Raw Material Supplied

The raw materials that we use for the manufacturing of our products may deteriorate if kept for a long period of time. To maintain the quality of the raw materials, we order our raw materials in quantities adequate to facilitate our Group's day-to-day intended manufacturing volume. Therefore, the quality of the products manufactured by us is dependent on the consistent supply of raw materials which meet our quality requirements. The raw materials supplied that do not satisfy our quality requirements may result in the failure of our Group to provide safe and quality products to our customers which may subsequently result in an adverse impact to our reputation and business operations.

4.1.9 Product Contamination

Contamination of our products, whether actual or alleged, deliberate or accidental, could potentially harm our business operations and / or our reputation. Any incident of contamination may result in amongst others, the suspension of our licences. It may also affect the quality and safety of our products resulting in customers' complaints, loss of reputation and subsequently loss of income.

4.1.10 Infringement of IP Rights

Our IP is one of the factors that differentiate us from our competitors. Failure to protect our IP rights against infringement or counterfeiting will threaten the image of our Group and result in an adverse impact on our business and financial performance. Details of our registration and applications for trademarks and patents are set out in Section 6.13 of this Prospectus. There is no assurance that our applications for trademark and patent registrations which are currently pending approval for registration will be successful.

The registration of trademarks and patents confer protection to our Group such that third parties are prevented from using trademarks that are similar to ours in respect of the class in which our trademarks have been registered or from exploiting our patents without our consent. As the owner of registered trademarks and patents, we have the right to commence legal proceedings for trademark infringement under the Trade Marks Act 1976 or patent infringement under the Patents Act 1983 in the case of infringement, counterfeiting, unauthorised third party use or exploitation of our trademarks and patents. We will also have recourse under the common law to pursue a tortious action for passing off against third parties who attempt to counterfeit or pass off their products under our trademarks which are pending registration.

Nevertheless, the existing laws and regulations in relation to IP provide only limited protection to our trademarks and patents and such protection is required to be renewed periodically and generally does not have extraterritorial coverage. Third parties may exploit these IP rights in countries in which our trademarks and patents have not been registered or otherwise protected. Further, the filing for and granting of patents will also result in public disclosure of our product formulations which may lead to exploitation of the product formulations in countries where there is no or limited IP protection.

4. RISK FACTORS (Cont'd)

4.1.11 Credit Risk and Default in Payment by Our Customers

Generally, the credit terms granted to our customers range from thirty (30) days to ninety (90) days. Our customers have varying degrees of credit risk profiles which exposes us to the risk of non-payment by them. In the event that our customers default on their payments, our operating cash flows, financial condition and results of operations could be materially and adversely affected.

4.1.12 Adequacy of Insurance Coverage

Our Group's assets are insured against unforeseen events such as fire and burglary. We also have in place money, employer's liability, public liability, product liability and fidelity guarantee and marine cargo insurance policies. In the event that we have inadequate insurance coverage, our business operations may be adversely affected.

4.1.13 Disruption in Shipment

For the FPE 31 August 2016, approximately 94.37% of our purchases are from suppliers outside Malaysia. As such, we may experience disruption in shipment due to, amongst others, weather conditions, delays in custom clearance, strikes, political turmoil or lost shipments, which may have an adverse impact on our business operations.

4.1.14 Foreign Currency Fluctuation Risk

A majority of our purchases and some of our sales are transacted in foreign currencies, primarily in USD and EUR. For the FPE 31 August 2016, approximately 1.44% of our sales were transacted in USD whereas approximately 94.26% of our purchases were transacted in USD and EUR. As such, we are exposed to foreign currency fluctuation risk. Any unfavourable fluctuations in foreign exchange rates may have an adverse impact on our financial performance and profitability.

4.1.15 Financial Risks

Save as disclosed in Section 12.6.3 of this Prospectus, our Group has no other borrowings as at 31 August 2016. All our bank borrowings are interest bearing borrowings and hence, we are susceptible to fluctuations in interest rates.

Further, our Group is bound by certain covenants under facility or loan agreements that we have entered into with financial institutions which may limit our operating and financial flexibility. Any breach of the terms and conditions or covenants in relation to the facility or loan agreements may result in the financial institutions withdrawing such facility or forcing outstanding amounts to become immediately due and payable to the financial institutions which could materially and adversely affect the financial position of our Group.

4.2 Risks in Relation to Our Industry**4.2.1 Outbreak of Disease**

The animal health product sector is highly dependent on the development of the livestock industry. Disease outbreaks such as the avian influenza outbreaks and the Nipah virus outbreak affected the supply and demand for poultry and swine respectively. Similar outbreaks or other new epidemics could have similar effects on the supply and demand of livestock as well as for animal health products.

4. RISK FACTORS (Cont'd)

4.2.2 Dependency on the Livestock Industry

Animal health and nutrition products are a critical part of a livestock farm's operations in ensuring proper nutrition, health and hygiene of the livestock. Therefore, demand for animal health and nutrition products are mainly attributed to the growth in the livestock industry.

(Source: IMR Report)

Our Group is primarily involved in the provision of end-to-end animal health solution comprising the provision of veterinary advisory and consultation services, diagnostic laboratory analyses, R&D activities as well as manufacturing and distribution of animal health products. As such, our business operations are significantly reliant on the performance of the livestock industry especially on the demand of poultry and swine. Any significant drop in the demand of these livestock which could, amongst others, caused by a change in the eating habits of consumers or disease outbreaks affecting livestock would have an adverse impact on our operating results and profitability.

4.2.3 Competition

The local animal health and nutrition market is highly competitive and the market players of the animal health and nutrition market compete on product quality, branding and supply as well as economies of scale and competitive prices in order to cater to larger commercial-scale farms due to the mature nature of the local livestock industry.

(Source: IMR Report)

According to the IMR Report, some of the key market players within the Malaysian animal health and nutrition market that registered an annual turnover of over RM30 million are Age D'or Sdn Bhd, Asia Veterinary Sdn Bhd, Agritech Enterprise Sdn Bhd, Danberg (M) Sdn Bhd, Pacific Vet Group (M) Sdn Bhd, Peterlabs Holdings Berhad, Ritma Prestasi Sdn Bhd, SCC Holdings Berhad and Sunzen Biotech Berhad. Nevertheless, it should be noted that the product offerings of each player may not exactly coincide with others.

In the event that we are unable to remain competitive in the future, increased competition may adversely affect our business and financial performance.

4.2.4 Lack of Qualified Professionals in the Animal Health and Nutrition Market

Our Group's business operations are dependent on the expertise of various qualified professionals such as veterinarians, pharmacists and nutritionists. Any substantial shortage in the supply of qualified professionals may lead to a disruption in our Group's operations.

As at the LPD, our Group employs thirteen (13) veterinarians, three (3) pharmacists, one (1) nutritionist and three (3) registered chemists which are sufficient for our existing operations. In addition, three (3) out of six (6) of our key management are veterinarians registered with the Malaysian Veterinary Council.

4. RISK FACTORS (Cont'd)

4.2.5 Political, Economic and Regulatory Risk

Adverse developments in political, economic and regulatory conditions in Malaysia and other countries in which our Group operates could unfavourably affect the financial position and business prospects of our Group. These risks include, amongst others, changes in political leadership, risk of war, riots and commotions, changes in economic conditions, changes in interest rates, methods of taxation and unfavourable changes in government policies such as introduction of new regulations, import duties and tariffs.

Any slowdown in the global or local economy may also have an adverse impact on the demand for our products and services, which will in turn affect our Group's business operations and financial performance.

4.2.6 R&D Risk

Our Group undertakes R&D activities related to animal health, food safety and agriculture. As such, failure to develop new products or obtain necessary approvals for the products developed in-house may affect our ability to introduce and commercialise new products. In addition, development of new products may have lead times of several years to reach its commercial status and we may not obtain the necessary approvals from the regulatory authorities that are required to commercialise the new products. In such event, we may not be able to recover the cost incurred for the development of new products in time and our results of operations and financial performance may be adversely affected.

4.3 Risks in Relation to Our Shares and Our IPO

4.3.1 Delay or Abortion of Our Listing

Our Listing may potentially be delayed or aborted should any of the following events occur:

- (a) any or all of the identified investors fail for whatever reason to subscribe for our IPO Shares allocated to them; or
- (b) the Sole Underwriter exercising its rights pursuant to the Underwriting Agreement to discharge from its obligations under the Underwriting Agreement; or
- (c) we are unable to meet the public shareholding spread requirement of at least 25% of our enlarged issued and paid-up share capital to be held by a minimum of 1,000 public shareholders holding not less than 100 Shares each at the time of Listing.

In the event we are unable to meet the above requirement, you will not receive any Shares and monies paid in respect of any application accepted will be returned to you without interest within fourteen (14) days after we become liable to repay it. If any such monies are not repaid within fourteen (14) days after we become liable to repay it, then the provisions under sub-section 243(2) of the CMSA shall apply.

If our Listing is aborted and our Shares have been allotted to you, a return of monies to you can only be achieved by way of cancellation of our share capital as provided under the Act. Such cancellation requires the approval of our shareholders by way of a special resolution in a general meeting, consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of High Court of Malaya. There can be no assurance that such monies can be recovered within a short period of time or at all under such circumstances.

4. RISK FACTORS (Cont'd)

4.3.2 No Prior Market for Our Shares and Possible Volatility of Our Share Price

There is no public market for our Shares prior to the Listing. Accordingly, there can be no assurance that an active market for our Shares will develop upon our Listing or if developed, that such market will be sustained.

Our IPO Price was determined after taking into consideration a number of factors, including but not limited to, our Group's financial, operating history and position, our future plans and the prospects for the industry in which our Group operates. There can be no assurance that our IPO Price will correspond to the price at which our Shares will be traded on the Main Market upon or subsequent to our Listing.

Further, the market price of our Shares may be volatile and could trade at prices that may be lower than our IPO Price depending on various factors, some of which are beyond our control and may be unrelated or disproportionate to our operating results. These include, amongst others, the general market economic conditions or securities market sentiments, the liquidity of the market for our Shares and securities analysts' perceptions or estimates of our financial performance.

4.3.3 Control by Promoters

Upon Listing, our Promoters will collectively hold 53.36% of our enlarged issued and paid-up share capital. With their shareholdings, our Promoters are able to influence certain decisions of our Group as they are able to vote on matters such as election of our Directors and any corporate proposal or transaction requiring the approval of our shareholders, save for matters in which they are interested parties and must abstain from voting under the Listing Requirements.

4.3.4 Dividend Payments

Our ability to pay dividends or make other distributions to our shareholders is not guaranteed. Our Board may decide, at its absolute discretion, at any time and for any reason whatsoever, not to pay dividends. Our Company, being an investment holding company derives income mainly from dividends received from our Subsidiaries. Therefore, our ability to pay future dividends and sustain our dividend policy in the future are largely dependent on the financial performance of our Subsidiaries.

In considering the level of dividend, if any, upon recommendation by our Directors, we will consider various factors, including but not limited to our financial performance, cash flow requirements, level of indebtedness, loan covenants and future expansion plans.

4.3.5 Future Fund Raising Exercises May Dilute Shareholders' Equity and / or Restrict Our Operations

We may require additional funding for our future growth. This may result in dilution of our shareholders' equity or restrictions imposed by additional debt funding.

Our capital requirements are dependent on, amongst others, our business, the availability of our resources for attracting, maintaining and enlarging our customer base and the need to maintain and expand our services. Thus, we may need additional capital expenditure for mergers and acquisitions or investments. Any issue of our Shares or other securities to raise funds may dilute shareholders' equity interests and may, in the case of a rights issue, require additional investments by shareholders.

4. RISK FACTORS (Cont'd)

Further, an issue of our Shares, whether below or above the then prevailing market price, may also affect the value of our Shares then held by you. In addition, any additional debt funding would increase our gearing ratio and may restrict our freedom to operate our business as it may have conditions that:

- (i) limit our ability to pay dividends or require us to seek consents for the payment of dividends;
- (ii) increase our vulnerability to general adverse economic and industry conditions;
- (iii) require us to dedicate a portion of our cash flow from operations to repay our debts, thereby reducing the availability of our cash flow for capital expenditures, working capital and other general corporate purposes; and
- (iv) limit our feasibility in planning for, or reacting to, changes in our businesses and our industry.

If we fail to obtain additional funds to meet the requirements for our business or investments, we may not be able to implement future plans that are essential to our continuing growth.

4.3.6 Forward-Looking Statements

Certain statements in this Prospectus are based on historical data which may not be reflective of future results and other statements which are forward-looking in nature, are subject to uncertainties and contingencies. All forward-looking statements are based on estimates and assumptions made by our Board and although believed to be reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, amongst others, general economic and business conditions, competition, the impact of new laws and regulations affecting our Group and industry, changes in interest rates and changes in foreign exchange rates.

Although our Group believes that the expectations reflected in such forward-looking statements are reasonable at this time, there can be no assurance that such expectations will materialise. As such, the inclusion of forward-looking statements in this Prospectus should not be regarded as a representation and warranty by our Group, Principal Adviser and other advisers that the plans and objectives of our Group will be achieved.

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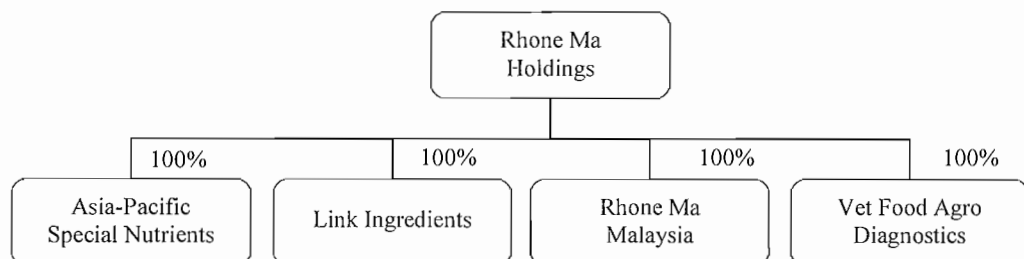
5. INFORMATION ON OUR GROUP

5.1 History of Our Group

Our Company was incorporated in Malaysia under the Act on 4 November 2014 as a private limited company under the name of Rhone Ma Holdings Sdn Bhd and was subsequently converted to a public company limited by shares on 5 June 2015.

We are an investment holding company and are engaged in the provision of management services to our Subsidiaries. Our Subsidiaries are principally involved in the provision of end-to-end animal health solution and the distribution and supply of food ingredients. The provision of end-to-end animal health solution comprises the provision of veterinary advisory and consultation services, diagnostic laboratory analyses, R&D activities as well as manufacturing and distribution of animal health products.

As at the LPD, our Subsidiaries and our Group's corporate structure is as follows:



The history of our Group can be traced back to 2000 with the establishment of Rhone Ma Malaysia by Dr. Raymond Choo and Foong Kam Weng, pursuant to a management buy-out of the animal health division of Rhodia Malaysia Sdn Bhd, to venture into marketing, trading and distribution of animal health products and the provision of veterinary advisory services with a pioneer team of seven (7) other members which included Dr. Lim and Dr. Yip. Since then, our Group was led by Dr. Raymond Choo up to his retirement in 2012. Subsequent to his retirement, our Group is headed by Dr. Lim together with Dr. Yip and Foong Kam Weng, all of whom are instrumental to our Group's success. Currently, Dr. Raymond Choo is a substantial shareholder of Rhone Ma Holdings and a director of all the Subsidiaries. Nevertheless, Dr. Raymond Choo will cease to be our substantial shareholder upon Listing due to dilution of his shareholding from 5.00% to 3.73% of the equity interest in Rhone Ma Holdings upon Listing.

In 2002, our Group ventured into the provision of diagnostic laboratory analysis via Vet Food Agro Diagnostics to offer a wide range of diagnostic laboratory analyses for the veterinary, agriculture and food industries, which allows us to extend from marketing, trading and distribution of animal health products to provide a wider range of offerings.

In 2005, Asia-Pacific Special Nutrients was incorporated to undertake R&D activities related to animal health, food safety and agriculture, which provides us the platform to expand our product range and allows us to develop new animal health products and improve our existing products. Asia-Pacific Special Nutrients was awarded the BioNexus Status in 2007 and was granted 100% tax exemption on the statutory income for a period of ten (10) years. In order to build brand equity and create brand awareness for Asia-Pacific Special Nutrients, the sales of feed additives by Rhone Ma Malaysia, including both third party and in-house manufactured products was transferred to Asia-Pacific Special Nutrients progressively since March 2013 as majority of our in-house manufactured products are under the brand name of Asia-Pacific Special Nutrients. For the FYE 31 December 2013, FYE 31 December 2014, FYE 31 December 2015 and FPE 31 August 2016, the sales of feed additives manufactured by our Group contributed approximately 4.57%, 4.59%, 6.78% and 9.82% of our Group's total revenue respectively. As at the LPD, the transfer of the sales of feed additives by Rhone Ma Malaysia to Asia-Pacific Special Nutrients has been completed and Rhone Ma Malaysia is no longer involved in the sales of feed additives to third party customers.

5. INFORMATION ON OUR GROUP (Cont'd)

As part of our continuing efforts as an end-to-end animal health solution provider, our Group launched the TSP programme in 2009. Under the TSP programme, we are able to integrate the core strengths of our Group which include the provision of veterinary advisory services, diagnostic laboratory analyses and R&D activities with the availability of more than 300 types of animal health products to meet the needs and requirements of each customer. For the FYE 31 December 2013, FYE 31 December 2014, FYE 31 December 2015 and FPE 31 August 2016, the sales of third party animal health products contributed 91.74%, 90.89%, 88.33% and 84.11% of our Group's total revenue respectively.

In 2011, Dr. Lim saw an opportunity to leverage on our Group's existing network as one of our suppliers is involved in the distribution of both animal health products and food ingredients. We expanded our business operations and ventured into the distribution and supply of food ingredients to food manufacturers in Malaysia through one of our Subsidiaries, Link Ingredients which was established in 2007 by promoting food ingredients to our customers who are involved in various downstream activities within the poultry products industry such as meat processing plants and distributors of processed poultry products. Link Ingredients was a dormant company with intended principal activities of manufacturing, R&D and trading in food products prior to the commencement of its business operations in 2011.

To improve the control of the supply of our animal health products, since 2009, our Group also manufactures some animal health products at our manufacturing plant which carry our own brand names such as Rhomicosin, Rhonamox, Rholyte and Nystatin FG. In 2012, our manufacturing plant was certified as a GMP-compliant plant by NPRA.

5.2 Share Capital and Changes in Share Capital

As at the LPD, the authorised share capital of our Company is RM500,000,000 comprising 1,000,000,000 Shares, of which RM61,939,000 comprising 123,878,000 Shares have been issued and fully paid-up. Upon completion of our IPO, the issued and paid-up share capital will be increased to RM83,000,000 comprising 166,000,000 Shares.

The changes in our Company's issued and paid-up share capital since incorporation are as follows:

Date of allotment	No. of Shares allotted	Par value RM	Consideration RM	Cumulative total no. of Shares	Cumulative issued and paid-up share capital RM
04.11.2014	2	0.25	Cash	2	0.50
27.01.2016	2	0.25	Cash	4	1.00
28.01.2016	-	0.50	Consolidation of four (4) existing ordinary shares of RM0.25 each into two (2) ordinary shares of RM0.50 each	2	1.00
28.09.2016	123,877,998	0.50	Otherwise than cash ^(a)	123,878,000	61,939,000

Note:

(a) Issuance of new Shares as consideration for the Acquisition of Rhone Ma Malaysia.

There were no discounts, special terms or instalment payment terms applicable to the payment of consideration for the above allotments. As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Rhone Ma Holdings.

5. INFORMATION ON OUR GROUP *(Cont'd)*

5.3 Information on Our Subsidiaries

5.3.1 Asia-Pacific Special Nutrients

(a) History and Business

Asia-Pacific Special Nutrients was incorporated in Malaysia under the Act on 25 August 2005 as a private limited company and commenced its business operations in 2007. Asia-Pacific Special Nutrients is principally engaged in undertaking R&D activities related to animal health, food safety and agriculture and trading in animal health products.

(b) Substantial Shareholders

As a result of the Acquisition of Asia-Pacific Special Nutrients which was completed on 29 September 2016, Asia-Pacific Special Nutrients is a wholly-owned subsidiary of our Company.

(c) Share Capital

As at the LPD, Asia-Pacific Special Nutrients has an authorised share capital of RM5,000,000 comprising 5,000,000 Asia-Pacific Special Nutrients Shares. The issued and paid-up share capital of Asia-Pacific Special Nutrients is RM1,000,002 comprising 1,000,002 Asia-Pacific Special Nutrients Shares.

There are no changes in the issued and paid-up share capital of Asia-Pacific Special Nutrients for the past three (3) years preceding the LPD.

As at the LPD, Asia-Pacific Special Nutrients does not have any outstanding warrants, options, convertible securities or uncalled capital.

(d) Subsidiary and Associated Company

As at the LPD, Asia-Pacific Special Nutrients does not have any subsidiary or associated company.

5.3.2 Link Ingredients

(a) History and Business

Link Ingredients was incorporated in Malaysia under the Act on 25 April 2007 as a private limited company under the name of Rhone Animal Nutrition (M) Sdn Bhd. Link Ingredients assumed its present name on 29 September 2010 and commenced its business operations in 2011. Link Ingredients is principally engaged in the distribution and supply of food ingredients.

(b) Substantial Shareholders

As a result of the Acquisition of Link Ingredients which was completed on 29 September 2016, Link Ingredients is a wholly-owned subsidiary of our Company.

(c) Share Capital

As at the LPD, Link Ingredients has an authorised share capital of RM1,000,000 comprising 1,000,000 Link Ingredients Shares. The issued and paid-up share capital of Link Ingredients is RM250,000 comprising 250,000 Link Ingredients Shares.

5. INFORMATION ON OUR GROUP *(Cont'd)*

There are no changes in the issued and paid-up share capital of Link Ingredients for the past three (3) years preceding the LPD.

As at the LPD, Link Ingredients does not have any outstanding warrants, options, convertible securities or uncalled capital.

(d) **Subsidiary and Associated Company**

As at the LPD, Link Ingredients does not have any subsidiary or associated company.

5.3.3 **Rhone Ma Malaysia**

(a) **History and Business**

Rhone Ma Malaysia was incorporated in Malaysia under the Act on 12 September 2000 as a private limited company under the name of Rhonema Malaysia Sdn Bhd. It commenced its business operations in 2001 and has assumed its present name since 21 January 2002. Rhone Ma Malaysia is principally engaged in the marketing, trading, distribution and manufacturing of animal health products and the provision of veterinary advisory services.

(b) **Substantial Shareholders**

As a result of the Acquisition of Rhone Ma Malaysia which was completed on 28 September 2016, Rhone Ma Malaysia is a wholly-owned subsidiary of our Company.

(c) **Share Capital**

As at the LPD, Rhone Ma Malaysia has an authorised share capital of RM5,000,000 comprising 5,000,000 Rhone Ma Malaysia Shares. The issued and paid-up share capital of Rhone Ma Malaysia is RM2,450,002 comprising 2,450,002 Rhone Ma Malaysia Shares.

There are no changes in the issued and paid-up share capital of Rhone Ma Malaysia for the past three (3) years preceding the LPD.

As at the LPD, Rhone Ma Malaysia does not have any outstanding warrants, options, convertible securities or uncalled capital.

(d) **Subsidiary and Associated Company**

As at the LPD, Rhone Ma Malaysia does not have any subsidiary or associated company.

5.3.4 **Vet Food Agro Diagnostics**

(a) **History and Business**

Vet Food Agro Diagnostics was incorporated in Malaysia under the Act on 5 October 2001 as a private limited company under the name of Vet Diagnostics (M) Sdn Bhd. It commenced its business operations in 2002 and has assumed its present name since 13 September 2006. Vet Food Agro Diagnostics is principally engaged in the provision of diagnostic laboratory analyses and consultation services to the veterinary, agriculture and food industries.

5. INFORMATION ON OUR GROUP *(Cont'd)*

(b) Substantial Shareholders

As a result of the Acquisition of Vet Food Agro Diagnostics which was completed on 29 September 2016, Vet Food Agro Diagnostics is a wholly-owned subsidiary of our Company.

(c) Share Capital

As at the LPD, Vet Food Agro Diagnostics has an authorised share capital of RM100,000 comprising 100,000 Vet Food Agro Diagnostics Shares. The issued and paid-up share capital of Vet Food Agro Diagnostics is RM30,000 comprising 30,000 Vet Food Agro Diagnostics Shares.

There are no changes in the issued and paid-up share capital of Vet Food Agro Diagnostics for the past three (3) years preceding the LPD.

As at the LPD, Vet Food Agro Diagnostics does not have any outstanding warrants, options, convertible securities or uncalled capital.

(d) Subsidiary and Associated Company

As at the LPD, Vet Food Agro Diagnostics does not have any subsidiary or associated company.

5.4 Listing Exercise

In conjunction with, and as an integral part of the Listing, we undertook:

- (i) the Internal Restructuring;
- (ii) the Acquisitions;

and will undertake the following corporate exercises:

- (iii) the IPO; and
- (iv) the Listing.

5.4.1 Internal Restructuring

Rhone Ma Malaysia had on 28 March 2016 entered into two (2) conditional sale and purchase agreements to acquire the remaining shares in Link Ingredients not already owned by Rhone Ma Malaysia and the entire equity interest in Vet Food Agro Diagnostics for a total cash consideration of RM3,655,865.

5.4.1.1 Acquisition of Link Ingredients by Rhone Ma Malaysia

The acquisition of the remaining shares in Link Ingredients not already owned by Rhone Ma Malaysia involves the acquisition by Rhone Ma Malaysia of the remaining 40% of the issued and paid-up share capital of Link Ingredients from the vendor of Link Ingredients in cash. Prior to the acquisition of the remaining shares in Link Ingredients not already owned by Rhone Ma Malaysia, Rhone Ma Malaysia held 150,000 Link Ingredients Shares representing 60% of the issued and paid-up capital of Link Ingredients.

5. INFORMATION ON OUR GROUP (Cont'd)

The vendor of Link Ingredients and the number of Link Ingredients Shares that were acquired by Rhone Ma Malaysia are as follows:

Vendor	No. of Link Ingredients Shares acquired by Rhone Ma Malaysia	% of issued and paid-up share capital	Cash consideration RM
Dr. Lim	100,000	40.00	1,323,746

The cash consideration of RM1,323,746 for the acquisition of the remaining equity interest in Link Ingredients by Rhone Ma Malaysia was arrived at on a “willing-buyer willing-seller” basis after taking into consideration the audited NA of Link Ingredients as at 31 December 2015 of RM3,309,365.

The acquisition of the remaining shares in Link Ingredients not already owned by Rhone Ma Malaysia was completed on 27 September 2016.

5.4.1.2 Acquisition of Vet Food Agro Diagnostics by Rhone Ma Malaysia

The acquisition of the entire equity interest in Vet Food Agro Diagnostics by Rhone Ma Malaysia involves the acquisition by Rhone Ma Malaysia of the entire issued and paid-up share capital of Vet Food Agro Diagnostics from the vendors of Vet Food Agro Diagnostics in cash.

The vendors of Vet Food Agro Diagnostics and the number of Vet Food Agro Diagnostics Shares that were acquired by Rhone Ma Malaysia are as follows:

Vendors	No. of Vet Food Agro Diagnostics Shares acquired by Rhone Ma Malaysia	% of issued and paid-up share capital	Cash consideration RM
Dr. Lim	15,000	50.00	1,166,059.50
Dr. Raymond Choo	15,000	50.00	1,166,059.50
	30,000	100.00	2,332,119.00

The cash consideration of RM2,332,119 for the acquisition of the entire equity interest in Vet Food Agro Diagnostics by Rhone Ma Malaysia was arrived at on a “willing-buyer willing-seller” basis after taking into consideration the audited NA of Vet Food Agro Diagnostics as at 31 December 2015 of RM2,332,119.

The acquisition of the entire equity interest in Vet Food Agro Diagnostics by Rhone Ma Malaysia was completed on 27 September 2016.

5. INFORMATION ON OUR GROUP (Cont'd)

5.4.2 Acquisitions

On 28 March 2016, we entered into two (2) conditional sale and purchase agreements in relation to the Acquisitions to acquire the entire equity interest of our Subsidiaries, for a total purchase consideration of RM63,219,001.

5.4.2.1 Acquisition of Rhone Ma Malaysia

The Acquisition of Rhone Ma Malaysia involves the acquisition of the entire issued and paid-up share capital of Rhone Ma Malaysia comprising 2,450,002 Rhone Ma Malaysia Shares for a purchase consideration of RM61,938,999 satisfied by the issuance of 123,877,998 new Shares.

The vendors of Rhone Ma Malaysia, the number of Rhone Ma Malaysia Shares that were acquired by Rhone Ma Holdings and the number of new Shares that were issued to the vendors pursuant to the Acquisition of Rhone Ma Malaysia are as set out below:

Vendors	No. of Rhone Ma Malaysia Shares acquired by Rhone Ma Holdings	% of the issued and paid-up share capital	Purchase consideration RM	No. of Shares issued	No. of Shares to be held under BASB on behalf of the vendors [#]
Dr. Lim	698,251	28.50	17,652,549	35,305,098 [^]	31,588,800
Foong Kam Weng	514,500	21.00	13,007,200	26,014,400 [*]	26,014,400
Dr. Yip	367,501	15.00	9,290,850	18,581,700 [*]	18,581,700
Dr. Raymond Choo	122,500	5.00	3,096,950	6,193,900	-
Ker Boon Tong	171,500	7.00	4,335,750	8,671,500	-
Chew Chong Hock	171,500	7.00	4,335,750	8,671,500	-
Tan Leong Ann	171,500	7.00	4,335,750	8,671,500	-
Chan Chew Yen	171,500	7.00	4,335,750	8,671,500 [*]	8,671,500
Lim Hang Chern	61,250	2.50	1,548,450	3,096,900	-
	2,450,002	100.00	61,938,999	123,877,998	84,856,400

Notes:

[#] BASB is an investment holding company incorporated with the intention to hold the investment of Dr. Lim, Foong Kam Weng, Dr. Yip and Chan Chew Yen in Rhone Ma Holdings. Kindly refer to Section 8.1.2 of this Prospectus for further details of BASB.

[^] 31,588,800 Shares issued and allotted to Dr. Lim pursuant to the Acquisition of Rhone Ma Malaysia are held by BASB and the remaining 3,716,298 Shares issued and allotted to Dr. Lim pursuant to the Acquisition of Rhone Ma Malaysia are held by him directly.

^{*} All the Shares issued and allotted to Foong Kam Weng, Dr. Yip and Chan Chew Yen pursuant to the Acquisition of Rhone Ma Malaysia are held by BASB.

5. INFORMATION ON OUR GROUP (Cont'd)

The purchase consideration of RM61,938,999 for the Acquisition of Rhone Ma Malaysia was arrived at on a “willing-buyer willing-seller” basis after taking into consideration the audited consolidated NA of Rhone Ma Malaysia as at 31 December 2015 adjusted for the acquisition of the entire equity interest in Vet Food Agro Diagnostics by Rhone Ma Malaysia and the aggregate net revaluation surplus in respect of the following properties of Rhone Ma Malaysia:

- (a) a warehouse complex known as Lot 18A, Jalan 241, Seksyen 51A, 46100 Petaling Jaya, Selangor Darul Ehsan;
- (b) a warehouse complex known as Lot 18B, Jalan 241, Seksyen 51A, 46100 Petaling Jaya, Selangor Darul Ehsan;
- (c) a piece of industrial land located within Nilai Utama Enterprise Park, Nilai, Negeri Sembilan Darul Khusus held under GRN 212778, Lot 16008, Bandar Nilai Utama, Seremban, Negeri Sembilan Darul Khusus; and
- (d) a piece of industrial land held under H.S.(D) 153802, PT 73996, Mukim Kapar, Klang, Selangor Darul Ehsan.

	RM
Consolidated NA of Rhone Ma Malaysia as at 31 December 2015*	55,910,882.00
Add:	
Aggregate revaluation surplus	6,718,992.00
Less:	
Deferred taxation for the revaluation surplus	(690,970.20)
Adjusted consolidated NA of Rhone Ma Malaysia	<u>61,938,903.80</u>

Note:

* Based on audited consolidated NA of Rhone Ma Malaysia as at 31 December 2015 of RM55,910,882 and adjusted for Internal Restructuring as set out in Section 5.4.1 of this Prospectus which does not result in any net change to the consolidated NA of Rhone Ma Malaysia.

The Acquisition of Rhone Ma Malaysia was completed on 28 September 2016.

5.4.2.2 Acquisition of Asia-Pacific Special Nutrients

The Acquisition of Asia-Pacific Special Nutrients involves the acquisition by Rhone Ma Holdings of the entire issued and paid-up share capital of Asia-Pacific Special Nutrients comprising 1,000,002 Asia-Pacific Special Nutrients Shares from Rhone Ma Malaysia for a total purchase consideration of RM1,000,002 which will be reflected as amount owing by Rhone Ma Holdings to Rhone Ma Malaysia.

The purchase consideration of RM1,000,002 for the Acquisition of Asia-Pacific Special Nutrients was arrived at on a “willing-buyer willing-seller” basis after taking into consideration the issued and paid-up share capital of Asia-Pacific Special Nutrients as at 31 December 2015 of RM1,000,002.

The Acquisition of Asia-Pacific Special Nutrients was completed on 29 September 2016.

5. INFORMATION ON OUR GROUP (Cont'd)

5.4.2.3 Acquisition of Link Ingredients

The Acquisition of Link Ingredients involves the acquisition by Rhone Ma Holdings of the entire issued and paid-up share capital of Link Ingredients comprising 250,000 Link Ingredients Shares from Rhone Ma Malaysia for a total purchase consideration of RM250,000 which will be reflected as amount owing by Rhone Ma Holdings to Rhone Ma Malaysia.

The purchase consideration of RM250,000 for the Acquisition of Link Ingredients was arrived at on a “willing-buyer willing-seller” basis after taking into consideration the issued and paid-up share capital of Link Ingredients as at 31 December 2015 of RM250,000.

The Acquisition of Link Ingredients was completed on 29 September 2016.

5.4.2.4 Acquisition of Vet Food Agro Diagnostics

The Acquisition of Vet Food Agro Diagnostics involves the acquisition by Rhone Ma Holdings of the entire issued and paid-up share capital of Vet Food Agro Diagnostics comprising 30,000 Vet Food Agro Diagnostics Shares from Rhone Ma Malaysia for a total purchase consideration of RM30,000 which will be reflected as amount owing by Rhone Ma Holdings to Rhone Ma Malaysia.

The purchase consideration of RM30,000 for the Acquisition of Vet Food Agro Diagnostics was arrived at on a “willing-buyer willing-seller” basis after taking into consideration the issued and paid-up share capital of Vet Food Agro Diagnostics as at 31 December 2015 of RM30,000.

The Acquisition of Vet Food Agro Diagnostics was completed on 29 September 2016.

5.4.3 IPO

In conjunction with our Listing, upon completion of the abovementioned exercises, we will undertake a public issue of 42,122,000 new Shares representing approximately 25.37% of our enlarged issued and paid-up share capital which will be allocated in the following manner:

5.4.3.1 Malaysian Public

8,300,000 Public Issue Shares, representing 5.00% of our enlarged issued and paid-up share capital will be made available for application by the Malaysian Public to be allocated via balloting, of which 50.00% will be set aside for the Bumiputera Public.

5.4.3.2 Eligible Directors and Employees of Our Group and Other Persons who have Contributed to the Success of Our Group

7,822,000 Public Issue Shares, representing approximately 4.71% of our enlarged issued and paid-up share capital will be made available for application by the eligible Directors and employees of our Group and other persons who have contributed to the success of our Group.

5.4.3.3 Bumiputera Investors Approved by MITI

16,600,000 Public Issue Shares, representing 10.00% of our enlarged issued and paid-up share capital will be made available for application by way of private placement to Bumiputera Investors approved by MITI.